

FORTY-FIFTH DAY

St. Paul, Minnesota, Tuesday, April 4, 2023

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Bishop Richard Howell, Jr.

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	Eichorn	Klein	Miller	Rarick
Anderson	Fateh	Koran	Mitchell	Rasmusson
Boldon	Frentz	Kreun	Mohamed	Rest
Carlson	Green	Kunesh	Morrison	Seeberger
Champion	Gruenhagen	Kupec	Murphy	Utke
Cwodzinski	Gustafson	Lieske	Nelson	Westlin
Dahms	Hauschild	Limmer	Oumou Verbeten	Wiklund
Dibble	Hawj	Mann	Pappas	Xiong
Dornink	Hoffman	Marty	Pha	
Draheim	Howe	Mathews	Port	
Drazkowski	Jasinski	Maye Quade	Pratt	
Dziedzic	Johnson	McEwen	Putnam	

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned:

S.F. No. 1816: A bill for an act relating to state government; providing deficiency funding for the Office of Administrative Hearings; appropriating money.

Patrick D. Murphy, Chief Clerk, House of Representatives

Returned April 3, 2023

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1182, 1486, and 1581.

Patrick D. Murphy, Chief Clerk, House of Representatives

Transmitted April 3, 2023

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1182: A bill for an act relating to public safety; modifying the grounds required for a peace officer to use deadly force; amending Minnesota Statutes 2022, section 609.066, subdivision 2.

Referred to the Committee on Judiciary and Public Safety.

H.F. No. 1486: A bill for an act relating to human services; allowing supervised practice of alcohol and drug counseling by former students for limited time; modifying HIV training requirements in substance use disorder treatment programs; modifying withdrawal management license requirements; modifying substance use disorder treatment client record documentation requirements; amending Minnesota Statutes 2022, sections 148F.11, by adding a subdivision; 245A.19; 245F.04, subdivision 1; 245G.06, subdivision 2b.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1862, now on General Orders.

H.F. No. 1581: A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2022, sections 3.8854; 13.46, subdivision 7; 16A.151, subdivision 2; 17.81, subdivision 3; 62A.307, subdivision 2; 62A.3091, subdivision 2; 62J.581, subdivision 1; 62M.02, subdivision 4; 62U.03, subdivisions 2, 3; 84.83, subdivision 3; 85.34, subdivision 3; 86A.05, subdivisions 2, 4, 9, 11, 12; 86A.21; 92.70, subdivision 3; 93.52; 103A.43; 103B.211, subdivision 1; 103F.405, subdivision 1; 103F.511, subdivision 10; 103F.705; 103F.711, subdivision 6; 103F.715; 103G.005, subdivision 19; 115.55, subdivision 1; 115A.192, subdivision 1; 115A.33; 115A.38, subdivision 1; 115A.39; 115A.54, subdivision 2a; 115A.918, subdivision 2; 116.07, subdivision 4a; 116D.04, subdivision 5a; 119B.011, subdivision 20; 119B.03, subdivision 3; 119B.13, subdivisions 3a, 6; 122A.20, subdivision 2; 124D.19, subdivision 3; 124D.68, subdivision 3; 125A.02, subdivision 1; 144.55, subdivision 2; 144.608, subdivision 1; 144A.471, subdivision 7; 147A.09, subdivision 2; 147D.27,

subdivision 6; 148.211, subdivision 1a; 148.724, subdivision 1; 148B.06, subdivision 2; 148B.5301, subdivision 1; 148E.130, subdivision 1a; 160.10, subdivision 8; 161.14, subdivision 89; 167.60; 168.013, subdivisions 1a, 1e, 3, 18, 23; 168.04, subdivision 2; 168.1253, subdivision 2; 168.1256, subdivision 1; 168.1296, subdivision 1; 168.187, subdivisions 2, 7, 9, 10, 11, 12, 27; 168.61, subdivision 2; 168A.09, subdivision 1; 168A.24, subdivision 2; 168B.09, subdivision 2; 169.09, subdivision 13; 169.223, subdivision 4; 169.4581; 169.64, subdivision 9; 169.751; 169A.25, subdivision 1; 169A.26, subdivision 1; 169A.27, subdivision 1; 169A.28, subdivision 2; 169A.46, subdivision 1; 171.0701, subdivisions 1, 1a; 171.0705, subdivisions 2, 3, 4, 5, 7, 8; 171.26, subdivision 1; 173.02, subdivision 6; 173.13, subdivision 6; 174.03, subdivision 3; 174.30, subdivision 3; 174.75, subdivision 3; 174.84, subdivision 1; 176.101, subdivision 4; 214.40, subdivision 1; 219.073; 219.165; 219.18; 219.501, subdivision 1; 219.551, subdivision 6; 219.561, subdivision 1; 221.031, subdivision 9; 221.0314, subdivision 3a; 221.221, subdivision 2; 221.81, subdivision 3e; 245.4661, subdivisions 2, 6; 245.4885, subdivision 1a; 245.814, subdivision 1; 245.91, subdivision 5; 245A.02, subdivision 5a; 245A.04, subdivision 7; 245A.14, subdivision 4; 245A.16, subdivision 1; 245A.52, subdivision 1; 245C.04, subdivision 10; 245D.03, subdivision 1; 245I.02, subdivision 5; 245I.04, subdivision 5; 246.18, subdivision 2a; 254A.19, subdivision 4; 254B.04, subdivision 1; 254B.09, subdivision 2; 256.0112, subdivision 7; 256.975, subdivision 10; 256B.04, subdivision 1b; 256B.0575, subdivision 2; 256B.0625, subdivisions 17, 57; 256B.0671; 256B.0943, subdivision 1; 256B.0947, subdivision 3a; 256B.4912, subdivision 4; 256B.50, subdivision 1; 256B.76, subdivision 1; 256G.08, subdivision 1; 256J.54, subdivision 1; 256L.07, subdivision 4; 268.136, subdivision 3; 272.02, subdivisions 49, 102, 103; 273.1387, subdivision 2; 273.165, subdivision 1; 290.067, subdivision 1; 290.0671, subdivision 1; 290.0677, subdivisions 1, 2; 290.068, subdivision 3; 290.9705, subdivision 3; 297A.70, subdivision 2; 297A.71, subdivision 44; 297B.10; 297B.12; 297E.021, subdivision 3; 297F.01, subdivision 22b; 297I.20, subdivision 1; 327C.015, subdivision 11; 349.12, subdivision 25; 352.91, subdivision 3f; 360.013, subdivision 50; 360.0161, subdivision 2; 360.061, subdivision 1; 360.067, subdivision 4; 360.511, subdivision 24; 383B.058; 402.02, subdivision 2; 403.03, subdivision 2; 403.11, subdivisions 1, 6; 403.15, subdivision 3; 403.161, subdivision 7; 473H.02, subdivision 4; 477C.03, subdivision 3; 504B.371, subdivision 7; 507.24, subdivision 2; 609.035, subdivision 2; 626.892, subdivision 7; repealing Minnesota Statutes 2022, sections 13.461, subdivision 4; 13.7191, subdivision 16; 147D.27, subdivision 5; 160.165, subdivision 3; 165.14; 168.013, subdivision 16; 168.271, subdivision 2; 174.285, subdivision 7; 219.662, subdivision 2; 256B.051, subdivision 7; 256B.439, subdivision 3b; 290.068, subdivisions 6a, 7; 295.50, subdivision 10b; 297B.04; 297B.05; 299F.851, subdivision 7; Laws 2021, chapter 30, article 17, section 16; Minnesota Rules, parts 5530.1000; 7805.0300; 8810.4100.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1497, now on General Orders.

REPORTS OF COMMITTEES

Senator Boldon moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 3187. The motion prevailed.

Senator Frenz from the Committee on Energy, Utilities, Environment, and Climate, to which was referred

S.F. No. 2847: A bill for an act relating to commerce; establishing a biennial budget for Department of Commerce; modifying various provisions governing insurance; establishing a strengthen Minnesota homes program; regulating money transmitters; establishing and modifying provisions governing energy, renewable energy, and utility regulation; establishing a state competitiveness fund; making technical changes; establishing penalties; authorizing administrative rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 46.131, subdivision 11; 62D.02, by adding a subdivision; 62D.095, subdivisions 2, 3, 4, 5; 62Q.46, subdivisions 1, 3; 62Q.81, subdivision 4, by adding a subdivision; 216B.62, subdivision 3b; 216C.264, subdivision 5, by adding subdivisions; 216C.375, subdivisions 1, 3, 10, 11; proposing coding for new law in Minnesota Statutes, chapters 53B; 65A; 216C; repealing Minnesota Statutes 2022, sections 53B.01; 53B.02; 53B.03; 53B.04; 53B.05; 53B.06; 53B.07; 53B.08; 53B.09; 53B.10; 53B.11; 53B.12; 53B.13; 53B.14; 53B.15; 53B.16; 53B.17; 53B.18; 53B.19; 53B.20; 53B.21; 53B.22; 53B.23; 53B.24; 53B.25; 53B.26; 53B.27, subdivisions 1, 2, 5, 6, 7.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENERGY FINANCE

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 "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. If an appropriation in this act is enacted more than once in the 2023 legislative session, the appropriation must be given effect only once.

APPROPRIATIONS
Available for the Year
Ending June 30
2024 **2025**

Sec. 2. **DEPARTMENT OF COMMERCE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>106,420,000</u>	<u>\$</u>	<u>35,540,000</u>
<u>Appropriations by Fund</u>				
	<u>2024</u>		<u>2025</u>	

<u>General</u>	<u>105,344,000</u>	<u>34,443,000</u>
<u>Petroleum Tank</u>	<u>1,076,000</u>	<u>1,097,000</u>

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

<u>Subd. 2. Energy Resources</u>	<u>105,344,000</u>	<u>34,443,000</u>
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(a) \$150,000 each year is to remediate vermiculite 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) \$15,000,000 in the first year is transferred from the general fund to the solar for schools program account in the special revenue fund for grants under the solar for schools program established under Minnesota Statutes, section 216C.375. The money under this paragraph must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779.

(c) \$1,138,000 in the first year is to provide financial assistance to schools that are state colleges and universities to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.375. This appropriation must be expended on schools located outside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. Money under this paragraph is available until June 30, 2034. Any money remaining on June 30, 2034, cancels to the general fund.

(d) \$189,000 each year is for activities associated with a utility's implementation of a natural gas innovation plan under Minnesota Statutes, section 216B.2427.

(e) \$2,630,000 the first year and \$21,340,000 the second year are for preweatherization work to serve additional households and allow for services that would otherwise be denied due to current federal limitations related to the federal weatherization assistance program. Money under this paragraph is transferred from the general fund to the preweatherization account in the special revenue fund under Minnesota Statutes, section 216C.264, subdivision 1c. The base in fiscal year 2026 is \$690,000 and the base in fiscal year 2027 is \$690,000.

(f) \$3,739,000 each year is for the strengthen Minnesota homes program under Minnesota Statutes, section 65A.299, subdivision 4. Money under this paragraph is transferred from the general fund to the strengthening Minnesota homes account in the special revenue fund. The base in fiscal year 2026 and later is \$1,239,000.

(g) \$300,000 the first year is to conduct an advanced nuclear study. This is a onetime appropriation.

(h) \$850,000 the first year is for a grant to the Minnesota Amateur Sports Commission to replace the roof on the ice rink and a maintenance facility at the National Sports Center in Blaine in order to install solar arrays. This is a onetime appropriation.

(i) \$500,000 the first year and \$500,000 the second year are for a grant to the clean energy resource teams partnerships under Minnesota Statutes, section 216C.385, subdivision 2, to provide additional capacity to perform the duties specified under Minnesota Statutes, section 216C.385, subdivision 3.

(j) \$17,500,000 the first year is for a grant to an investor-owned electric utility that has at least 50,000 retail electric customers, but no more than 200,000 retail electric customers, to increase the capacity and improve the

reliability of an existing high-voltage direct current transmission line that runs between North Dakota and Minnesota. This is a onetime appropriation and must be used to support the cost-share component of a federal grant application to a program enacted in the federal Infrastructure Investment and Jobs Act, Public Law 117-58, and may otherwise be used to reduce the cost of the high-voltage direct current transmission project upgrade.

(k) \$2,410,000 the first year and \$2,410,000 the second year are for grants for the development of clean energy projects by Tribal nations or Tribal communities sharing geographic borders with Minnesota. Of this amount, \$2,000,000 each year is for grants and \$410,000 each year is for technical assistance and administrative support for the Tribal Advocacy Council on Energy under article 4, section 44. This is a onetime appropriation and is available until June 30, 2027. As part of the technical assistance and administrative support for the program, the commissioner must hire a Tribal liaison to support the Tribal Advocacy Council on Energy and advise the department on the development of a culturally responsive clean energy grants program based on the priorities identified by the Tribal Advocacy Council on Energy.

(l) \$3,000,000 the first year is for a grant to Clean Energy Economy Minnesota for the Minnesota Energy Alley initiative to secure the state's energy and economic development future. The appropriation may be used to establish and support the initiative, provide seed funding for businesses, develop a training and development program, support recruitment of entrepreneurs to Minnesota, and secure funding from federal programs and corporate partners to establish a self-sustaining, long-term revenue model. This is a onetime appropriation.

(m) \$500,000 the first year is for a grant to the city of Anoka for feasibility studies as

described in this paragraph and design, engineering, and environmental analysis related to the repair and reconstruction of the Rum River Dam. Findings from the feasibility studies must be incorporated into the design and engineering funded by this appropriation. This appropriation is onetime and is available until June 30, 2027. This appropriation includes money for the following studies: (1) a study to assess the feasibility of adding a lock or other means for boats to traverse the dam to navigate between the lower Rum River and upper Rum River; (2) a study to assess the feasibility of constructing the dam in a manner that would facilitate recreational river surfing at the dam site; and (3) a study to assess the feasibility of constructing the dam in a manner to generate hydroelectric power.

(n) \$3,500,000 the first year is for awarding electric panel upgrade grants under Minnesota Statutes, section 216C.46, and to reimburse the reasonable cost of the department to administer the program. Grants awarded with funds appropriated under this subdivision must be awarded only to owners of single-family homes or multifamily buildings that are located outside the electric service area of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and remains available until June 30, 2032. Any money that remains unexpended on June 30, 2032, cancels to the general fund.

(o) \$10,000,000 the first year is for distributed energy grants under Minnesota Statutes, section 216C.377. Money under this paragraph is transferred to the distributed energy resources system upgrade program account for eligible expenditures under the distributed energy resources system upgrade program. This is a onetime appropriation.

(p) \$5,000,000 the first year is for the Minnesota Climate Innovation Finance Authority established under Minnesota

Statutes, section 216C.441, for the purposes of Minnesota Statutes, section 216C.441. This is a onetime appropriation.

(q) \$1,000,000 the first year is for implementing energy benchmarking under Minnesota Statutes, section 216C.331. This appropriation is onetime and is available until June 30, 2027.

(r) \$750,000 the first year is for grants to qualifying utilities to support the development of technology for implementing energy benchmarking under Minnesota Statutes, section 216C.331. This is a onetime appropriation and is available until June 30, 2026.

(s) \$750,000 the first year is for a grant to Building Owners and Managers Association Greater Minneapolis to establish partnerships with three technical colleges and high school career counselors with a goal of increasing the number of building engineers across Minnesota. This is a onetime appropriation and is available until June 30, 2028. The grant recipient must provide a detailed report describing how the grant money was used to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education by January 15 of each year until 2028. The report must describe the progress made toward the goal of increasing the number of building engineers and strategies used.

(t) \$6,000,000 the first year is to implement the heat pump rebate program under Minnesota Statutes, section 216C.45, and to reimburse the reasonable costs incurred by the department to administer the program. Of this amount: (1) \$4,000,000 is to award rebates under Minnesota Statutes, section 216C.45, subdivision 4; and (2) \$2,000,000 is to conduct contractor training and support under Minnesota Statutes, section 216C.45, subdivision 6. This is a onetime appropriation.

(u) \$2,000,000 the first year is to award rebates to purchase or lease eligible electric vehicles under Minnesota Statutes, section 216C.401. Rebates must be awarded under this paragraph only to eligible purchasers located outside the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation.

(v) \$2,000,000 the first year is to award grants under Minnesota Statutes, section 216C.402, to automobile dealers seeking certification to sell electric vehicles. Grants must only be awarded under this paragraph to eligible dealers located outside the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation.

(w) \$2,000,000 the first year is for grants to install on-site energy storage systems, as defined in Minnesota Statutes, section 216B.2422, subdivision 1, paragraph (f), with a capacity of 50 kilowatt hours or less and that are located outside the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779. To receive a grant under this paragraph, an owner of the energy storage system must be operating a solar energy generating system at the same site as the energy storage system or have filed an application with a utility to interconnect a solar energy generating system at the same site as the energy storage system. This is a onetime appropriation and is available until June 30, 2027.

(x) \$500,000 the first year is for a feasibility study to identify and process Minnesota iron resources that could be suitable for upgrading to long-term battery storage specifications. The results of the feasibility study must be submitted to the commissioner of commerce and to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over

energy policy no later than February 1, 2025.
This is a onetime appropriation.

(y) \$15,000,000 the first year is for electric grid resiliency grants under article 4, section 45. This is a onetime appropriation and is available until June 30, 2028.

(z) \$2,000,000 the first year is for electric school bus grants under Minnesota Statutes, section 216B.1616. This is a onetime appropriation.

(aa) \$1,000,000 the first year is for grants under the Air Ventilation Program Act.

Subd. 3. Petroleum Tank Release Compensation Board

1,076,000

1,097,000

This appropriation is from the petroleum tank fund.

Sec. 3. PUBLIC UTILITIES COMMISSION

\$

10,168,000 \$

10,430,000

Sec. 4. AGRICULTURE

\$

12,892,000 \$

0

\$12,892,000 the first year is for grants to cooperatives to invest in green fertilizer production facilities, as provided under article 4, section 47. This is a onetime appropriation and is available until June 30, 2032.

Sec. 5. ADMINISTRATION

\$

1,190,000 \$

0

(a) \$690,000 the first year is for a contract with the Board of Regents of the University of Minnesota for the Institute on the Environment to research and provide recommendations for establishing new energy guidelines for state buildings under Minnesota Statutes, section 16B.325, subdivision 2. The grant agreement must require the director of the Institute on the Environment to submit a written report that summarizes the findings and recommendations, including recommendations for policy and legislative

changes, to the chairs and ranking minority members of the legislative committees in the house of representatives and the senate with primary jurisdiction over energy policy and capital investment.

(b) \$500,000 the first year is for the environmental analysis of construction materials under Minnesota Statutes, section 16B.312. Of this amount, \$300,000 is transferred to the Department of Transportation.

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. Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), 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 "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

(b) If an appropriation in this article is enacted more than once in the 2023 regular or special legislative session, the appropriation must be given effect only once.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **DEPARTMENT OF COMMERCE**

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>51,920,000</u>	<u>\$</u>	<u>8,000,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **"Made in Minnesota" Administration**

\$100,000 each year is to administer the "Made in Minnesota" solar energy production

incentive program under Minnesota Statutes, section 216C.417. Any unspent amount remaining on June 30, 2025, cancels to the renewable development account.

Subd. 3. Third-Party Evaluator

\$500,000 each year is for costs associated with any third-party expert evaluation of a proposal submitted in response to a request for proposal to the Renewable Development Advisory Group under Minnesota Statutes, section 116C.779, subdivision 1, paragraph (l). No portion of this appropriation may be expended or retained by the commissioner of commerce. Any money appropriated under this paragraph that is unexpended at the end of a fiscal year cancels to the renewable development account.

Subd. 4. Microgrid Research and Application

(a) \$3,000,000 the first year and \$400,000 the second year are for a grant to the University of St. Thomas Center for Microgrid Research for the purposes of paragraph (b). The base in fiscal year 2026 is \$400,000 and \$0 in fiscal year 2027.

(b) The appropriations in this subdivision must be used by the University of St. Thomas Center for Microgrid Research to:

(1) increase the center's capacity to provide industry partners opportunities to test near-commercial microgrid products on a real-world scale and to multiply opportunities for innovative research;

(2) procure advanced equipment and controls to enable the extension of the university's microgrid to additional buildings; and

(3) expand (i) hands-on educational opportunities for undergraduate and graduate electrical engineering students to increase understanding of microgrid operations, and (ii) partnerships with community colleges.

(c) \$4,100,000 the first year is for a grant to the University of St. Thomas Center for Microgrid Research for capacity building and matching requirements as a condition of receiving federal funds. This appropriation is available until June 30, 2034.

Subd. 5. Solar on State College and University Campuses

\$1,138,000 the first year is to provide financial assistance to schools that are state colleges and universities to purchase and install solar energy generating systems under Minnesota Statutes, section 216C.376. This appropriation must be expended on schools located inside the electric service territory of the public utility that is subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and is available until June 30, 2025.

Subd. 6. Granite Falls Hydroelectric Generating Facility

\$2,432,000 the first year is for a grant to the city of Granite Falls for repair and overage costs related to the city's existing hydroelectric generating facility. This is a onetime appropriation and any amount unexpended by June 30, 2025, cancels to the renewable development account.

Subd. 7. National Sports Center Solar Array

\$4,150,000 the first year is to the Minnesota Amateur Sports Commission to install solar arrays. This appropriation may be used to replace the roof and install solar arrays on an ice rink and a maintenance facility at the National Sports Center in Blaine. This is a onetime appropriation.

Subd. 8. Electric Vehicle Rebates

(a) \$2,000,000 the first year is to award rebates to purchase or lease eligible electric vehicles under Minnesota Statutes, section 216C.401. Rebates must be awarded under this paragraph only to eligible purchasers

located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779.

(b) \$2,000,000 the first year is to award grants under Minnesota Statutes, section 216C.402, to automobile dealers seeking certification from an electric vehicle manufacturer to sell electric vehicles. Rebates must only be awarded under this paragraph to eligible dealers located within the retail electric service area of the public utility that is subject to Minnesota Statutes, section 116C.779.

Subd. 9. Area C Contingency Account

\$3,000,000 the first year is for deposit in the Area C contingency account for the purposes of Minnesota Statutes, section 116C.7793. This appropriation is available until June 30, 2028, or five years after the Pollution Control Agency issues any corrective action determination regarding the remediation of Area C under Minnesota Statutes, section 116C.7793, subdivision 3, whichever is later. Any unexpended money remaining in the account on June 30, 2028, cancels to the renewable development account.

Subd. 10. Electric Panel Upgrade Grants

\$3,500,000 the first year is for the purpose of awarding electric panel upgrade grants under Minnesota Statutes, section 216C.46, and to reimburse the reasonable cost of the department to administer the program. Grants awarded with funds appropriated under this subdivision must be awarded only to owners of single-family homes or multifamily buildings that are located within the electric service area of the public utility subject to Minnesota Statutes, section 116C.779. This is a onetime appropriation and remains available until June 30, 2032. Any unexpended money that remains unexpended on June 30, 2032, cancels to the renewable development account.

Subd. 11. Emerald Ash Borer Wood Dehydrator

(a) \$2,000,000 the second year is for a grant to the owner of a biomass energy generation plant in Shakopee that uses waste heat from the generation of electricity in the malting process to purchase a wood dehydrator to facilitate disposal of wood that is infested by emerald ash borer. This is a onetime appropriation.

(b) By October 1, 2024, the commissioner of commerce must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over commerce on the use of money appropriated under this subdivision.

Subd. 12. Energy Storage Incentive Grants

\$10,000,000 the first year is to award grants to install energy storage systems under Minnesota Statutes, section 216C.379, and to pay the reasonable costs incurred by the department to administer Minnesota Statutes, section 216C.379. This is a onetime appropriation and is available until June 30, 2027.

Subd. 13. Distributive Energy Resources System Upgrades

\$5,000,000 the second year is for eligible expenditures under the distributed energy resources system upgrade program established in Minnesota Statutes, section 216C.377. Of this amount, \$250,000 is to implement the small interconnection cost-sharing program ordered by the Public Utilities Commission on December 19, 2022, in Docket E002/M-18-714, to cover the costs of certain distribution upgrades for customers of the utility subject to Minnesota Statutes, section 116C.779, seeking to interconnect distributed generation of up to a certain size. The appropriation under this subdivision may be used for the reasonable costs of distribution upgrades as defined in Minnesota Statutes, section 216C.377, subdivision 1.

Subd. 14. Heat Pump Grants

\$6,000,000 the first year is to implement the heat pump rebate program under Minnesota Statutes, section 216C.45, and to reimburse the reasonable costs incurred by the department to administer the program.

Subd. 15. Solar on Public Buildings

\$5,000,000 the first year is for deposit in the solar on public buildings grant program account for the grant program described in Minnesota Statutes, section 216C.378. The appropriation in this subdivision must be used only to provide grants to public buildings located within the electric service area of the electric utility subject to Minnesota Statutes, section 116C.779.

Subd. 16. Electric School Bus Grants

\$5,000,000 the first year is for electric school bus grants under Minnesota Statutes, section 216B.1616.

<u>Sec. 3. DEPARTMENT OF ADMINISTRATION</u>	<u>\$</u>	<u>90,000</u>	<u>\$</u>	<u>92,000</u>
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\$90,000 the first year and \$92,000 the second year are for software and administrative costs associated with the state building energy conservation improvement revolving loan program under Minnesota Statutes, section 16B.87.

<u>Sec. 4. DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</u>	<u>\$</u>	<u>5,000,000</u>	<u>\$</u>	<u>0</u>
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\$5,000,000 the first year is for the community energy transition grant program under Minnesota Statutes, section 116J.55. This is a onetime appropriation and is available until June 30, 2028.

ARTICLE 3

STRENGTHEN MINNESOTA HOMES

Section 1. [65A.298] HOMEOWNER'S INSURANCE; FORTIFIED PROGRAM STANDARDS.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following term has the meaning given.

(b) "Insurable property" means a residential property designated as meeting the Fortified program standards as administered by the Insurance Institute for Business and Home Safety (IBHS).

Subd. 2. **Fortified new property.** (a) An insurer must provide a premium discount or an insurance rate reduction to an owner who builds or locates a new insurable property in Minnesota.

(b) An owner of insurable property claiming a premium discount or rate reduction under this subdivision must submit a certificate issued by IBHS showing proof of compliance with the Fortified program standards to the insurer prior to receiving the premium discount or rate reduction.

Subd. 3. **Fortified existing property.** (a) An insurer must provide a premium discount or insurance rate reduction to an owner who retrofits an existing property to meet the requirements to be an insurable property in Minnesota.

(b) An owner of insurable property claiming a premium discount or rate reduction under this subdivision must submit a certificate issued by IBHS showing proof of compliance with the Fortified program standards to the insurer prior to receiving the premium discount or rate reduction.

Subd. 4. **Insurers.** (a) An insurer must submit to the commissioner actuarially justified rates and a rating plan for a person who builds or locates a new insurable property in Minnesota.

(b) An insurer must submit to the commissioner actuarially justified rates and a rating plan for a person who retrofits an existing property to meet the requirements to be an insurable property.

(c) An insurer may offer, in addition to the premium discount and insurance rate reductions required under subdivisions 2 and 3, more generous mitigation adjustments to an owner of insurable property.

(d) Any premium discount, rate reduction, or mitigation adjustment offered by an insurer under this section applies only to policies that include wind coverage and may be applied (1) only to the portion of the premium for wind coverage or; (2) for the total premium, if the insurer does not separate the premium for wind coverage in the insurer's rate filing.

Sec. 2. [65A.299] STRENGTHEN MINNESOTA HOMES PROGRAM.

Subdivision 1. **Short title.** This section may be cited as the "Strengthen Minnesota Homes Act."

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

(b) "Insurable property" has the meaning given in section 65A.298, subdivision 1.

(c) "Program" means the Strengthen Minnesota Homes program established under this section.

Subd. 3. **Program established; purpose, permitted activities.** The Strengthen Minnesota Homes program is established within the Department of Commerce. The purpose of the program is to provide grants to retrofit insurable property to resist loss due to common perils, including but not limited to tornadoes or other catastrophic windstorm events.

Subd. 4. **Strengthen Minnesota homes account; appropriation.** (a) A strengthen Minnesota homes account is created as a separate account in the special revenue fund of the state treasury. The account consists of money provided by law and any other money donated, allotted, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund and remains in the account until expended. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner to pay for (1) grants issued under the program, and (2) the reasonable costs incurred by the commissioner to administer the program.

Subd. 5. **Use of grants.** (a) A grant under this section must be used to retrofit an insurable property.

(b) Grant money provided under this section must not be used for maintenance or repairs, but may be used in conjunction with repairs or reconstruction necessitated by damage from wind or hail.

(c) A project funded by a grant under this section must be completed within three months of the date the grant is approved. Failure to complete the project in a timely manner may result in forfeiture of the grant.

Subd. 6. **Applicant eligibility.** The commissioner must develop (1) administrative procedures to implement this section, and (2) criteria used to determine whether an applicant is eligible for a grant under this section.

Subd. 7. **Contractor eligibility; conflicts of interest.** (a) To be eligible to work as a contractor on a project funded by a grant under this section, the contractor must meet all of the following program requirements and must maintain a current copy of all certificates, licenses, and proof of insurance coverage with the program office. The eligible contractor must:

(1) hold a valid residential building contractor and residential remodeler license issued by the commissioner of labor and industry;

(2) not be subject to disciplinary action by the commissioner of labor and industry;

(3) hold any other valid state or jurisdictional business license or work permits required by law;

(4) possess an in-force general liability policy with \$1,000,000 in liability coverage;

(5) possess an in-force workers' compensation policy with \$1,000,000 in coverage;

(6) possess a certificate of compliance from the commissioner of revenue;

(7) successfully complete the Fortified Roof for High Wind and Hail training provided by the IBHS or IBHS's successor and maintain an active certification and provide a certificate of successful completion. The training may be offered as separate courses;

(8) agree to the terms and successfully register as a vendor with the commissioner of management and budget and receive direct deposit of payment for mitigation work performed under the program;

(9) maintain Internet access and keep a valid email address on file with the program and remain active in the commissioner of management and budget's vendor and supplier portal while working on the program;

(10) maintain an active email address for the communication with the program;

(11) successfully complete the program training; and

(12) agree to follow program procedures and rules established under this section and by the commissioner.

(b) An eligible contractor must not have a financial interest, other than payment on behalf of the homeowner, in any project for which the eligible contractor performs work toward a fortified designation under the program. An eligible contractor is prohibited from acting as the evaluator for a fortified designation on any project funded by the program. An eligible contractor must report to the commissioner regarding any potential conflict of interest before work commences on any job funded by the program.

Subd. 8. Evaluator eligibility; conflicts of interest. (a) To be eligible to work on the program as an evaluator, the evaluator must meet all program eligibility requirements and must submit to the commissioner and maintain a copy of all current certificates and licenses. The evaluator must:

(1) be in good standing with IBHS and maintain an active certification as a fortified home evaluator for high wind and hail or a successor certification;

(2) possess a Minnesota business license and be registered with the secretary of state; and

(3) successfully complete the program training.

(b) An evaluator must not have a financial interest in any project that the evaluator inspects for designation purposes for the program. An evaluator must not be an eligible contractor or supplier of any material, product, or system installed in any home that the evaluator inspects for designation purposes for the program. An evaluator must not be a sales agent for any home being designated for the program. An evaluator must inform the commissioner of any potential conflict of interest impacting the evaluator's participation in the program.

Subd. 9. Grant approval; allocation. (a) The commissioner must review all applications for completeness and must perform appropriate audits to verify (1) the accuracy of the information on the application, and (2) that the applicant meets all eligibility rules. All verified applicants must be placed in the order the application was received. Grants must be awarded on a first-come, first-served basis, subject to availability of money for the program.

(b) When a grant is approved, an approval letter must be sent to the applicant.

(c) An eligible contractor is prohibited from beginning work until a grant is approved.

(d) In order to ensure equitable distribution of grants in proportion to the income demographics in counties where the program is made available, grant applications must be accepted on a first-come, first-served basis. The commissioner may establish pilot projects as needed to establish a sustainable program distribution system in any geographic area within Minnesota.

Subd. 10. **Grant award process; release of grant money.** (a) After a grant application is approved, the eligible contractor selected by the homeowner may begin the mitigation work.

(b) Once the mitigation work is completed, the eligible contractor must submit a copy of the signed contract to the commissioner, along with an invoice seeking payment and an affidavit stating the fortified standards were met by the work.

(c) The IBHS evaluator must conduct all required evaluations, including a required interim inspection during construction and the final inspection, and must confirm that the work was completed according to the mitigation specifications.

(d) Grant money must be released on behalf of an approved applicant only after a fortified designation certificate has been issued for the home. The program or another designated entity must, on behalf of the homeowner, directly pay the eligible contractor that performed the mitigation work. The program or the program's designated entity must pay the eligible contractor the costs covered by the grant. The homeowner must pay the eligible contractor for the remaining cost after receiving an IBHS fortified certificate.

(e) The program must confirm that the homeowner's insurer provides the appropriate premium credit.

(f) The program must conduct random reinspections to detect any fraud and must submit any irregularities to the attorney general.

Subd. 11. **Limitations.** (a) This section does not create an entitlement for property owners or obligate the state of Minnesota to pay for residential property in Minnesota to be inspected or retrofitted. The program under this section is subject to legislative appropriations, the receipt of federal grants or money, or the receipt of other sources of grants or money. The department may obtain grants or other money from the federal government or other funding sources to support and enhance program activities.

(b) All mitigation under this section is contingent upon securing all required local permits and applicable inspections to comply with local building codes and applicable Fortified program standards. A mitigation project receiving a grant under this section is subject to random reinspection at a later date.

ARTICLE 4**ENERGY POLICY****Section 1. [16B.312] CONSTRUCTION MATERIALS; ENVIRONMENTAL ANALYSIS.**

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

(b) "Carbon steel" means steel in which the main alloying element is carbon and whose properties are chiefly dependent on the percentage of carbon present.

(c) "Commissioner" means the commissioner of administration.

(d) "Electric arc furnace" means a furnace that produces molten alloy metal and heats the charge materials with electric arcs from carbon electrodes.

(e) "Eligible material" means:

(1) carbon steel rebar;

(2) structural steel;

(3) concrete; or

(4) asphalt paving mixtures.

(f) "Eligible project" means:

(1) new construction of a state building larger than 50,000 gross square feet of occupied or conditioned space;

(2) renovation of more than 50,000 gross square feet of occupied or conditioned space in a state building whose renovation cost exceeds 50 percent of the building's assessed value; or

(3) new construction or reconstruction of two or more lane-miles of a trunk highway.

(g) "Environmental product declaration" means a supply chain specific type III environmental product declaration that:

(1) contains a material production lifecycle assessment of the environmental impacts of manufacturing a specific product by a specific firm, including the impacts of extracting and producing the raw materials and components that compose the product;

(2) is verified by a third party; and

(3) meets the ISO 14025 standard developed and maintained by the International Organization for Standardization (ISO).

(h) "Global warming potential" has the meaning given in section 216H.10, subdivision 6.

(i) "Greenhouse gas" has the meaning given to "statewide greenhouse gas emissions" in section 216H.01, subdivision 2.

(j) "Integrated steel production" means the production of iron and subsequently steel primarily from iron ore or iron ore pellets.

(k) "Lifecycle" means an analysis that includes the environmental impacts of all stages of a specific product's production, from mining and processing the product's raw materials to the process of manufacturing the product.

(l) "Rebar" means a steel reinforcing bar or rod encased in concrete.

(m) "Secondary steel production" means the production of steel from primarily ferrous scrap and other metallic inputs that are melted and refined in an electric arc furnace.

(n) "State building" means a building owned by the state of Minnesota or a Minnesota state agency.

(o) "Structural steel" means steel that is classified by the shape of the steel's cross-sections, such as I, T, and C shapes.

(p) "Supply chain specific" means an environmental product declaration that includes specific data for the production processes of the materials and components composing a product that contribute at least 80 percent of the product's material production lifecycle global warming potential, as defined in ISO standard 21930.

Subd. 2. **Standard; maximum global warming potential.** (a) The commissioner shall, after reviewing the recommendations from the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish and publish a maximum acceptable global warming potential for each eligible material used in an eligible project, in accordance with the following schedule:

(1) for concrete used in buildings, no later than January 15, 2026; and

(2) for carbon steel rebar and structural steel and, after conferring with the commissioner of transportation, for asphalt paving mixtures and concrete pavement, no later than January 15, 2028.

(b) The commissioner shall, after considering nationally or internationally recognized databases of environmental product declarations for an eligible material, establish the maximum acceptable global warming potential for the eligible material.

(c) The commissioner may set different maximum global warming potentials for different specific products and subproduct categories that are examples of the same eligible material based on distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production.

(d) The commissioner must establish maximum global warming potentials that are consistent with criteria in an environmental product declaration.

(e) Not later than three years after establishing the maximum global warming potential for an eligible material under paragraph (a) and not longer than every three years thereafter the commissioner, after conferring with the commissioner of transportation with respect to asphalt paving mixtures and concrete pavement, shall review the maximum acceptable global warming potential for each eligible material and for specific eligible material products. The commissioner may adjust any of the values downward to reflect industry improvements if, based on the process described in paragraph (b), the commissioner determines the industry average has declined.

Subd. 3. **Procurement process.** The Department of Administration and the Department of Transportation shall, after reviewing the recommendations of the Environmental Standards Procurement Task Force made under subdivision 5, paragraph (c), establish processes for incorporating the maximum allowable global warming potential of eligible materials into bidding processes by the effective dates listed in subdivision 2.

Subd. 4. **Pilot program.** (a) No later than July 1, 2024, the Department of Administration must establish a pilot program that seeks to obtain from vendors an estimate of the material production lifecycle greenhouse gas emissions of products selected by the departments from among those procured. The pilot program must encourage, but may not require, a vendor to submit the following data for each selected product that represents at least 90 percent of the total cost of the materials or components composing the selected product:

- (1) the quantity of the product purchased by the department;
- (2) a current environmental product declaration for the product;
- (3) the name and location of the product's manufacturer;
- (4) a copy of the vendor's Supplier Code of Conduct, if any;
- (5) the names and locations of the product's actual production facilities; and
- (6) an assessment of employee working conditions at the product's production facilities.

(b) The Department of Administration must construct or provide access to a publicly accessible database, which shall be posted on the department's website and contain the data reported to the department under this subdivision.

Subd. 5. **Environmental Standards Procurement Task Force.** (a) No later than October 1, 2023, the commissioners of administration and transportation must establish an Environmental Standards Procurement Task Force to examine issues surrounding the implementation of a program requiring vendors of certain construction materials purchased by the state to:

(1) submit environmental product declarations that assess the material production lifecycle environmental impacts of the materials to state officials as part of the procurement process; and

(2) meet standards established by the commissioner of administration that limit greenhouse gas emissions impacts of the materials.

(b) The task force must examine, at a minimum, the following:

(1) which construction materials should be subject to the program requirements and which construction materials should be considered to be added, including lumber, aluminum, glass, and insulation;

(2) what factors should be considered in establishing greenhouse gas emissions standards, including distinctions between eligible material production and manufacturing processes, such as integrated versus secondary steel production;

(3) a schedule for the development of standards for specific materials and for incorporating the standards into the purchasing process, including distinctions between eligible material production and manufacturing processes;

(4) the development and use of financial incentives to reward vendors for developing products whose greenhouse gas emissions are below the standards;

(5) the provision of grants to defer a vendor's cost to obtain environmental product declarations;

(6) how to ensure that lowering environmental product declaration values does not negatively impact the durability or longevity of construction materials or built structures;

(7) how the issues in clauses (1) to (5) are addressed by existing programs in other states and countries;

(8) coordinating with the federal Buy Clean Task Force established under Executive Order 14057 and representatives of the United States Departments of Commerce, Energy, Housing and Urban Development, and Transportation; Environmental Protection Agency; General Services Administration; White House Office of Management and Budget; and the White House Domestic Climate Policy Council; and

(9) any other issues the task force deems relevant.

(c) The task force shall make recommendations to the commissioners of administration and transportation regarding:

(1) how to implement requirements that maximum global warming impacts for eligible materials be integrated into the bidding process for eligible projects;

(2) incentive structures that can be included in bidding processes to encourage the use of materials whose global warming potential is below the maximum established under subdivision 2;

(3) how a successful bidder for a contract notifies the commissioner of the specific environmental product declaration for a material used on a project;

(4) a process for waiving the requirements to procure materials below the maximum global warming potential resulting from product supply problems, geographic impracticability, or financial hardship;

(5) a system for awarding grants to manufacturers of eligible materials located in Minnesota to offset the cost of obtaining environmental product declarations or otherwise collect environmental product declaration data from manufacturers based in Minnesota;

(6) whether to use an industry average or a different method to set the maximum allowable global warming potential, or whether that average could be used for some materials but not others;

(7) how to create and manage a database for environmental product declaration data that is consistent with data governance procedures of the departments and is compatible for data sharing with other states and federal agencies;

(8) how to account for differences among geographical regions with respect to the availability of covered materials, fuel and other necessary resources, and the quantity of covered materials that the department uses or plans to use; and

(9) any other items task force deems necessary in order to implement this section.

(d) Members of the task force must include but are not limited to representatives of:

(1) the Departments of Administration and Transportation;

(2) the Center for Sustainable Building Research at the University of Minnesota;

(3) the Aggregate and Ready Mix Association of Minnesota;

(4) the Concrete Paving Association of Minnesota;

(5) the Minnesota Asphalt Pavement Association;

(6) the Minnesota Board of Engineering;

(7) a representative of the Minnesota iron mining industry;

(8) building and transportation construction firms;

(9) suppliers of eligible materials;

(10) organized labor in the construction trades;

(11) organized labor in the manufacturing or industrial sectors;

(12) environmental advocacy organizations; and

(13) environmental justice organizations.

(e) The Department of Administration must provide meeting space and serve as staff to the task force.

(f) The commissioner of administration or the commissioner's designee shall serve as chair of the task force. The task force must meet at least four times annually and may convene additional meetings at the call of the chair.

(g) The commissioner of administration shall summarize the findings and recommendations of the task force in a report submitted to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over state government, transportation,

and energy no later than December 1, 2025, and annually thereafter for as long as the task force continues its operations.

(h) The task force is subject to section 15.059, subdivision 6.

(i) The task force expires on January 1, 2029.

Subd. 6. **Environmental product declarations; grant program.** A grant program is established in the Department of Administration to award grants to manufacturers to assist in obtaining environmental product declarations or in otherwise collecting environmental product declaration data from manufacturers in Minnesota. The commissioner of administration shall develop procedures for processing grant applications and making grant awards. Grant applicants must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner shall act as fiscal agent for the grant program and is responsible for receiving and reviewing grant applications and awarding grants under this subdivision.

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

Sec. 2. Minnesota Statutes 2022, section 16B.325, subdivision 2, is amended to read:

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must:

(1) focus on achieving the lowest possible lifetime cost, considering both construction and operating costs, for new buildings and major renovations, ~~and~~;

(2) allow for ~~changes in the guidelines~~ revisions that encourage continual energy conservation improvements in new buildings and major renovations. ~~The guidelines shall;~~

(3) define "major renovations" for purposes of this section. ~~The definition may not allow "major renovations" to encompass not less than 10,000 square feet or to encompass not less than the replacement of the mechanical, ventilation, or cooling system of the a building or a building section of the building. The design guidelines must;~~

(4) establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements;

(5) establish resiliency guidelines to encourage design that allows buildings to adapt to and accommodate projected climate-related changes that are reflected in both acute events and chronic trends, including but not limited to changes in temperature and precipitation levels;

(6) specify ways to reduce material costs; and ~~must~~

(7) consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.

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

Sec. 3. Minnesota Statutes 2022, section 16B.58, is amended by adding a subdivision to read:

Subd. 9. **Electric vehicle charging.** A person that charges a privately owned electric vehicle at a charging station located within the Capitol area, as defined in section 15B.02, must pay an electric service fee established by the commissioner.

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

Sec. 4. Minnesota Statutes 2022, section 16C.135, subdivision 3, is amended to read:

Subd. 3. **Vehicle purchases.** (a) Consistent with section 16C.137, subdivision 1, when purchasing a motor vehicle for the enterprise fleet or for use by an agency, the commissioner or the agency shall purchase ~~a motor vehicle that is capable of being powered by cleaner fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid fuel, if the total life-cycle cost of ownership is less than or comparable to that of other vehicles and if the vehicle is capable~~ the motor vehicle according to the following vehicle preference order:

(1) an electric vehicle;

(2) a hybrid electric vehicle;

(3) a vehicle capable of being powered by cleaner fuels; and

(4) a vehicle powered by gasoline or diesel fuel.

(b) The commissioner may only reject a vehicle that is higher on the vehicle preference order if:

(1) the vehicle type is incapable of carrying out the purpose for which it is purchased; or

(2) the total life-cycle cost of ownership of a preferred vehicle type is more than ten percent higher than the next vehicle type on the vehicle preference order.

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

Sec. 5. Minnesota Statutes 2022, section 16C.137, subdivision 1, is amended to read:

Subdivision 1. **Goals and actions.** Each state department must, whenever legally, technically, and economically feasible, subject to the specific needs of the department and responsible management of agency finances:

(1) ensure that all new on-road vehicles ~~purchased, excluding emergency and law enforcement vehicles,~~ are purchased in conformity with the vehicle preference order established in section 16C.135, subdivision 3;

(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1;

(ii) ~~have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles per gallon for highway usage, including but not limited to hybrid electric cars and hydrogen-powered vehicles; or~~

(iii) are powered solely by electricity;

(2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and hydrogen from agricultural products; and

(3) increase its use of web-based Internet applications and other electronic information technologies to enhance the access to and delivery of government information and services to the public, and reduce the reliance on the department's fleet for the delivery of such information and services.

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

Sec. 6. Minnesota Statutes 2022, 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 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. 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 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. 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).

(n) 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) 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) The advisory group 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) 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) 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) 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) 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) Of the amount in the renewable development account, priority must be given to making the payments required under section 216C.417.

(v) Construction projects receiving funds from this account are subject to the requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to construction contracts entered into on or after that date.

Sec. 7. Minnesota Statutes 2022, 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;

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

(3) ~~\$5,000,000~~ \$10,000,000 in 2023; and

(4) ~~\$5,000,000~~ \$15,000,000 in 2024.

(e) Of the amounts allocated under paragraph (d), clauses (3) and (4), half in each year must be reserved for solar energy systems owned and constructed by persons with limited financial resources.

~~(e)~~ (f) 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)~~ (g) Any unspent amount remaining on January 1, ~~2025~~ 2028, must be transferred to the renewable development account.

~~(g)~~ (h) 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)~~ (i) 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.

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

Sec. 8. [116C.7793] SOLAR ENERGY; CONTINGENCY ACCOUNT.

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

(b) "Agency" means the Minnesota Pollution Control Agency.

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

(d) "Area C" means the site located west of Mississippi River Boulevard in St. Paul that served as an industrial waste dump for the former Ford Twin Cities Assembly Plant.

(e) "Corrective action determination" means a decision by the agency regarding actions to be taken to remediate contaminated soil and groundwater at Area C.

(f) "Owner" means the owner of the solar energy generating system planned to be deployed at Area C.

(g) "Solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

Subd. 2. **Account established.** (a) The Area C contingency account is established as a separate account in the special revenue fund in the state treasury. Transfers and appropriations to the account, and any earnings or dividends accruing to assets in the account, must be credited to the account. The commissioner shall serve as fiscal agent and shall manage the account.

(b) Money in the account is appropriated to the commissioner to make payments to an owner under this section.

Subd. 3. **Distribution of funds; conditions.** Money from the account may be distributed by the commissioner to the owner of a solar energy generating system planned to be deployed at Area C under the following conditions:

(1) the agency issues a corrective action determination after the owner has begun to design or construct the project, and the nature of the corrective action determination requires (i) the project to be redesigned, or (ii) construction to be interrupted or altered; or

(2) the agency issues a corrective action determination whose work plan requires temporary cessation or partial or complete removal of the solar energy generating system after it has become operational.

Subd. 4. **Distribution of funds; process.** (a) The owner may file a request for distribution of funds from the commissioner if either of the conditions in subdivision 3 occur. The filing must (1) describe the nature of the impact of the agency's work plan that results in economic losses to the owner, and (2) include a reasonable estimate of the amount of those losses.

(b) The owner must provide the commissioner with information the commissioner determines to be necessary to assist in the review of the filing required under this subdivision.

(c) The commissioner shall review the owner's filing within 60 days of submission and shall approve a request the commissioner determines is reasonable.

Subd. 5. **Expenditures.** Money distributed by the commissioner to the owner under this section may be used by the owner only to pay for:

(1) removal, storage, and transportation costs incurred for removal of the solar energy generating system or any associated infrastructure, and any costs to reinstall equipment;

(2) costs of redesign or new equipment or infrastructure made necessary by the activities of the agency's work plan;

(3) lost revenues resulting from the inability of the solar energy generating system to generate sufficient electricity to fulfill the terms of the power purchase agreement between the owner and the purchaser of electricity generated by the solar energy generating system;

(4) other damages incurred under the power purchase agreement resulting from the cessation of operations made necessary by the activities of the agency's work plan; and

(5) the cost of energy required to replace the energy that was to be generated by the solar energy generating system and purchased under the power purchase agreement.

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

Sec. 9. **[123B.661] AIR VENTILATION PROGRAM ACT.**

Sections 123B.661 to 123B.663 may be cited as the "Air Ventilation Program Act."

Sec. 10. **[123B.662] DEFINITIONS.**

Subdivision 1. **General.** For purposes of sections 123B.661 to 123B.663, the terms in this section have the meanings given unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. **ANSI.** "ANSI" means American National Standards Institute.

Subd. 3. **ASHRAE.** "ASHRAE" means American Society of Heating Refrigeration Air Conditioning Engineers.

Subd. 4. **Certified TAB technician.** "Certified TAB technician" means a technician certified to perform testing, adjusting, and balancing of HVAC systems by the Associated Air Balance Council, National Environmental Balancing Bureau, or the Testing, Adjusting and Balancing Bureau.

Subd. 5. **HVAC.** "HVAC" means heating, ventilation, and air conditioning.

Subd. 6. **Licensed professional engineer.** "Licensed professional engineer" means a professional engineer licensed under sections 326.02 to 326.15 who holds an active license, is in good standing, and is not subject to any disciplinary or other actions with the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design.

Subd. 7. **MERV.** "MERV" means minimum efficiency reporting value established by ASHRAE Standard 52.2-2017 - Method of Testing General Ventilation Air-Cleaning Devices for Removal Efficiency by Particle Size.

Subd. 8. **Program.** "Program" means the air ventilation program.

Subd. 9. **Program administrator.** "Program administrator" means the commissioner of commerce or the commissioner's representative.

Subd. 10. **Qualified adjusting personnel.** "Qualified adjusting personnel" means one of the following:

(1) a certified TAB technician; or

(2) a skilled and trained workforce under the supervision of a certified TAB technician.

Subd. 11. **Qualified testing personnel.** "Qualified testing personnel" means one of the following:

(1) a certified TAB technician; or

(2) a skilled and trained workforce under the supervision of a certified TAB technician.

Subd. 12. **Registered apprenticeship program.** "Registered apprenticeship program" means an apprenticeship program that is registered under chapter 178 or Code of Federal Regulations, title 29, part 29.

Subd. 13. **Skilled and trained workforce.** "Skilled and trained workforce" means a workforce in which at least 80 percent of the construction workers are either graduates of a registered apprenticeship program for the applicable occupation or are registered as apprentices in a registered apprenticeship program for the applicable occupation.

Subd. 14. **TAB.** "TAB" means testing, adjusting, and balancing of an HVAC system.

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

Sec. 11. **[123B.663] AIR VENTILATION PILOT PROGRAM GRANTS AND GUIDELINES.**

Subdivision 1. **Grant program.** The Department of Commerce shall establish and administer the air ventilation program to award grants to school boards to reimburse the school boards for the following activities:

(1) completion of a heating, ventilation, and air conditioning assessment report;

(2) subsequent testing, adjusting balancing work performed as a result of assessment; and

(3) ventilation equipment upgrades, replacements, or other measures recommended by the assessment to improve health, safety, and HVAC system efficiency.

Subd. 2. **Grant awards.** (a) The program administrator shall award a grant if the school board meets the following requirements:

(1) completes a heating, ventilation, and air conditioning assessment report by qualified testing personnel or qualified adjusting personnel. The report must be verified by a licensed professional engineer and include costs of adjustments or repairs necessary to meet minimum ventilation and filtration requirements and determine whether any cost-effective energy efficiency upgrades or replacements are warranted or recommended;

(2) all work required after conducting the assessment must be performed by a skilled and trained workforce;

(3) upon completion of the work for which a school board is seeking reimbursement, the school board must conduct an HVAC verification report that includes the name and address of the school facility and individual or contractor preparing and certifying the report and a description of the assessment, maintenance, adjustment, repair, upgrade, and replacement activities and outcomes; and

(4) verification that the school board has complied with all requirements. Verification must include documentation that either MERV 13 filters have been installed or verification that the maximum MERV-rated filter that the system is able to effectively handle has been installed; documentation of the MERV rating; the verified ventilation rates for occupied areas of the school and whether those rates meet the requirements set forth in ANSI/ASHRAE Standard 62.1-2019, with an accompanying explanation for any ventilation rates that do not meet applicable requirements documenting why the current system is unable to meet requirements; the verified exhaust for occupied areas and whether those rates meet the requirements set forth in the system design intent; documentation of system deficiencies; recommendations for additional maintenance, replacement, or upgrades to improve energy efficiency, safety, or performance; documentation of initial operating verifications, adjustments, and final operating verifications; documentation of any adjustments or repairs performed; verification of installation of carbon dioxide monitors, including the make and model of monitors; and verification that all work has been performed by qualified personnel, including the contractor's name, certified TAB technician name and certification number, and verification that all construction work has been performed by a skilled and trained workforce.

(b) Grants shall be prioritized to give direct support to schools and school children in communities with high rates of poverty, as determined by receipt of federal Title I funding.

(c) Grants shall be awarded to reimburse schools for 50 percent of costs incurred for work performed under paragraph (a), clauses (1) to (3), with a maximum grant award of \$50,000.

(d) The school board shall maintain a copy of the HVAC verification report and make it available to students, parents, school personnel, and to any member of the public or the program administrator upon request.

Subd. 3. Program guidelines and rules. (a) The program administrator shall:

(1) adopt guidelines for the air ventilation program no later than March 1, 2024;

(2) establish the timing of grant funding; and

(3) ensure the air ventilation program is operating and may receive applications for grants no later than November 1, 2023, and begin to approve applications no later than January 1, 2024, subject to the availability of funds.

(b) The technical and reporting requirements of the air ventilation program may be amended by the program administrator as necessary to reflect current COVID-19 guidance or other applicable guidance, to achieve the intent of the air ventilation program, and to ensure consistency with other related requirements and codes.

(c) The program administrator may use no more than five percent of the program funds for administering the program, including providing technical support to program participants.

Sec. 12. Minnesota Statutes 2022, section 168.27, is amended by adding a subdivision to read:

Subd. 2a. **Dealer training; electric vehicles.** (a) A new motor vehicle dealer licensed under this chapter that operates under an agreement or franchise from a manufacturer and sells electric vehicles must maintain at least one employee who is certified as having completed a training course offered by a Minnesota motor vehicle dealership association that addresses at least the following elements:

- (1) fundamentals of electric vehicles;
- (2) electric vehicle charging options and costs;
- (3) publicly available electric vehicle incentives;
- (4) projected maintenance and fueling costs for electric vehicles;
- (5) reduced tailpipe emissions, including greenhouse gas emissions, produced by electric vehicles;
- (6) the impacts of Minnesota's cold climate on electric vehicle operation; and
- (7) best practices to sell electric vehicles.

(b) For the purposes of this section, "electric vehicle" has the meaning given in section 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 13. **[216B.1615] ELECTRIC VEHICLE DEPLOYMENT PROGRAM.**

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

(b) "Battery exchange station" means a physical location deploying equipment that enables a used electric vehicle battery to be removed and exchanged for a fresh electric vehicle battery.

(c) "Electric vehicle" means any device or contrivance that transports persons or property and is capable of being powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electricity. Electric vehicle includes but is not limited to:

- (1) an electric vehicle, as defined in section 169.011, subdivision 26a;
 - (2) an electric-assisted bicycle, as defined in section 169.011, subdivision 27;
 - (3) an off-road vehicle, as defined in section 84.797, subdivision 7;
 - (4) a motorboat, as defined in section 86B.005, subdivision 9; or
 - (5) an aircraft, as defined in section 360.013, subdivision 37.
- (d) "Electric vehicle charging station" means a physical location deploying equipment that:

- (1) transfers electricity to an electric vehicle battery;
- (2) dispenses hydrogen into an electric vehicle powered by a fuel cell;
- (3) exchanges electric vehicle batteries; or
- (4) provides other equipment used to charge or fuel electric vehicles.

(e) "Electric vehicle infrastructure" means electric vehicle charging stations and any associated machinery, equipment, and infrastructure necessary for a public utility to supply electricity or hydrogen to an electric vehicle charging station and to support electric vehicle operation.

(f) "Fuel cell" means a cell that converts the chemical energy of hydrogen directly into electricity through electrochemical reactions.

(g) "Government entity" means the state, a state agency, or a political subdivision, as defined in section 13.02, subdivision 11.

(h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Transportation electrification plan; contents.** (a) By November 1, 2023, and periodically as ordered by the commission, a public utility must file a transportation electrification plan with the commission that is designed to:

(1) maximize the overall benefits of electric vehicles and other electrified transportation while minimizing overall costs; and

(2) promote the:

(i) purchase of electric vehicles by the public utility's customers; and

(ii) deployment of electric vehicle infrastructure in the public utility's service territory.

(b) A transportation electrification plan may include but is not limited to the following elements:

(1) programs to educate and increase the awareness and benefits of electric vehicles and electric vehicle charging equipment among individuals, electric vehicle dealers, single-family and multifamily housing developers and property management companies, building owners and tenants, vehicle service stations, vehicle fleet owners and managers, and other potential users of electric vehicles;

(2) utility investments to support transportation electrification across all customer classes, including but not limited to investments to facilitate:

(i) the deployment of electric vehicles for personal and commercial use; customer-owned, third-party-owned, and utility-owned electric vehicle charging stations; electric vehicle infrastructure to support light-duty, medium-duty, and heavy-duty vehicle electrification; and other electric utility infrastructure needed to support transportation electrification;

(ii) widespread access to publicly available electric vehicle charging stations; and

(iii) the electrification of public transit and vehicle fleets owned or operated by a government entity;

(3) research and demonstration projects to increase access to electricity as a transportation fuel, minimize the system costs of electric transportation, and inform future transportation electrification plans;

(4) rate structures or programs that encourage electric vehicle charging that optimizes electric grid operation, including time-varying rates and charging optimization programs;

(5) programs to increase access to the benefits of electricity as a transportation fuel for low- or moderate-income customers and communities and in neighborhoods most affected by transportation-related air emissions;

(6) proposals to expedite commission consideration of program adjustments requested during the term of an approved transportation electrification plan; and

(7) proposals to share information and results from transportation electrification projects with stakeholders to promote effective electrification in all areas of the state.

Subd. 3. **Transportation electrification plan; review and implementation.** The commission may approve, modify, or reject a transportation electrification plan. When reviewing a transportation electrification plan, the commission must consider whether the programs, investments, and expenditures as a whole are reasonable and in the public interest, and are reasonably expected to:

(1) improve the operation of the electric grid;

(2) increase access to the use of electricity as a transportation fuel for all customers, including those in low- or moderate-income communities, rural communities, and communities most affected by emissions from the transportation sector;

(3) increase access to publicly available electric vehicle charging and destination charging for all types of electric vehicles;

(4) support the electrification of medium-duty and heavy-duty vehicles and associated charging infrastructure;

(5) reduce statewide greenhouse gas emissions, as defined in section 216H.01, and emissions of other air pollutants that impair the environment and public health;

(6) stimulate nonutility investment and the creation of skilled jobs;

(7) maximize the overall benefits of electric vehicles and other electrified transportation investments while minimizing overall costs;

(8) educate the public about the benefits of electric vehicles and related infrastructure;

(9) be transparent and incorporate reasonable public reporting of program activities, consistent with existing technology and data capabilities, to inform program design and commission policy with respect to electric vehicles;

(10) reasonably balance the benefits of ratepayer-funded investments in transportation electrification against impacts on utility rates; and

(11) appropriately balance the participation of public utilities and private enterprise in the market for transportation electrification and related services.

Subd. 4. **Cost recovery.** (a) Notwithstanding any other provision of this chapter, the commission may approve, with respect to any prudent and reasonable investments made or expenses incurred by a public utility to administer and implement a transportation electrification plan approved under subdivision 3:

(1) performance-based incentives or penalties;

(2) placing the capital investment in the public utility's rate base and allowing the public utility to earn a rate of return on the investment at:

(i) the public utility's average weighted cost of capital, including the rate of return on equity, approved by the commission in the public utility's most recent general rate case; or

(ii) another rate determined by the commission; or

(3) any other recovery mechanism that the commission determines is fair, reasonable, and supports the objectives of this section.

(b) Notwithstanding section 216B.16, subdivision 8, paragraph (a), clause (3), the commission must approve recovery costs for expenses reasonably incurred by a public utility to provide public advertisement as part of a transportation electrification plan approved by the commission under subdivision 3.

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

Sec. 14. **[216B.1616] ELECTRIC SCHOOL BUS DEPLOYMENT PROGRAM.**

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

(b) "Battery exchange station" means a physical location deploying equipment that enables a used electric vehicle battery to be removed and exchanged for a fresh electric vehicle battery.

(c) "Electric school bus" means a passenger motor vehicle:

(1) primarily used to transport preprimary, primary, and secondary students;

(2) designed to carry a driver and more than ten passengers; and

(3) whose primary propulsion and accessory power technologies produce zero carbon emissions in day-to-day operations.

(d) "Electric utility" means a public utility or a consumer-owned utility, as defined in section 216B.2402, subdivision 2.

(e) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a.

(f) "Electric vehicle charging station" means a physical location deploying equipment that provides electricity to charge a battery in an electric vehicle.

(g) "Electric vehicle infrastructure" means electric vehicle charging stations and any associated electric panels, machinery, equipment, and infrastructure necessary for an electric utility to supply electricity or hydrogen to an electric vehicle charging station and to support electric vehicle operation.

(h) "Electric vehicle service provider" means an organization that installs, maintains, or otherwise services a battery exchange station, electric vehicle infrastructure, or electric vehicle charging station.

(i) "Poor air quality" means:

(1) ambient air levels that air monitoring data reveals approach or exceed state or federal air quality standards or chronic health inhalation risk benchmarks for total suspended particulates, particulate matter less than ten microns wide (PM-10), particulate matter less than 2.5 microns wide (PM-2.5), sulfur dioxide, or nitrogen dioxide; or

(2) levels of asthma among children that significantly exceed the statewide average.

(j) "Prioritized school district" means:

(1) a school district listed in the Small Area Income and Poverty Estimates (SAIPE) School District Estimates as having 7.5 percent or more students living in poverty based on the most recent decennial United States census;

(2) a school district identified with locale codes "43-Rural: Remote" and "42-Rural: Distant" by the National Center for Education Statistics (NCES); or

(3) a Bureau of Indian Affairs funded school district and a school district that receives basic support payments under United States Code, title 20, section 7703(b)(1), for children who reside on Indian land.

(k) "Public utility" has the meaning given in section 216B.02, subdivision 4.

(l) "School" means a school that operates as part of an independent or special school district.

(m) "School bus" has the meaning given in section 169.011, subdivision 71.

(n) "School district" means an independent or special school district.

(o) "Transportation service provider" means a transportation service provider that provides student transportation services and that has a contract to provide transportation services to a school.

Subd. 2. **Establishment; purpose.** An electric school bus deployment program is established in the Department of Commerce. The purpose of the program is to provide grants to accelerate the deployment of electric school buses by school districts and to encourage schools to use vehicle electrification as a teaching tool that can be integrated into the school's curriculum.

Subd. 3. **Establishment of account.** An electric school bus program account is established in the special revenue fund. The account consists of money received provided by law, donated, allotted, transferred, or otherwise provided to the account. Earnings including interest, dividends, and any other earnings arising from assets of the account must be credited to the account. Except as otherwise provided in this subdivision, money deposited in the account remains in the account until expended. Any money that remains in the account on June 30, 2033, cancels to the general fund.

Subd. 4. **Appropriation; expenditures.** (a) Money in the account is appropriated to the commissioner and must 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, including the cost of providing technical assistance to school districts, electric utilities, electric vehicle service providers, or transportation service providers, including but not limited to grant writing assistance for applications for federal vehicle electrification programs.

(b) Grant awards made with funds in the account must be used only for:

(1) grants for the deployment of electric school buses by school districts; and

(2) reasonable costs related to technical assistance for electric school bus deployment program planning and preparing applications for federal vehicle electrification programs.

Subd. 5. **Eligible programs.** (a) An electric school bus deployment grant may be awarded to a school district, electric utility, electric vehicle service provider, or transportation service provider under this section only if the electric school bus deployment program that is the subject of the grant includes but is not limited to the following elements:

(1) a school district or transportation service provider may (i) purchase one or more electric school buses, or (ii) convert or repower fossil-fuel-powered school buses to be electric;

(2) the grant may be used for up to 75 percent of the cost the school district or transportation service provider incurs to (i) purchase one or more electric school buses, or (ii) convert or repower fossil-fuel-powered school buses to be electric;

(3) for prioritized school districts, the grant may be used for up to 95 percent of the cost the school district or transportation service provider incurs to (i) purchase one or more electric school buses, or (ii) convert or repower fossil-fuel-powered school buses to be electric;

(4) the grant may be used for up to 75 percent of the cost of deploying on the school district or transportation service provider's real property infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

(5) for prioritized school districts, the grant may be used for up to 95 percent of the cost of deploying on the school district or transportation service provider's real property infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

(6) at the request of a school district or transportation service provider, an electric utility may deploy on the school district or transportation service provider's real property electric vehicle infrastructure required to operate electric school buses; and

(7) the school district prioritizes the deployment of electric school buses in areas of the school district that serve disadvantaged students, disproportionately experience poor air quality, or are environmental justice areas as defined in section 216B.1691, subdivision 1, paragraph (e).

(b) A technical assistance grant may be awarded to a school district, electric utility, electric vehicle service provider, or transportation service provider under this section for the reasonable costs related to electric school bus deployment program planning and for preparing applications for federal vehicle electrification programs.

Subd. 6. Application process. (a) The commissioner must issue a request for proposals to school districts, electric utilities, electric vehicle service providers, and transportation service providers that may wish to apply for an electric bus deployment or technical assistance grant under this section on behalf of a school.

(b) A school district, electric utility, electric vehicle service provider, or transportation service provider must submit an application for an electric school bus deployment grant to the commissioner on behalf of a school district on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the number of and description of the electric school buses the school district or transportation service provider intends to purchase;

(2) the total cost to purchase the electric school buses and the incremental cost, if any, of the electric school buses when compared with fossil-fuel-powered school buses;

(3) a copy of the proposed contract agreement between the school district, the electric utility, the electric vehicle service provider, or the transportation service provider that includes provisions addressing responsibility for maintenance of the electric school buses and the infrastructure required to operate electric school buses, including but not limited to battery exchange stations, electric vehicle infrastructure, or electric vehicle charging stations;

(4) whether the school district is also a prioritized school district;

(5) the areas of the school district that (i) serve disadvantaged students; (ii) disproportionately experience poor air quality, as measured by indicators such as the Minnesota Pollution Control Agency's air quality monitoring network, the Minnesota Department of Health's air quality and health monitoring, or any other indicators applicants choose to include; or (iii) are environmental justice areas as defined in section 216B.1691, subdivision 1, paragraph (e);

(6) the school district's plan, if any, to make the electric school buses serve as a visible learning tool for students, teachers, and visitors to the school, including how vehicle electrification may be integrated into the school district's curriculum;

(7) information that demonstrates the school district's level of need for financial assistance available under this section;

(8) information that demonstrates the school district's readiness to implement the project and to operate the electric school buses for no less than five years;

(9) with respect to the installation and operation of the infrastructure required to operate electric school buses, the willingness and ability of the electric vehicle service provider or the electric 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; and

(10) any other information deemed relevant by the commissioner.

(c) A school district, electric utility, electric vehicle service provider, or transportation service provider must submit an application for a technical assistance grant to the commissioner on behalf of a school district on a form prescribed by the commissioner. The form must include, at a minimum, the following information:

(1) the name of the federal programs to which the applicants intend to apply;

(2) a description of the technical assistance the applicants need in order to complete the federal application; and

(3) any other information deemed relevant by the commissioner.

(d) The commissioner shall prioritize making grant awards to prioritized school districts. On an annual basis, when prioritized school districts have applied for a grant, the commissioner shall have as a goal awarding no less than 40 percent of the state's total grant award amount to prioritized school districts.

(e) The commissioner must administer an open application process under this section at least twice annually.

(f) The commissioner must develop administrative procedures governing the application and grant award process.

Subd. 7. **Technical assistance.** The commissioner must provide technical assistance to school districts to develop and execute projects under this section.

Subd. 8. **Grant payments.** The commissioner must award a grant from the account established under subdivision 3 to a school district, the electric utility, electric vehicle service provider, or transportation service provider for necessary costs associated with deployment of electric buses. The amount of the grant must be based on the commissioner's assessment of the school district's need for financial assistance. For each award, the amount of the grant, in combination with any federal vehicle electrification program awards to the school district, the electric utility, the electric vehicle service provider, or the transportation service provider, shall not exceed the cost of the applicant's proposed electric school buses, electric vehicle charging stations, and electric vehicle infrastructure.

Subd. 9. **Application deadline.** No application may be submitted under this section after December 31, 2032.

Subd. 10. **Reporting.** Beginning January 15, 2024, and each year thereafter until January 15, 2034, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts awarded to school districts under this section during the previous year; and (2) any remaining balances available under this section.

Subd. 11. **Cost recovery.** (a) Any prudent and reasonable investment made by any public utility on electric vehicle infrastructure installed on a school district's real property may be placed in the public utility's rate base and earn a rate of return, as determined by the commission.

(b) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism to automatically adjust annual charges for prudent and reasonable investments made by a public utility on electric vehicle infrastructure installed on a school district's real property.

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

Sec. 15. Minnesota Statutes 2022, section 216B.1641, is amended to read:

216B.1641 COMMUNITY SOLAR GARDEN.

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

(b) "Landlord" has the meaning given in section 504B.001, subdivision 7.

(c) "Residential tenant" has the meaning given in section 504B.001, subdivision 12.

(d) "Subscriber" means a retail customer who contracts for one or more subscriptions for a community solar garden interconnected with the retail customer's utility.

(e) "Subscription" means a contract between a subscriber and the owner of a community solar garden.

Subd. 2. **Solar garden program.** (a) The public utility subject to section 116C.779 shall file by September 30, 2013, a plan with the commission to operate a community solar garden program which shall begin operations within 90 days after commission approval of the plan. Other public utilities may file an application at their election. The community solar garden program must be designed to offset the energy use of not less than five subscribers in each community solar garden facility of which no single subscriber has more than a 40 percent interest. The owner of the community solar garden may be a public utility or any other entity or organization that contracts to sell the output from the community solar garden to the utility under section 216B.164. There shall be no limitation on the number or cumulative generating capacity of community solar garden facilities other than the limitations imposed under section 216B.164, subdivision 4c, or other limitations provided in law or regulations.

(b) A solar garden is a facility that generates electricity by means of a ground-mounted or roof-mounted solar photovoltaic device whereby subscribers receive a bill credit for the electricity

generated in proportion to the size of their subscription. The solar garden must have a nameplate capacity of no more than one megawatt. Each subscription shall be sized to represent at least 200 watts of the community solar garden's generating capacity and to supply, when combined with other distributed generation resources serving the premises, no more than 120 percent of the average annual consumption of electricity by each subscriber at the premises to which the subscription is attributed.

(c) The solar generation facility must be located in the service territory of the public utility filing the plan. Subscribers must be retail customers of the public utility ~~located in the same county or a county contiguous to where the facility is located.~~

(d) The public utility must purchase from the community solar garden all energy generated by the solar garden. The purchase shall be at the rate calculated under section 216B.164, subdivision 10, or, until that rate for the public utility has been approved by the commission, the applicable retail rate. A solar garden is eligible for any incentive programs offered under section 116C.7792. A subscriber's portion of the purchase shall be provided by a credit on the subscriber's bill.

Subd. 3. Solar garden plan requirements. ~~(e)~~ (a) The commission may approve, disapprove, or modify a community solar garden ~~program~~ plan. Any plan approved by the commission must:

- (1) reasonably allow for the creation, financing, and accessibility of community solar gardens;
- (2) establish uniform standards, fees, and processes for the interconnection of community solar garden facilities that allow the utility to recover reasonable interconnection costs for each community solar garden;
- (3) not apply different requirements to utility and nonutility community solar garden facilities;
- (4) be consistent with the public interest;
- (5) identify the information that must be provided to potential subscribers to ensure fair disclosure of future costs and benefits of subscriptions;
- (6) include a program implementation schedule;
- (7) identify all proposed rules, fees, and charges; ~~and~~
- (8) identify the means by which the program will be promoted;
- (9) require that participation by a subscriber must be strictly voluntary;
- (10) prohibit a landlord from removing a residential tenant who is an existing retail customer of the public utility from the utility account and subscribing to a community solar garden on behalf of the tenant;
- (11) ensure that contract terms are publicly available; and
- (12) allow subscribers to stop subscribing without charging a fee or other penalty.

~~(f)~~(b) Notwithstanding any other law, neither the manager of nor the subscribers to a community solar garden facility shall be considered a utility solely as a result of their participation in the community solar garden facility.

~~(g)~~(c) Within 180 days of commission approval of a plan under this section, a utility shall begin crediting subscriber accounts for each community solar garden facility in its service territory, and shall file with the commissioner of commerce a description of its crediting system.

(h) For the purposes of this section, the following terms have the meanings given:

(1) ~~"subscriber" means a retail customer of a utility who owns one or more subscriptions of a community solar garden facility interconnected with that utility; and~~

(2) ~~"subscription" means a contract between a subscriber and the owner of a solar garden.~~

Subd. 4. **Low-income community solar gardens.** (a) The public utility subject to section 116C.779 must file by September 30, 2023, a plan with the commission to operate a low-income community solar garden program in accordance with this subdivision, and must begin operations within 90 days after commission approval of the plan. The program operated under this subdivision:

(1) is subject to the other requirements of this section except as modified by this subdivision;

(2) is limited in size to ten megawatts of solar photovoltaic capacity annually;

(3) must provide that renewable energy credits generated under the program are retained by the public utility; and

(4) must require the utility to purchase all energy generated by a low-income community solar garden. A subscriber's portion of the purchase shall be provided by a credit on the subscriber's bill at the average retail utility energy rate for the appropriate customer class.

(b) The owner of a solar project must apply to the utility to be designated as a low-income community solar garden before it is eligible to participate in the program. The utility must not designate a project a low-income community solar garden unless it is majority owned by a cooperative association, nonprofit organization, or federally recognized Indian Tribe. The utility may designate a project as a low-income community solar garden if the owner of the solar garden demonstrates it will meet the following conditions:

(1) the solar generation facilities of the solar garden meet the requirements of subdivision 2, paragraph (b), except as modified by this paragraph;

(2) at least 25 percent of the solar garden's generating capacity is subscribed by residential customers whose household income:

(i) is 80 percent or less of the area median household income for the geographic area in which the low-income household is located, as calculated by the federal Department of Housing and Urban Development; or

(ii) meets the income eligibility standards, as determined by the commission, required for a household to receive financial assistance from a federal, state, municipal, or utility program administered or approved by the commission;

(3) eligible nonresidential subscribers consist of only the following, located on census tracts designated as low- or moderate-income by the federal Financial Institutions Examination Council:

(i) grocery stores;

(ii) clinics;

(iii) child care centers;

(iv) food shelves;

(v) libraries;

(vi) Tribal Nations;

(vii) shelters;

(viii) schools that are not enrolled in any other solar incentive program; or

(ix) houses of worship;

(4) the owner does not run credit score or credit history checks on residential subscribers;

(5) the solar garden has a nameplate capacity of no more than three megawatts alternating current;

(6) the solar garden has no fewer than three subscribers and no subscriber accounts for more than 40 percent of the solar garden's capacity;

(7) the solar garden is operated by an entity that maintains a physical address in Minnesota and has designated a contact person in Minnesota who responds to subscriber inquiries; and

(8) the agreement between the owner of the solar garden and subscribers states that the owner must adequately publicize and convene at least one in-person meeting annually to provide an opportunity for subscribers to pose questions to the manager or owner.

Subd. 5. **New solar gardens must be low-income community solar gardens.** The public utility subject to section 116C.779 must not approve interconnection of new solar gardens or renew existing solar gardens for inclusion in the community solar garden program after August 1, 2023, unless the solar garden is accepted for inclusion in the low-income community solar garden program under subdivision 4.

Subd. 6. **Low-income community solar gardens; reporting.** The owner of a low-income community solar garden must include the following information in an annual report to the low-income community solar garden subscribers and the utility:

(1) a description of the process by which subscribers may provide input regarding solar garden policy and decision making;

(2) the amount of revenues received by the solar garden in the previous year that were allocated to categories that include but are not limited to operating costs, debt service, profits distributed to subscribers, and profits distributed to others;

(3) minutes from the most recent annual meeting; and

(4) the proportion of low- and moderate-income subscribers, and a description of how the information was collected from subscribers and verified.

Subd. 7. **Noncompliance.** A solar garden that has begun commercial operation must notify the commission in writing within 30 days if the solar garden is not in compliance with subdivision 4, and must comply within 12 months or the commission must revoke the solar garden's participation in the program. Nothing in this subdivision prevents an owner from reapplying to participate in the program after revocation.

Sec. 16. Minnesota Statutes 2022, section 216B.1691, is amended by adding a subdivision to read:

Subd. 2h. **Distributed solar energy standard.** (a) In addition to the other requirements of this section, for the public utility subject to section 116C.779, at least three percent of the utility's total retail electric sales to customers in Minnesota by the end of 2030 must be generated by solar photovoltaic devices:

(1) with a nameplate capacity of ten megawatts or less connected to the utility's distribution system;

(2) that are located in the service territory of the public utility; and

(3) that were constructed or procured after August 1, 2023.

(b) Generation with a nameplate capacity of 100 kilowatts or more does not count toward compliance with the standard established in this subdivision unless the public utility verifies that construction trades workers who constructed the generation resource were all paid no less than the prevailing wage rate, as defined in section 177.42.

(c) The public utility subject to section 116C.779 may own no more than 30 percent of the solar photovoltaic capacity used to satisfy the requirements of this subdivision.

(d) Compensation for solar photovoltaic projects procured to satisfy the standard established in this subdivision must be determined based on a competitive procurement process and standard contracts approved by the commission.

(e) After January 1, 2031, the commission may use the authority in subdivision 2b to increase or decrease the standard obligation established in paragraph (a). Prior to that date, the commission may modify or delay the implementation of that standard obligation, in whole or in part, in accordance with subdivision 2b.

(f) An integrated distribution plan filed by a utility subject to this subdivision must describe investments in the distribution grid that facilitate the interconnection of sufficient distribution-connected solar energy to fulfill the requirements of this subdivision.

Sec. 17. Minnesota Statutes 2022, section 216B.17, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** On its the commission's own motion or upon a complaint made against any public utility; by the governing body of any political subdivision, by another public utility, by the department, or by any 50 consumers of the a particular utility, or by a complainant under section 216B.172 that any of the rates, tolls, tariffs, charges, or schedules or any joint rate or any regulation, measurement, practice, act, or omission affecting or relating to the production, transmission, delivery, or furnishing of natural gas or electricity or any service in connection therewith is in any respect unreasonable, insufficient, or unjustly discriminatory, or that any service is inadequate or cannot be obtained, the commission shall proceed, with notice, to make such investigation as it may deem necessary. The commission may dismiss any complaint without a hearing if in its opinion a hearing is not in the public interest.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any complaint filed with the commission on or after that date.

Sec. 18. **[216B.172] CONSUMER DISPUTES.**

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

(b) "Appeal" means a request a complainant files with the commission to review and make a final decision regarding the resolution of the complainant's complaint by the consumer affairs office.

(c) "Complainant" means an individual residential customer who files with the consumer affairs office a complaint against a public utility.

(d) "Complaint" means an allegation submitted to the consumer affairs office by a complainant that a public utility's action or practice regarding billing or terms and conditions of service:

(1) violates a statute, rule, tariff, service contract, or other provision of law;

(2) is unreasonable; or

(3) has harmed or, if not addressed, harms a complainant.

Complaint does not include an objection to or a request to modify any natural gas or electricity rate contained in a tariff that has been approved by the commission. A complaint under this section is an informal complaint under Minnesota Rules, chapter 7829.

(e) "Consumer affairs office" means the staff unit of the commission that is organized to receive and respond to complaints.

(f) "Informal proceeding" has the meaning given in Minnesota Rules, part 7829.0100, subpart 8.

(g) "Public assistance" has the meaning given in section 550.37, subdivision 14.

(h) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Complaint resolution procedure.** A complainant must first attempt to resolve a dispute with a public utility by filing a complaint with the consumer affairs office. The consumer affairs office must: (1) notify the complainant of the resolution of the complaint; and (2) provide written notice of (i) the complainant's right to appeal the resolution to the commission, and (ii) the steps the complainant may take to appeal the resolution. Upon request, the consumer affairs office must provide to the complainant a written notice containing the substance of and basis for the resolution. Nothing in this section affects any other rights existing under this chapter or other law.

Subd. 3. **Appeal; final commission decision.** (a) If a complainant is not satisfied with the resolution of a complaint by the consumer affairs office, the complainant may file an appeal with the commission requesting that the commission make a final decision on the complaint. The commission's response to an appeal filed under this subdivision must comply with the notice requirements under section 216B.17, subdivisions 2 to 5.

(b) Upon the commission's receipt of an appeal filed under paragraph (a), the chair of the commission or a subcommittee delegated under section 216A.03, subdivision 8, to review the resolution of the complaint must decide whether the complaint be:

(1) dismissed because there is no reasonable basis on which to proceed;

(2) resolved through an informal commission proceeding; or

(3) referred to the Office of Administrative Hearings for a contested case proceeding under chapter 14.

A decision made under this paragraph must be provided in writing to the complainant and the public utility.

(c) If the commission decides that the complaint be resolved through an informal proceeding before the commission or referred to the Office of Administrative Hearings for a contested case proceeding, the executive secretary must issue any procedural schedules, notices, or orders required to initiate an informal proceeding or a contested case.

(d) The commission's dismissal of an appeal request or a decision rendered after conducting an informal proceeding is a final decision constituting an order or determination of the commission.

Subd. 4. **Judicial review.** Notwithstanding section 216B.27, a complainant may seek judicial review in district court of an adverse final decision under subdivision 3, paragraph (b), clause (1) or (2). Judicial review of the commission's decision in a contested case referred under subdivision 3, paragraph (b), clause (3), is governed by chapter 14.

Subd. 5. **Right to service during pendency of dispute.** A public utility must continue or promptly restore service to a complainant during the pendency of an administrative or judicial procedure pursued by a complainant under this section, provided that the complainant:

(1) agrees to enter into a payment agreement under section 216B.098, subdivision 3;

(2) posts the full disputed payment in escrow;

(3) demonstrates receipt of public assistance or eligibility for legal aid services; or

(4) demonstrates the complainant's household income is at or below 50 percent of the median income in Minnesota.

Subd. 6. **Rulemaking authority.** The commission may adopt rules to carry out the purposes of this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any complaint filed with the commission on or after that date.

Sec. 19. Minnesota Statutes 2022, section 216B.2422, subdivision 2, is amended to read:

Subd. 2. **Resource plan filing and approval.** (a) A utility shall file a resource plan with the commission periodically in accordance with rules adopted by the commission. The commission shall approve, reject, or modify the plan of a public utility, as defined in section 216B.02, subdivision 4, consistent with the public interest.

(b) In the resource plan proceedings of all other utilities, the commission's order shall be advisory and the order's findings and conclusions shall constitute prima facie evidence which may be rebutted by substantial evidence in all other proceedings. With respect to utilities other than those defined in section 216B.02, subdivision 4, the commission shall consider the filing requirements and decisions in any comparable proceedings in another jurisdiction.

(c) As a part of its resource plan filing, a utility shall include the least cost plan for meeting 50 and 75 percent of all energy needs from both new and refurbished generating facilities through a combination of conservation and renewable energy resources.

(d) A public utility must include distributed energy resources among the options considered in the public utility's resource plan filing.

Sec. 20. Minnesota Statutes 2022, section 216B.62, subdivision 3b, is amended to read:

Subd. 3b. **Assessment for department regional and national duties.** ~~(a)~~ In addition to other assessments in subdivision 3, the department may assess up to ~~\$500,000~~ \$1,000,000 per fiscal year to perform the duties under section 216A.07, subdivision 3a, and to conduct analysis that assesses energy grid reliability at state, regional, and national levels. The amount in this subdivision shall be assessed to energy utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year and shall be deposited into an account in the special revenue fund and is appropriated to the commissioner of commerce for the purposes of section 216A.07, subdivision 3a. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law. For the purpose of this subdivision, an "energy utility" means public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing natural gas or electric service in the state.

~~(b) By February 1, 2023, the commissioner of commerce must submit a written report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy. The report must describe how the department has used utility grid assessment funding under paragraph (a) and must explain the impact the grid assessment funding has had on grid reliability in Minnesota.~~

~~(c) This subdivision expires June 30, 2023.~~

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

Sec. 21. **[216B.631] COMPENSATION FOR PARTICIPANTS IN PROCEEDINGS.**

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

(b) "Participant" means a person who files comments or appears in a commission proceeding concerning one or more public utilities, excluding public hearings held in contested cases and commission proceedings conducted to receive general public comments.

(c) "Party" means a person by or against whom a proceeding before the commission is commenced or a person permitted to intervene in a proceeding, other than public hearings, concerning one or more public utilities.

(d) "Proceeding" means a process or procedural means the commission engages in under this chapter to attempt to resolve an issue affecting one or more public utilities and that results in a commission order.

(e) "Public utility" has the meaning given in section 216B.02, subdivision 4.

Subd. 2. **Participants; eligibility.** Any of the following participants is eligible to receive compensation under this section:

(1) a nonprofit organization that:

(i) is exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

(ii) is incorporated or organized in Minnesota;

(iii) is governed under chapter 317A or section 322C.1101; and

(iv) the commission determines under subdivision 3, paragraph (c), would suffer financial hardship if not compensated for the nonprofit organization's participation in the applicable proceeding;

(2) a Tribal government of a federally recognized Indian Tribe that is located in Minnesota; or

(3) a Minnesota resident, except that an individual who owns a for-profit business that has earned revenue from a Minnesota utility in the past two years is not eligible for compensation.

Subd. 3. **Compensation; conditions.** (a) The commission may order a public utility to compensate all or part of a participant's reasonable costs incurred to participate in a proceeding before the commission if the participant is eligible under subdivision 2 and the commission finds:

(1) that the participant has materially assisted the commission's deliberation; and

(2) if the participant is a nonprofit organization, that the participant would suffer financial hardship if the nonprofit organization's participation in the proceeding was not compensated.

(b) In determining whether a participant has materially assisted the commission's deliberation, the commission must find that:

(1) the participant made a unique contribution to the record and represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the participant were an important factor in producing a fair decision;

(3) the participant's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the participant would not otherwise have been part of the record;

(5) the participant was active in any stakeholder process included in the proceeding; and

(6) the proceeding resulted in a commission order that adopted, in whole or in part, a position advocated by the participant.

(c) In determining whether a nonprofit participant has demonstrated that a lack of compensation would present financial hardship, the commission must find that the nonprofit participant:

(1) incorporated or organized within three years of the beginning of the applicable proceeding;

(2) has payroll expenses less than \$750,000; or

(3) has secured less than \$100,000 in current year funding dedicated to participation in commission proceedings, not including any participant compensation awarded under this section.

(d) In reviewing a compensation request, the commission must consider whether the costs presented in the participant's claim are reasonable. If the commission determines that an eligible participant materially assisted the commission's deliberation, the commission shall award all or part of the requested compensation, up to the maximum amounts provided under subdivision 4.

Subd. 4. **Compensation; amount.** (a) Compensation must not exceed \$50,000 for a single participant in any proceeding, except that:

(1) if a proceeding extends longer than 12 months, a participant may request and be awarded compensation of up to \$50,000 for costs incurred in each calendar year; and

(2) in an integrated resource plan proceeding under section 216B.2422 or a proceeding that has been referred to the Office of Administrative Hearings for a contested case proceeding, a participant may request and be awarded up to \$75,000.

(b) No single participant may be awarded more than \$200,000 under this section in a single calendar year.

(c) Compensation requests from joint participants must be presented as a single request.

(d) Notwithstanding paragraphs (a) and (b), the commission must not, in any calendar year, require a single public utility to pay aggregate compensation under this section that exceeds the following amounts:

(1) \$100,000, for a public utility with up to \$300,000,000 annual gross operating revenue in Minnesota;

(2) \$275,000, for a public utility with at least \$300,000,000 but less than \$900,000,000 annual gross operating revenue in Minnesota;

(3) \$375,000, for a public utility with at least \$900,000,000 but less than \$2,000,000,000 annual gross operating revenue in Minnesota; and

(4) \$1,250,000, for a public utility with \$2,000,000,000 or more annual gross operating revenue in Minnesota.

(e) When requests for compensation from any public utility approach the limits established in paragraph (d), the commission may give priority to requests from participants that received less than \$150,000 in total compensation during the previous two years and from participants who represent residential ratepayers, particularly those residential ratepayers who the participant can demonstrate have been underrepresented in past commission proceedings.

Subd. 5. Compensation; process. (a) A participant seeking compensation must file a request and an affidavit of service with the commission, and serve a copy of the request on each party to the proceeding. The request must be filed no more than 30 days after the later of:

(1) the expiration of the period within which a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed; or

(2) the date the commission issues an order following rehearing, amendment, vacation, reconsideration, or reargument.

(b) A compensation request must include:

(1) the name and address of the participant or nonprofit organization the participant is representing;

(2) evidence of the organization's nonprofit, tax-exempt status, if applicable;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) for a nonprofit participant, evidence supporting the nonprofit organization's eligibility for compensation under the financial hardship test under subdivision 3, paragraph (c);

(5) amounts of compensation awarded to the participant under this section during the current year and any pending requests for compensation, itemized by docket;

(6) an itemization of the participant's costs, not including overhead costs;

(7) participant revenues dedicated for the proceeding;

(8) the total compensation request; and

(9) a narrative describing the unique contribution made to the proceeding by the participant.

(c) A participant must comply with reasonable requests for information by the commission and other parties or participants. A participant must reply to information requests within ten calendar days of the date the request is received, unless doing so would place an extreme hardship upon the replying participant. The replying participant must provide a copy of the information to any other participant or interested person upon request. Disputes regarding information requests may be resolved by the commission.

(d) A party objecting to a request for compensation must, within 30 days after service of the request for compensation, file a response and an affidavit of service with the commission. A copy of the response must be served on the requesting participant and all other parties to the proceeding.

(e) The requesting participant may file a reply with the commission within 15 days after a response is filed under paragraph (d). A copy of the reply and an affidavit of service must be served on all other parties to the proceeding.

(f) If additional costs are incurred by a participant as a result of additional proceedings following the commission's initial order, the participant may file an amended request within 30 days after the commission issues an amended order. Paragraphs (b) to (e) apply to an amended request.

(g) The commission must issue a decision on participant compensation within 120 days of the date a request for compensation is filed by a participant.

(h) The commission may extend the deadlines in paragraphs (d), (e), and (g) for up to 30 days upon the request of a participant or on the commission's own initiative.

(i) A participant may request reconsideration of the commission's compensation decision within 30 days of the decision date.

Subd. 6. Compensation; orders. (a) If the commission issues an order requiring payment of participant compensation, the public utility that was the subject of the proceeding must pay the full compensation to the participant and file proof of payment with the commission within 30 days after the later of:

(1) the expiration of the period within which a petition for reconsideration of the commission's compensation decision must be filed; or

(2) the date the commission issues an order following reconsideration of the commission's order on participant compensation.

(b) If the commission issues an order requiring payment of participant compensation in a proceeding involving multiple public utilities, the commission must apportion costs among the public utilities in proportion to each public utility's annual revenue.

(c) The commission may issue orders necessary to allow a public utility to recover the costs of participant compensation on a timely basis.

Subd. 7. **Report.** By July 1, 2026, the commission must report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy on the operation of this section. The report must include but is not limited to:

(1) the amount of compensation paid each year by each utility;

(2) each recipient of compensation, the commission dockets in which compensation was awarded, and the compensation amounts; and

(3) the impact of the participation of compensated participants.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any proceeding in which the commission has not issued a final order as of that date.

Sec. 22. Minnesota Statutes 2022, section 216C.02, subdivision 1, is amended to read:

Subdivision 1. **Powers.** (a) The commissioner may:

(1) apply for, receive, and spend money received from federal, municipal, county, regional, and other government agencies and private sources;

(2) apply for, accept, and disburse grants and other aids from public and private sources;

(3) contract for professional services if work or services required or authorized to be carried out by the commissioner cannot be satisfactorily performed by employees of the department or by another state agency;

(4) enter into interstate compacts to carry out research and planning jointly with other states or the federal government when appropriate;

(5) upon reasonable request, distribute informational material at no cost to the public; and

(6) enter into contracts for the performance of the commissioner's duties with federal, state, regional, metropolitan, local, and other agencies or units of government and educational institutions, including the University of Minnesota, without regard to the competitive bidding requirements of chapters 16A and 16C.

(b) The commissioner shall collect information on conservation and other energy-related programs carried on by other agencies, by public utilities, by cooperative electric associations, by municipal power agencies, by other fuel suppliers, by political subdivisions, and by private organizations.

Other agencies, cooperative electric associations, municipal power agencies, and political subdivisions shall cooperate with the commissioner by providing information requested by the commissioner. The commissioner may by rule require the submission of information by other program operators. The commissioner shall make the information available to other agencies and to the public and, as necessary, shall recommend to the legislature changes in the laws governing conservation and other energy-related programs to ensure that:

- (1) expenditures on the programs are adequate to meet identified needs;
- (2) the needs of low-income energy users are being adequately addressed;
- (3) duplication of effort is avoided or eliminated;
- (4) a program that is ineffective is improved or eliminated; and
- (5) voluntary efforts are encouraged through incentives for their operators.

(c) By January 15 of each year, the commissioner shall report to the legislature on the projected amount of federal money likely to be available to the state during the next fiscal year, including grant money and money received by the state as a result of litigation or settlements of alleged violations of federal petroleum-pricing regulations. The report must also estimate the amount of money projected as needed during the next fiscal year to finance a level of conservation and other energy-related programs adequate to meet projected needs, particularly the needs of low-income persons and households, and must recommend the amount of state appropriations needed to cover the difference between the projected availability of federal money and the projected needs.

(d) By January 15 of each year, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance the following information for each account in the special revenue fund created in this chapter:

- (1) the unobligated balance in the account from the most recent forecast listed separately by funding source;
- (2) all expenditures, including grants and administrative costs over the last two fiscal years; and
- (3) the date on which unobligated balances expire.

Sec. 23. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

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

(b) "Low-income conservation program" means a utility program that offers energy conservation services to low-income households under sections 216B.2403, subdivision 5, and 216B.241, subdivision 7.

(c) "Preweatherization measure" has the meaning given in section 216B.2402, subdivision 20.

(d) "Weatherization assistance program" means the federal program described in Code of Federal Regulations, title 10, part 440, et seq., designed to assist low-income households reduce energy use.

(e) "Weatherization assistance services" means the energy measures installed in households under the weatherization assistance program.

Sec. 24. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 1b. **Establishment; purpose.** A preweatherization program is established in the department. The purpose of the program is to provide grants for preweatherization services, as defined under section 216B.2402, subdivision 20, in order to expand the breadth and depth of services provided to income-eligible households in Minnesota.

Sec. 25. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 1c. **Prewriteatherization account.** (a) A preweatherization account is created as a separate account in the special revenue fund of the state treasury. The account consists of money provided by law, donated, allotted, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money remaining in the account at the end of a fiscal year does not cancel to the general fund and remains in the account until expended. The commissioner must manage the account.

(b) Money in the account is appropriated to the commissioner to pay for (1) grants issued under the program, and (2) the reasonable costs incurred by the commissioner to administer the program.

Sec. 26. Minnesota Statutes 2022, section 216C.264, subdivision 5, is amended to read:

Subd. 5. **Grant allocation.** (a) The commissioner must distribute supplementary state grants in a manner consistent with the goal of producing the maximum number of weatherized units. Supplementary state grants are provided primarily for the payment of additional labor costs for the federal weatherization program, and as an incentive for the increased production of weatherized units. to pay for and may be used to:

(1) address physical deficiencies in a residence that increase heat loss, including deficiencies that prohibit the residence from being eligible to receive federal weatherization assistance;

(2) install eligible preweatherization measures established by the commissioner, as required under section 216B.241, subdivision 7, paragraph (g);

(3) increase the number of weatherized residences;

(4) conduct outreach activities to make income-eligible households aware of available weatherization services, to assist applicants in filling out applications for weatherization assistance, and to provide translation services when necessary;

(5) enable projects in multifamily buildings to proceed even if the project cannot comply with the federal requirement that projects must be completed within the same federal fiscal year in which the project is begun;

(6) expand weatherization training opportunities in existing and new training programs;

(7) pay additional labor costs for the federal weatherization program; and

(8) provide an incentive for the increased production of weatherized units.

(b) Criteria ~~for the allocation of~~ used to allocate state grants to local agencies include existing local agency production levels, emergency needs, and the potential ~~for maintaining to maintain or increasing~~ increase acceptable levels of production in the area.

(c) An eligible local agency may receive advance funding for 90 days' production, but thereafter must receive grants solely on the basis of the program criteria under this subdivision.

Sec. 27. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 7. **Supplemental weatherization assistance program.** The commissioner must provide grants to weatherization service providers to address physical deficiencies and install weatherization and preweatherization measures in residential buildings occupied by eligible low-income households.

Sec. 28. Minnesota Statutes 2022, section 216C.264, is amended by adding a subdivision to read:

Subd. 8. **Training grants program.** (a) The commissioner must establish a weatherization training grant program to award grants through a competitive process to educational institutions, certified training centers, labor organizations, and nonprofits to assist with the costs associated with training and developing programs for careers in the weatherization industry.

(b) In order to receive grant funds, a written application must be submitted to the commissioner on a form developed by the commissioner.

(c) When awarding grants under this subdivision, the commissioner must prioritize applications that:

(1) provide the highest quality training to prepare for in-demand careers;

(2) train workers to provide weatherization services that meet federal Building Performance Institute certification requirements or Standard Work Specification requirements, as required by the program; and

(3) leverage nonstate funds or in-kind contributions.

Sec. 29. **[216C.331] ENERGY BENCHMARKING.**

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

(b) "Aggregated customer energy use data" means customer energy use data that is combined into one collective data point per time interval. Aggregated customer energy use data is data with

any unique identifiers or other personal information removed that a qualifying utility collects and aggregates in at least monthly intervals for an entire building on a covered property.

(c) "Benchmark" means to electronically input into a benchmarking tool the total energy use data and other descriptive information about a building that is required by a benchmarking tool.

(d) "Benchmarking information" means data related to a building's energy use generated by a benchmarking tool, and other information about the building's physical and operational characteristics. Benchmarking information includes but is not limited to the building's:

(1) address;

(2) owner and, if applicable, the building manager responsible for operating the building's physical systems;

(3) total floor area, expressed in square feet;

(4) energy use intensity;

(5) greenhouse gas emissions; and

(6) energy performance score comparing the building's energy use with that of similar buildings.

(e) "Benchmarking tool" means the United States Environmental Protection Agency's Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

(f) "Covered property" means any property that is served by an investor-owned utility in the metropolitan area, as defined in section 473.121, subdivision 2, or in any city outside the metropolitan area with a population of over 50,000 residents served by a municipal energy utility or investor-owned utility, and that has one or more buildings containing in sum 50,000 gross square feet or greater. Covered property does not include:

(1) a residential property containing fewer than five dwelling units;

(2) a property that is: (i) classified as manufacturing under the North American Industrial Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) otherwise an industrial building incompatible with benchmarking in the benchmarking tool;

(3) an agricultural building; or

(4) a multitenant building that is served by a utility that cannot supply aggregated customer usage data, and other property types that do not meet the purposes of this section, as determined by the commissioner.

(g) "Customer energy use data" means data collected from the utility customer meters that reflect the quantity, quality, or timing of customers' usage.

(h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

(i) "Energy performance score" means a numerical value from one to 100 that the Energy Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of comparable buildings nationwide.

(j) "Energy Star Portfolio Manager" means an interactive resource management tool developed by the United States Environmental Protection Agency that (1) enables the periodic entry of a building's energy use data and other descriptive information about a building, and (2) rates a building's energy efficiency against that of comparable buildings nationwide.

(k) "Energy use intensity" means the total annual energy consumed in a building divided by the building's total floor area.

(l) "Financial distress" means a covered property that, at the time benchmarking is conducted:

(1) is the subject of a qualified tax lien sale or public auction due to property tax arrearages;

(2) is controlled by a court-appointed receiver based on financial distress;

(3) is owned by a financial institution through default by the borrower;

(4) has been acquired by deed in lieu of foreclosure; or

(5) has a senior mortgage that is subject to a notice of default.

(m) "Local government" means a statutory or home rule municipality or county.

(n) "Owner" means:

(1) an individual or entity that possesses title to a covered property; or

(2) an agent authorized to act on behalf of the covered property owner.

(o) "Qualifying utility" means a utility serving the covered property, including:

(1) an electric or gas utility, including:

(i) an investor-owned electric or gas utility; or

(ii) a municipally owned electric or gas utility;

(2) a natural gas supplier with five or more active commercial connections, accounts, or customers in the state; or

(3) a district steam, hot water, or chilled water provider.

(p) "Tenant" means a person that occupies or holds possession of a building or part of a building or premises pursuant to a lease agreement.

(q) "Total floor area" means the sum of gross square footage inside a building's envelope, measured between the outside exterior walls of the building. Total floor area includes covered parking structures.

(r) "Utility customer" means the building owner or tenant listed on the utility's records as the customer liable for payment of the utility service or additional charges assessed on the utility account.

Subd. 2. **Establishment.** The commissioner must establish and maintain a building energy benchmarking program. The purpose of the program is to:

(1) make a building's owners, tenants, and potential tenants aware of (i) the building's energy consumption levels and patterns, and (ii) how the building's energy use compares with that of similar buildings nationwide; and

(2) enhance the likelihood that an owner adopts energy conservation measures in the owner's building as a way to reduce energy use, operating costs, and greenhouse gas emissions.

Subd. 3. **Classification of covered properties.** For the purposes of this section, a covered property is classified as follows:

<u>Class</u>	<u>Total Floor Area (square feet)</u>
<u>1</u>	<u>100,000 or more</u>
<u>2</u>	<u>50,000 to 99,999</u>

Subd. 4. **Benchmarking requirement.** (a) An owner must annually benchmark all covered property owned as of December 31 in conformity with the schedule in subdivision 7. Energy use data must be compiled by:

(1) obtaining the data from the utility providing the energy; or

(2) reading a master meter.

(b) Before entering information in a benchmarking tool, an owner must run all automated data quality assurance functions available within the benchmarking tool and must correct all data identified as missing or incorrect.

(c) An owner who becomes aware that any information entered into a benchmarking tool is inaccurate or incomplete must amend the information in the benchmarking tool within 30 days of the date the owner learned of the inaccuracy.

(d) Nothing in this subdivision prohibits an owner of property that is not a covered property from voluntarily benchmarking a property under this section.

Subd. 5. **Exemption by individual building.** (a) The commissioner may exempt an owner of a covered property from the requirements of subdivision 4 if the owner provides evidence satisfactory to the commissioner that the covered property:

(1) is presently experiencing financial distress;

(2) has been less than 50 percent occupied during the previous calendar year;

(3) does not have a certificate of occupancy or temporary certificate of occupancy for the full previous calendar year;

(4) was issued a demolition permit during the previous calendar year that remains current; or

(5) received no energy services for at least 30 days during the previous calendar year.

(b) An exemption granted under this subdivision applies only to a single calendar year. An owner must reapply to the commissioner each year an extension is sought.

(c) Within 30 days of the date an owner makes a request under this paragraph, a tenant of a covered property subject to this section must provide the owner with any information regarding energy use of the tenant's rental unit that the property owner cannot otherwise obtain and that is needed by the owner to comply with this section. The tenant must provide the information required under this paragraph in a format approved by the commissioner.

Subd. 6. **Exemption by other government benchmarking program.** An owner is exempt from the requirements of subdivision 4 for a covered property if the property is subject to a benchmarking requirement by the state, a city, or other political subdivision with a benchmarking requirement that the commissioner determines is equivalent or more stringent, as determined under subdivision 11, paragraph (b), than the benchmarking requirement established in this section. The exemption under this subdivision applies in perpetuity unless or until the benchmarking requirement is changed or revoked and the commissioner determines the benchmarking requirement is no longer equivalent nor more stringent.

Subd. 7. **Benchmarking schedule.** (a) An owner must annually benchmark each covered property for the previous calendar year according to the following schedule:

(1) all Class 1 properties by June 1, 2025, and by every June 1 thereafter; and

(2) all Class 2 properties by June 1, 2026, and by every June 1 thereafter.

(b) Beginning June 1, 2025, for Class 1 properties, and June 1, 2026, for Class 2 properties, an owner who is selling a covered property must provide the following to the new owner at the time of sale:

(1) benchmarking information for the most recent 12-month period, including monthly energy use by source; or

(2) ownership of the digital property record in the benchmarking tool through an online transfer.

Subd. 8. **Utility data requirements.** (a) In implementing this section, a qualifying utility shall implement the data aggregation standards established by the commission in docket number 19-505, including changes to the standards adopted in an order issued after the effective date of this section. A municipal energy utility serving a covered property under this section shall adopt data aggregation standards that are substantially similar to the standards included in the commission's order in that docket and subsequent relevant orders.

(b) Customer energy use data that a qualifying utility provides an owner pursuant to this subdivision must be:

(1) available on, or able to be requested through, an easily navigable web portal or online request form using up-to-date standards for digital authentication;

(2) provided to the owner within 30 days after receiving the owner's valid written or electronic request;

(3) provided for at least 24 consecutive months of energy consumption or as many months of consumption data that are available if the owner has owned the building for less than 24 months;

(4) directly uploaded to the owner's benchmarking tool account, delivered in the spreadsheet template specified by the benchmarking tool, or delivered in another format approved by the commissioner;

(5) provided to the owner on at least an annual basis until the owner revokes the request for energy use data or sells the covered property; and

(6) provided in monthly intervals, or the shortest available intervals based in billing.

(c) Data necessary to establish, utilize, or maintain information in the benchmarking tool under this section may be collected or shared as provided by this section and are considered public data whether or not the data have been aggregated.

Subd. 9. Data collection and management. (a) The commissioner must:

(1) collect benchmarking information generated by a benchmarking tool and other related information for each covered property;

(2) provide technical assistance to owners entering data into a benchmarking tool;

(3) collaborate with the Department of Revenue to collect the data necessary for establishing the covered property list annually; and

(4) provide technical guidance to utilities in the establishment of data aggregation and access tools.

(b) Upon request of the commissioner, a county assessor shall provide readily available property data necessary for the development of the covered property list, including but not limited to gross floor area, property type, and owner information by January 15 annually.

(c) The commissioner must:

(1) rank benchmarked covered properties in each property class from highest to lowest performance score or, if a performance score is unavailable for a covered property, from lowest to highest energy use intensity;

(2) divide covered properties in each property class into four quartiles based on the applicable measure in clause (1);

(3) assign four stars to each covered property in the quartile of each property class with the highest performance scores or lowest energy use intensities, as applicable;

(4) assign three stars to each covered property in the quartile of each property class with the second highest performance scores or second lowest energy use intensities, as applicable;

(5) assign two stars to each covered property in the quartile of each property class with the third highest performance scores or third lowest energy use intensities, as applicable;

(6) assign one star to each covered property in the quartile of each property class with the lowest performance scores or highest energy use intensities, as applicable; and

(7) serve notice in writing to each owner identifying the number of stars assigned by the commissioner to each of the owner's covered properties.

Subd. 10. **Data disclosure to public.** (a) The commissioner must post on the department's website and update by December 1 annually the following information for the previous calendar year:

(1) annual summary statistics on energy use for all covered properties;

(2) annual summary statistics on energy use for all covered properties, aggregated by covered property class, as defined in subdivision 3, city, and county;

(3) the percentage of covered properties in each building class listed in subdivision 3 that are in compliance with the benchmarking requirements under subdivisions 4 to 7; and

(4) for each covered property, at a minimum, report the address, the total energy use, energy use intensity, annual greenhouse gas emissions, and an energy performance score, if available.

(b) The commissioner must post the information required under this subdivision for:

(1) all Class 1 properties by November 1, 2025, and by every November 1 thereafter; and

(2) all Class 2 properties by November 1, 2026, and by every November 1 thereafter.

Subd. 11. **Coordination with other benchmarking programs.** (a) The commissioner shall coordinate with any state agency or local government that implements an energy benchmarking program, including the coordination of reporting requirements.

(b) This section does not restrict a local government from adopting or implementing an ordinance or resolution that imposes more stringent benchmarking requirements. For purposes of this section, a local government benchmarking program is more stringent if the program requires:

(1) buildings to be benchmarked that are not required to be benchmarked under this section; or

(2) benchmarking of information that is not required to be benchmarked under this section.

(c) Benchmarking program requirements of local governments must:

(1) be at least as comprehensive in scope and application as the program operated under this section; and

(2) include annual enforcement of a penalty on covered properties that do not comply with the local government's benchmarking ordinance.

(d) Local governments must notify the commissioner of the local government's existing benchmarking ordinance requirements. Local governments must notify the commissioner of new, changed, or revoked ordinance requirements, which when made by December 31 would apply to the benchmarking schedule for the following year.

(e) The commissioner shall make available for local governments upon request all benchmarking data for covered properties within the local government's jurisdiction by December 1, annually.

Subd. 12. **Building performance disclosure to occupants.** The commissioner must provide disclosure materials for public display within a building to building owners, so that building owners can prominently display the performance of the building. The materials must include the number of stars assigned to the building by the commissioner under subdivision 9, paragraph (c), and a relevant explanation of the rating.

Subd. 13. **Notifications.** By March 1 each year, the commissioner must notify the owner of each covered property required to benchmark for the previous calendar year of the requirement to benchmark by June 1 of the current year.

Subd. 14. **Program implementation.** The commissioner may contract with an independent third party to implement any or all of the commissioner's duties required under this section. To implement the benchmarking program, the commissioner shall assist building owners to increase energy efficiency and reduce greenhouse gas emissions from the owners' buildings, including by providing outreach, training, and technical assistance to building owners to help the owners' buildings come into compliance with the benchmarking program.

Subd. 15. **Enforcement.** By June 15 each year, the commissioner must notify the owner of each covered property required to comply with this section that has failed to comply that the owner has until July 15 to come into compliance, unless the owner requests an extension, in which case the owner has until August 15 to come into compliance. If an owner fails to comply with the requirements of this section by July 15 and fails to request an extension by that date, or is given an extension and fails to comply by August 15, the commissioner may impose a civil fine of \$1,000 on the owner. The commissioner may by rule increase the civil fine to adjust for inflation.

Subd. 16. **Recovery of expenses.** The commission shall allow a public utility to recover reasonable and prudent expenses of implementing this section under section 216B.16, subdivision 6b. The costs and benefits associated with implementing this section may, at the discretion of the utility, be excluded from the calculation of net economic benefits for purposes of calculating the financial incentive to the public utility under section 216B.16, subdivision 6c. The energy and demand savings may, at the discretion of the public utility, be applied toward the calculation of overall portfolio energy and demand savings for purposes of determining progress toward annual goals under section 216B.241, subdivision 1c, and in the financial incentive mechanism under section 216B.16, subdivision 6c.

EFFECTIVE DATE. This section is effective the day following final enactment, except that subdivision 15 is effective June 15, 2026.

Sec. 30. Minnesota Statutes 2022, section 216C.375, subdivision 1, is amended to read:

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: (1) a school that operates as part of an independent or special school district; (2) a Tribal contract school; or ~~(2)~~ (3) a state college or university that is under the jurisdiction of the Board of Trustees of the Minnesota State Colleges and Universities.

(e) "School district" means: (1) an independent or special school district; or (2) any other public school district deemed appropriate by the commissioner, provided that at a minimum the school owns the building and instruction for students occurs.

(f) "Solar energy system" means photovoltaic or solar thermal devices.

(g) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (d).

(h) "State colleges and universities" has the meaning given in section 136F.01, subdivision 4.

Sec. 31. Minnesota Statutes 2022, section 216C.375, subdivision 3, is amended to read:

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. The account consists of money provided by law, donated, allocated, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account.

(b) Money in the account is appropriated to the commissioner for the purposes of the program under this section. Except as otherwise provided in this paragraph, money deposited in the account remains in the account until expended. Any money that remains in the account on June 30, ~~2027~~ 2034, cancels to the general fund.

Sec. 32. Minnesota Statutes 2022, section 216C.375, subdivision 10, is amended to read:

Subd. 10. **Application deadline.** ~~No~~ An application ~~may~~ must not be submitted under this section after December 31, ~~2025~~ 2032.

Sec. 33. Minnesota Statutes 2022, section 216C.375, subdivision 11, is amended to read:

Subd. 11. **Reporting.** Beginning January 15, 2022, and each year thereafter until January 15, ~~2028~~ 2035, the commissioner must report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy regarding: (1) grants and amounts awarded to schools under this section during the previous year; (2) financial assistance, including amounts per award, provided to schools under section 216C.376 during the previous year; and (3) any remaining balances available under this section and section 216C.376.

Sec. 34. **[216C.377] DISTRIBUTED ENERGY RESOURCES SYSTEM UPGRADE PROGRAM.**

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

(b) "Capacity constrained location" means a location on an electric utility's distribution system that the utility has reasonably determined requires significant distribution or network upgrades before additional distributed energy resources can interconnect.

(c) "DER Technical Planning Standard" means an engineering practice that limits the total aggregate distributed energy resource capacity that may interconnect to a particular location on the utility's distribution system.

(d) "Distributed energy resources" means distributed generation, as defined in section 216B.164, and energy storage systems, as defined in section 216B.2422.

(e) "Distribution upgrades" means the additions, modifications, and upgrades made to an electric utility's distribution system to facilitate interconnection of distributed energy resources.

(f) "Interconnection" means the process governed by section 216B.1611.

(g) "Net metered" has the meaning given in section 216B.164.

(h) "Network upgrades" means additions, modifications, and upgrades to the transmission system required at or beyond the point at which the distributed energy resource interconnects with an electric utility's distribution system to accommodate the interconnection of the distributed energy resource with the electric utility's distribution system. Network upgrades do not include distribution upgrades.

Subd. 2. **Establishment; purpose.** A distributed energy resources system upgrade program is established in the department. The purpose of the program is to provide funding to the utility subject to section 116C.779 to complete infrastructure investments necessary to enable electricity customers to interconnect distributed energy resources. The program must be designed to achieve the following goals to the maximum extent feasible:

(1) make upgrades at capacity constrained locations on the utility's distribution system that maximize the number and capacity of distributed energy resources projects with a capacity of up to 40 kilowatts alternating current that can be interconnected sufficient to serve projected demand;

(2) enable all distributed energy resources projects with a nameplate capacity of up to 40 kilowatts alternating current to be reviewed and approved by the utility within 43 business days;

(3) minimize interconnection barriers for electricity customers seeking to construct net metered facilities for on-site electricity use; and

(4) advance innovative solutions that can minimize the cost of distribution and network upgrades required for interconnection, including but not limited to energy storage, control technologies, smart inverters, distributed energy resources management systems, and other innovative technologies and programs.

Subd. 3. **Required plan.** (a) By November 1, 2023, the utility subject to section 116C.779 must file with the commissioner a plan for the distributed energy resources system upgrade program. The plan must contain, at a minimum:

(1) a description of how the utility proposes to use money in the distributed energy resources system upgrade program account to upgrade the utility's distribution system to maximize the number and capacity of distributed energy resources that can be interconnected sufficient to serve projected demand;

(2) the locations where the utility proposes to make investments under the program;

(3) the number and capacity of distributed energy resources projects the utility expects to interconnect as a result of the program;

(4) a plan for reporting on the program's outcomes; and

(5) any additional information required by the commissioner.

(b) The utility subject to section 116C.779 is prohibited from implementing the program until the commissioner approves the plan submitted under this subdivision. No later than March 31, 2024, the commissioner must approve a plan under this subdivision that the commissioner determines is in the public interest. Any proposed modifications to the plan approved under this subdivision must be approved by the commissioner.

Subd. 4. **Project priorities.** In developing the plan required by subdivision 3, the utility must prioritize making investments:

(1) at capacity constrained locations on the distribution grid;

(2) in communities with demonstrated customer interest in distributed energy resources, as measured by anticipated, pending, and completed interconnection applications; and

(3) in communities with a climate action plan, clean energy goal, or policies that:

(i) seek to mitigate the impacts of climate change on the city; or

(ii) reduce the city's contributions to the causes of climate change.

Subd. 5. **Eligible costs.** The commissioner may pay the following reasonable costs of the utility subject to section 116C.779 under a plan approved in accordance with subdivision 3 from money available in the distributed energy resources system upgrade program account:

(1) distribution upgrades and network upgrades;

(2) energy storage; control technologies, including but not limited to a distributed energy resources management system; or other innovative technology used to achieve the purposes of this section;

(3) pilot programs operated by the utility to implement innovative technology solutions; and

(4) costs incurred by the department to administer this section.

Subd. 6. **Capacity reserved.** The utility subject to section 116C.779 must reserve any increase in the DER Technical Planning Standard made available by upgrades paid for under this section for net metered facilities and distributed energy resources with a nameplate capacity of up to 40 kilowatts alternating current. The commissioner may modify the requirements of this subdivision when the commissioner finds doing so is in the public interest.

Subd. 7. **Establishment of account.** (a) A distributed energy resources system upgrade program account is established in the special revenue fund. The account consists of money provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended.

(b) Money in the account is appropriated to the commissioner for eligible expenditures under this section.

Subd. 8. **Reporting of certain incidents.** The utility subject to section 116C.779 must report to the commissioner within 60 days if any distributed energy resources project with a capacity of up to 40 kilowatts alternating current is unable to interconnect due to safety, reliability, or the cost of distribution or network upgrades required at a location for which upgrade funding was provided under this program. The utility must make available to the commissioner all engineering analyses, studies, and information related to any such instances. The commissioner may modify or waive this requirement after December 31, 2025.

Sec. 35. [216C.378] SOLAR GRANT PROGRAM; PUBLIC BUILDINGS.

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

(b) "Cooperative electric association" means a cooperative association organized under chapter 308A for the purpose of providing rural electrification at retail.

(c) "Developer" means an entity that applies for a grant on behalf of a public building under this section to install a solar energy generating system on the public building.

(d) "Local unit of government" means:

(1) a county, statutory or home rule charter city, town, municipal utility, or other local government jurisdiction, excluding a school district eligible to receive financial assistance under section 216C.375 or 216C.376; or

(2) a federally recognized Indian Tribe in Minnesota.

(e) "Municipal electric utility" means a utility that (1) provides electric service to retail customers in Minnesota, and (2) is governed by a city council or a local utilities commission.

(f) "Public building" means:

(1) a building owned and operated by a local unit of government; or

(2) a building owned by a federally recognized Indian Tribe in Minnesota whose primary purpose is Tribal government operations.

(g) "Solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

Subd. 2. **Establishment; purpose.** A solar on public buildings grant program is established in the department. The purpose of the program is to provide grants to stimulate the installation of solar energy generating systems on public buildings.

Subd. 3. **Establishment of account.** A solar on public buildings grant program account is established in the special revenue fund. Any money received from state resources for the purposes of this section must be transferred to the commissioner of commerce and credited to the account. Earnings, including interest, dividends, and any other earnings arising from the assets of the account, must be credited to the account. Earnings remaining in the account at the end of a fiscal year do not cancel to the general fund or renewable development account but remain in the account until expended. The commissioner must manage the account.

Subd. 4. **Appropriation; expenditures.** Money in the account established under subdivision 3 is appropriated to the commissioner for the purposes of this section and must be used only:

(1) for grant awards made under this section; and

(2) to pay the reasonable costs of the department to administer this section.

Subd. 5. **Eligible system.** (a) A grant may be awarded to a local unit of government under this section only if the solar energy generating system that is the subject of the grant:

(1) is installed (i) on or adjacent to a public building that consumes the electricity generated by the solar energy generating system, and (ii) on property within the service territory of the utility currently providing electric service to the public building; and

(2) has a capacity that does not exceed the lesser of 40 kilowatts or 120 percent of the average annual electricity consumption, measured over the most recent three calendar years, of the public building at which the solar energy generating system is installed.

(b) A public building that receives a rebate or other financial incentive under section 216B.241 for a solar energy generating system is eligible for a grant under this section for the same solar energy generating system.

(c) Before filing an application for a grant under this section, a local unit of government or public building that is served by a municipal electric utility or cooperative electric association must inform the municipal electric utility or cooperative electric association of the local unit of government's or public building's intention to do so.

Subd. 6. **Application process.** (a) The commissioner must issue a request for proposals to utilities, local units of government, and developers who may wish to apply for a grant under this section on behalf of a public building.

(b) A utility or developer must submit an application to the commissioner on behalf of a public building 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 generating system and the amount of electricity that is expected to be generated;

(2) the current energy demand of the public building on which the solar energy generating system is to be installed, information regarding any distributed energy resource that currently provides electricity to the public building, and the size of the public building's subscription to a community solar garden, if applicable;

(3) information sufficient to estimate the energy and monetary savings that are projected to result from installation of the solar energy generating system over the system's useful life;

(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 local unit of government and the utility or developer that includes provisions addressing responsibility for maintenance, removal, and disposal of the solar energy generating system; and

(6) if the applicant is other than the utility providing electric service to the public building at which the solar energy generating system is to be installed, a written statement or memorandum of understanding from that utility that the proposed financing arrangement presents no foreseeable issues that would prevent interconnection of the solar energy generating system.

(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 under this section.

Subd. 7. **Energy conservation review.** At the commissioner's request, a local unit of government awarded a grant under this section must provide the commissioner with information regarding energy conservation measures implemented at the public building where the solar energy generating system is to be installed. The commissioner may make recommendations to the local unit of government regarding cost-effective conservation measures the local unit of government can implement and may provide technical assistance and direct the local unit of government to available financial assistance programs.

Subd. 8. **Technical assistance.** The commissioner must provide technical assistance to local units of government to develop and execute projects under this section.

Subd. 9. **Grant payments.** A grant awarded by the commissioner from the account established under subdivision 3 to a local unit of government must include the necessary and reasonable costs associated with the purchase and installation of a solar energy generating system. In determining the amount of a grant award, the commissioner shall take into consideration the financial capacity of the local unit of government awarded the grant.

Subd. 10. **Application deadline.** An application must not be submitted under this section after December 31, 2032.

Subd. 11. **Contractor conditions.** A contractor or subcontractor performing construction work on a project supported by a grant awarded under this section: (1) must pay employees working on the project no less than the prevailing wage rate, as defined in section 177.42; and (2) is subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 12. **Reporting.** Beginning January 15, 2024, and each year thereafter until January 15, 2027, the commissioner must report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy finance and policy regarding grants and amounts awarded to local units of government under this section during the previous year and any remaining balances available in the account established under this section.

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

Sec. 36. **[216C.379] ENERGY STORAGE INCENTIVE PROGRAM.**

(a) The electric utility subject to section 116C.779 must develop and operate a program to provide a lump-sum grant to customers to reduce the cost of purchasing and installing an on-site energy storage system, as defined in section 216B.2422, subdivision 1, paragraph (f). No later than October 1, 2023, the utility subject to this section must file a plan with the commissioner to operate the program. The utility must not operate the program until the program is approved by the commissioner. Any change to an operating program must be approved by the commissioner.

(b) In order to be eligible to receive a grant under this section, an energy storage system must:

(1) have a capacity no greater than 50 kilowatt hours; and

(2) be located within the electric service area of the utility subject to this section.

(c) An owner of an energy storage system is eligible to receive a grant under this section if:

(1) a solar energy generating system is operating at the same site as the proposed energy storage system; or

(2) the owner has filed an application with the utility subject to this section to interconnect a solar energy generating system at the same site as the proposed energy storage system.

(d) The commissioner must annually review and may adjust the amount of grants awarded under this section, but must not increase the amount over that awarded in previous years unless the commissioner demonstrates in writing that an upward adjustment is warranted by market conditions.

(e) A customer who receives a grant under this section is eligible to receive financial assistance under programs operated by the state or the utility for the solar energy generating system operating in conjunction with the energy storage system.

(f) For the purposes of this section, "solar energy generating system" has the meaning given in section 216E.01, subdivision 9a.

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

Sec. 37. [216C.401] ELECTRIC VEHICLE REBATES.

Subdivision 1. Definitions. (a) For purposes of this section and section 216C.402, the terms in this subdivision have the meanings given.

(b) "Dealer" means a person, firm, or corporation that:

(1) possesses a new motor vehicle license under chapter 168;

(2) regularly engages in the business of manufacturing or selling, purchasing, and generally dealing in new and unused motor vehicles;

(3) has an established place of business to sell, trade, and display new and unused motor vehicles;
and

(4) possesses new and unused motor vehicles to sell or trade the motor vehicles.

(c) "Electric vehicle" has the meaning given in section 169.011, subdivision 26a, paragraphs (a) and (b), clause (3).

(d) "Eligible new electric vehicle" means an electric vehicle that meets the requirements of subdivision 2, paragraph (a).

(e) "Eligible used electric vehicle" means an electric vehicle that meets the requirements of subdivision 2, paragraph (b).

(f) "Lease" means a business transaction under which a dealer furnishes an eligible electric vehicle to a person for a fee under a bailor-bailee relationship where no incidences of ownership transferred, other than the right to use the vehicle for a term of at least 24 months.

(g) "Lessee" means a person who leases an eligible electric vehicle from a dealer.

(h) "New eligible electric vehicle" means an eligible electric vehicle that has not been registered in any state.

Subd. 2. Eligible vehicle. (a) A new electric vehicle is eligible for a rebate under this section if the electric vehicle:

(1) has a base manufacturer's suggested retail price that does not exceed \$60,000;

(2) has not been previously owned;

(3) has not been modified from the original manufacturer's specifications;

(4) is purchased or leased from a dealer or directly from an original equipment manufacturer that does not have licensed franchised dealers in Minnesota; and

(5) is purchased or leased after the effective date of this section for use by the purchaser and not for resale.

(b) A used electric vehicle is eligible for an electric vehicle rebate under this section if the electric vehicle had a base manufacturer's suggested retail price that did not exceed \$60,000 when purchased, has previously been owned in Minnesota or another state, and has not been modified from the original manufacturer's specifications.

(c) For purposes of paragraph (a), a vehicle has not been previously owned if it:

(1) is used by a dealer as a floor model or test drive vehicle and has not been previously registered in Minnesota or any other state prior to purchase or lease; or

(2) is returned to a dealer by a purchaser or lessee:

(i) within two weeks of purchase or leasing or when a purchaser's or lessee's financing for the electric vehicle has been disapproved; or

(ii) before the purchaser or lessee takes delivery, even if the electric vehicle is registered in Minnesota.

Subd. 3. **Eligible purchaser or lessee.** A person who purchases or leases an eligible new or used electric vehicle is eligible for a rebate under this section if the purchaser or lessee:

(1) is one of the following:

(i) a resident of Minnesota, as defined in section 290.01, subdivision 7, paragraph (a), when the electric vehicle is purchased or leased;

(ii) a business that has a valid address in Minnesota from which business is conducted;

(iii) a nonprofit corporation incorporated under chapter 317A; or

(iv) a political subdivision of the state;

(2) has not received a rebate or tax credit for the purchase or lease of an electric vehicle from the state of Minnesota; and

(3) registers the electric vehicle in Minnesota.

Subd. 4. **Rebate amounts.** (a) A \$2,500 rebate may be issued under this section to an eligible purchaser to purchase or lease an eligible new electric vehicle.

(b) A \$500 rebate may be issued under this section to an eligible purchaser or lessee of an eligible used electric vehicle.

(c) A purchaser or lessee whose household income at the time the eligible electric vehicle is purchased or leased is less than 150 percent of the current federal poverty guidelines established by the Department of Health and Human Services is eligible for a rebate of \$500 to purchase or lease an eligible new electric vehicle and \$100 to purchase or lease an eligible used electric vehicle. The rebate under this paragraph is in addition to the rebate under paragraph (a) or (b), as applicable.

Subd. 5. **Limits.** The number of rebates allowed under this section is limited to:

(1) no more than one rebate per resident; and

(2) no more than one rebate per business entity per year.

Subd. 6. **Program administration.** (a) A rebate application under this section must be filed with the commissioner on a form developed by the commissioner.

(b) The commissioner must develop administrative procedures governing the application and rebate award process. Applications must be reviewed and rebates awarded by the commissioner on a first-come, first-served basis.

(c) The commissioner must, in coordination with dealers and other state agencies as applicable, develop a procedure to allow a rebate to be used by an eligible purchaser or lessee at the point of sale so that the rebate amount may be subtracted from the selling price of the eligible electric vehicle.

(d) The commissioner may reduce the rebate amounts provided under subdivision 4 or restrict program eligibility based on the availability of money to award rebates or other factors.

Subd. 7. **Expiration.** This section expires June 30, 2027.

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

Sec. 38. **[216C.402] GRANT PROGRAM; MANUFACTURERS' CERTIFICATION OF AUTO DEALERS TO SELL ELECTRIC VEHICLES.**

Subdivision 1. **Establishment.** A grant program is established in the department to award grants to dealers to offset the costs of obtaining the necessary training and equipment that is required by electric vehicle manufacturers in order to certify a dealer to sell electric vehicles produced by the manufacturer.

Subd. 2. **Application.** An application for a grant under this section must be made to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures and processes to review applications and award grants under this section.

Subd. 3. **Eligible applicants.** An applicant for a grant awarded under this section must be a dealer of new motor vehicles licensed under chapter 168 operating under a franchise from a manufacturer of electric vehicles.

Subd. 4. **Eligible expenditures.** Appropriations made to support the activities of this section must be used only to reimburse:

(1) a dealer for the reasonable costs to obtain training and certification for the dealer's employees from the electric vehicle manufacturer that awarded the franchise to the dealer;

(2) a dealer for the reasonable costs to purchase and install equipment to service and repair electric vehicles, as required by the electric vehicle manufacturer that awarded the franchise to the dealer; and

(3) the department for the reasonable costs to administer this section.

Subd. 5. **Limitation.** A grant awarded under this section to a single dealer must not exceed \$40,000.

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

Sec. 39. **[216C.441] MINNESOTA CLIMATE INNOVATION FINANCE AUTHORITY.**

Subdivision 1. **Establishment; purpose.** (a) There is created a public body corporate and politic to be known as the "Minnesota Climate Innovation Finance Authority," whose purpose is to accelerate the deployment of clean energy projects, greenhouse gas emissions reduction projects, and other qualified projects through the strategic deployment of public funds in the form of grants, loans, credit enhancements, and other financing mechanisms in order to leverage existing public and private sources of capital to reduce the upfront and total cost of qualified projects and to overcome financial barriers to project adoption, especially in low-income communities.

(b) The goals of the authority include but are not limited to:

(1) reducing Minnesota's contributions to climate change by accelerating the deployment of clean energy projects;

(2) ensuring that all Minnesotans share the benefits of clean and renewable energy and the opportunity to fully participate in the clean energy economy by promoting:

(i) the creation of clean energy jobs for Minnesota workers, particularly in environmental justice communities and communities in which fossil fuel electric generating plants are retiring; and

(ii) the principles of environmental justice in the authority's operations and funding decisions; and

(3) maintaining energy reliability while reducing the economic burden of energy costs, especially on low-income households.

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

(b) "Authority" means the Minnesota Climate Innovation Finance Authority.

(c) "Board" means the Minnesota Climate Innovation Finance Authority's board of directors established in subdivision 10.

(d) "Clean energy project" has the meaning given to "qualified project" in paragraph (m), clauses (1) to (7).

(e) "Community navigator" means an organization that works to facilitate access to clean energy project financing by community groups.

(f) "Credit enhancement" means a pool of capital set aside to cover potential losses on loans and other investments made by financing entities. Credit enhancement includes but is not limited to loan loss reserves and loan guarantees.

(g) "Energy storage system" has the meaning given in section 216B.2422, subdivision 1, paragraph (f).

(h) "Environmental justice" means that:

(1) communities of color, Indigenous communities, and low-income communities have a healthy environment and are treated fairly when environmental statutes, rules, and policies are developed, adopted, implemented, and enforced; and

(2) in all decisions that have the potential to affect the environment of an environmental justice community or the public health of an environmental justice community's residents, due consideration is given to the history of the area's and the area's residents' cumulative exposure to pollutants and to any current socioeconomic conditions that increase the physical sensitivity of the area's residents to additional exposure to pollutants.

(i) "Environmental justice community" means a community in Minnesota that, based on the most recent data published by the United States Census Bureau, meets one or more of the following criteria:

(1) 40 percent or more of the community's total population is nonwhite;

(2) 35 percent or more of households in the community have an income that is at or below 200 percent of the federal poverty level;

(3) 40 percent or more of the community's residents over the age of five have limited English proficiency; or

(4) the community is located within Indian country, as defined in United States Code, title 18, section 1151.

(j) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by anthropogenic sources.

(k) "Loan loss reserve" means a pool of capital set aside to reimburse a private lender if a customer defaults on a loan, up to an agreed-upon percentage of loans originated by the private lender.

(l) "Microgrid system" means an electrical grid that:

(1) serves a discrete geographical area from distributed energy resources; and

(2) can operate independently from the central electric grid on a temporary basis.

(m) "Project labor agreement" means a prehire collective bargaining agreement with a council of building and construction trades labor organizations (1) prohibiting strikes, lockouts, and similar disruptions, and (2) providing for a binding procedure to resolve labor disputes on the project.

(n) "Qualified project" means a project, technology, product, service, or measure promoting energy efficiency, clean energy, electrification, or water conservation and quality that:

- (1) substantially reduces greenhouse gas emissions;
- (2) reduces energy use without diminishing the level of service;
- (3) increases the deployment of renewable energy projects, energy storage systems, district heating, smart grid technologies, or microgrid systems;
- (4) replaces existing fossil-fuel-based technology with an end-use electric technology;
- (5) supports the development and deployment of electric vehicle charging stations and associated infrastructure, electric buses, and electric fleet vehicles;
- (6) reduces water use or protects, restores, or preserves the quality of surface waters; or
- (7) incentivizes customers to shift demand in response to changes in the price of electricity or when system reliability is not jeopardized.

(o) "Renewable energy" has the meaning given in section 216B.1691, subdivision 1, paragraph (c), clauses (1), (2), and (4), and includes fuel cells generated from renewable energy.

(p) "Securitization" means the conversion of an asset composed of individual loans into marketable securities.

(q) "Smart grid" means a digital technology that:

- (1) allows for two-way communication between a utility and the utility's customers; and
- (2) enables the utility to control power flow and load in real time.

Subd. 3. **General powers.** (a) For the purpose of exercising the specific powers granted in this section, the authority has the general powers granted in this subdivision.

(b) The authority may:

- (1) hire an executive director and staff to conduct the authority's operations;
- (2) sue and be sued;
- (3) have a seal and alter the seal;
- (4) acquire, hold, lease, manage, and dispose of real or personal property for the authority's corporate purposes;
- (5) enter into agreements, including cooperative financing agreements, contracts, or other transactions, with any federal or state agency, county, local unit of government, regional development commission, person, domestic or foreign partnership, corporation, association, or organization;
- (6) acquire by purchase real property, or an interest therein, in the authority's own name where acquisition is necessary or appropriate;
- (7) provide general technical and consultative services related to the authority's purpose;

(8) promote research and development in matters related to the authority's purpose;

(9) analyze greenhouse gas emissions reduction project financing needs in the state and recommend measures to alleviate any shortage of financing capacity;

(10) contract with any governmental or private agency or organization, legal counsel, financial advisor, investment banker, or others to assist in the exercise of the authority's powers;

(11) enter into agreements with qualified lenders or others insuring or guaranteeing to the state the payment of qualified loans or other financing instruments; and

(12) accept on behalf of the state any gift, grant, or interest in money or personal property tendered to the state for any purpose pertaining to the authority's activities.

Subd. 4. **Authority duties.** (a) The authority must:

(1) serve as a financial resource to reduce the upfront and total costs of implementing qualified projects;

(2) ensure that all financed projects reduce greenhouse gas emissions;

(3) ensure that financing terms and conditions offered are well-suited to qualified projects;

(4) strategically prioritize the use of the authority's funds to leverage private investment in qualified projects, with the aim of achieving a high ratio of private to public money invested through funding mechanisms that support, enhance, and complement private lending and investment;

(5) coordinate with existing federal, state, local, utility, and other programs to ensure that the authority's resources are being used most effectively to add to and complement those programs;

(6) stimulate demand for qualified projects by:

(i) contracting with the department's Energy Information Center and community navigators to provide information to project participants about federal, state, local, utility, and other authority financial assistance for qualifying projects, and technical information on energy conservation and renewable energy measures;

(ii) forming partnerships with contractors and informing contractors about the authority's financing programs;

(iii) developing innovative marketing strategies to stimulate project owner interest, especially in underserved communities; and

(iv) incentivizing financing entities to increase activity in underserved markets;

(7) finance projects in all regions of the state;

(8) develop participant eligibility standards and other terms and conditions for financial support provided by the authority;

(9) develop and administer:

(i) policies to collect reasonable fees for authority services; and

(ii) risk management activities to support ongoing authority activities;

(10) develop consumer protection standards governing the authority's investments to ensure that financial support is provided responsibly and transparently, and is in the financial interest of participating project owners;

(11) develop methods to accurately measure the impact of the authority's activities, particularly on low-income communities and on greenhouse gas emissions reductions;

(12) hire an executive director and sufficient staff with the appropriate skills and qualifications to carry out the authority's programs, making an affirmative effort to recruit and hire a director and staff who are from, or share the interests of, the communities the authority must serve;

(13) apply for, either as a direct or subgrantee applicant, and accept Greenhouse Gas Reduction Fund grants authorized by the federal Clean Air Act, United States Code, title 42, section 7434(a). If the application deadlines for these grants are earlier than is practical for the authority to meet, the commissioner shall apply on behalf of the authority. In all cases, applications for these funds by or on behalf of the authority must be coordinated with all known Minnesota applicants; and

(14) ensure that authority contracts with all third-party administrators, contractors, and subcontractors contain required covenants, representations, and warranties specifying that contracted third parties are agents of the authority, and that all acts of contracted third parties are considered acts of the authority, provided that the act is within the contracted scope of work.

(b) The authority may:

(1) employ credit enhancement mechanisms that reduce financial risk for financing entities by providing assurance that a limited portion of a loan or other financial instrument is assumed by the authority via a loan loss reserve, loan guarantee, or other mechanism;

(2) co-invest in a qualified project by providing senior or subordinated debt, equity, or other mechanisms in conjunction with other investment, co-lending, or financing;

(3) aggregate small and geographically dispersed qualified projects in order to diversify risk or secure additional private investment through securitization or similar resale of the authority's interest in a completed qualified project;

(4) expend up to 25 percent of money appropriated to the authority for start-up purposes, which may be used for financing programs and project investments authorized under this section prior to adoption of the strategic plan required under subdivision 7 and the investment strategy under subdivision 8; and

(5) require a specific project to agree to implement a project labor agreement as a condition of receiving financing from the authority.

Subd. 5. **Underserved market analysis.** (a) Before developing a financing program, the authority must conduct an analysis of the financial market the authority is considering entering in order to determine the extent to which the market is underserved and to ensure that the authority's activities

supplement, and do not duplicate or supplant, the efforts of financing entities currently serving the market. The analysis must address the nature and extent of any barriers or gaps that may be preventing financing entities from adequately serving the market, and must examine present and projected future efforts of existing financing entities, federal, state, and local governments, and of utilities and others to serve the market.

(b) In determining whether the authority should enter a market, the authority must consider:

(1) whether serving the market advances the authority's policy goals;

(2) the extent to which the market is currently underserved;

(3) the unique tools the authority would deploy to overcome existing market barriers or gaps;

(4) how the authority would market the program to potential participants; and

(5) potential financing partners and the role financing partners would play in complementing the authority's activities.

(c) Before providing any direct loans to residential borrowers, the authority must issue a request for information to existing known financing entities, specifying the market need and the authority's goals in meeting the underserved market segment, and soliciting each financing entity's:

(1) current financing offerings for that specific market;

(2) prior efforts to meet that specific market; and

(3) plans and capabilities to serve that specific market.

(d) The authority may only provide direct loans to residential borrowers if the authority certifies that no financing entity is currently able to meet the specific underserved market need and the authority's goals, and that the authority's entry into the market does not supplant or duplicate any existing financing activities in that specific market.

Subd. 6. Authority lending practices; labor and consumer protection standards. (a) In determining the projects in which the authority will participate, the authority must give preference to projects that:

(1) maximize the creation of high-quality employment and apprenticeship opportunities for local workers, consistent with the public interest, especially workers from environmental justice communities, labor organizations, and Minnesota communities hosting retired or retiring electric generation facilities, including workers previously employed at retiring facilities;

(2) utilize energy technologies produced domestically that received an advanced manufacturing tax credit under section 45X of the Internal Revenue Code, as allowed under the federal Inflation Reduction Act of 2022, Public Law 117-169;

(3) certify, for all contractors and subcontractors, that the rights of workers to organize and unionize are recognized; and

(4) agree to implement a project labor agreement.

(b) The authority must require, for all projects for which the authority provides financing, that:

(1) if the budget is \$100,000 or more, all contractors and subcontractors:

(i) must pay no less than the prevailing wage rate, as defined in section 177.42, subdivision 6; and

(ii) are subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.43, and 177.45, including the posting of prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay for all trades on the project in at least one conspicuous location at the project site;

(2) financing is not offered without first ensuring that the participants meet the authority's underwriting criteria; and

(3) any loan made to a homeowner for a project on the homeowner's residence complies with section 47.59 and the following federal laws:

(i) the Truth in Lending Act, United States Code, title 15, section 1601 et seq.;

(ii) the Fair Credit Reporting Act, United States Code, title 15, section 1681;

(iii) the Equal Credit Opportunity Act, United States Code, title 15, section 1691 et seq.; and

(iv) the Fair Debt Collection Practices Act, United States Code, title 15, section 1692.

(c) The authority and any third-party administrator, contractor, subcontractor, or agent that conducts lending, financing, investment, marketing, administration, servicing, or installation of measures in connection with a qualified project financed in whole or in part with authority funds is subject to sections 325D.43 to 325D.48; 325F.67 to 325F.71; 325G.06 to 325G.14; 325G.29 to 325G.37; and 332.37.

(d) For the purposes of this section, "local workers" means Minnesota residents who permanently reside within 150 miles of the location of a proposed project in which the authority is considering to participate.

Subd. 7. **Strategic plan.** (a) By December 15, 2024, and each December 15 in even-numbered years thereafter, the authority must develop and adopt a strategic plan that prioritizes the authority's activities over the next two years. A strategic plan must:

(1) identify targeted underserved markets for qualified projects in Minnesota;

(2) develop specific programs to overcome market impediments through access to authority financing and technical assistance; and

(3) develop outreach and marketing strategies designed to make potential project developers, participants, and communities aware of financing and technical assistance available from the authority, including the deployment of community navigators.

(b) Elements of the strategic plan must be informed by the authority's analysis of the market for qualified projects and by the authority's experience under the previous strategic plan, including the degree to which performance targets were or were not achieved by each financing program. In addition, the authority must actively seek input regarding activities that should be included in the strategic plan from stakeholders, environmental justice communities, the general public, and participants, including via meetings required under subdivision 9.

(c) The authority must establish annual targets in a strategic plan for each financing program regarding the number of projects, level of authority investments, greenhouse gas emissions reductions, and installed generating capacity or energy savings the authority hopes to achieve, including separate targets for authority activities undertaken in environmental justice communities.

(d) The authority's targets and strategies must be designed to ensure that no less than 40 percent of the direct benefits of authority activities flow to environmental justice communities as defined under subdivision 2, by the United States Department of Energy, or as modified by the department.

Subd. 8. **Investment strategy; content; process.** (a) No later than December 15, 2024, and every four years thereafter, the authority must adopt a long-term investment strategy to ensure the authority's paramount goal to reduce greenhouse gas emissions is reflected in all of the authority's operations. The investment strategy must address:

(1) the types of qualified projects the authority should focus on;

(2) gaps in current qualified project financing that present the greatest opportunities for successful action by the authority;

(3) how the authority can best position itself to maximize its impact without displacing, subsidizing, or assuming risk that should be shared with financing entities;

(4) financing tools that will be most effective in achieving the authority's goals;

(5) partnerships the authority should establish with other organizations to increase the likelihood of success; and

(6) how values of equity, environmental justice, and geographic balance can be integrated into all investment operations of the authority.

(b) In developing an investment strategy, the authority must consult, at a minimum, with similar organizations in other states, lending authorities, state agencies, utilities, environmental and energy policy nonprofits, labor organizations, and other organizations that can provide valuable advice on the authority's activities.

(c) The long-term investment strategy must contain provisions ensuring that:

(1) authority investments are not made solely to reduce private risk; and

(2) private financing entities do not unilaterally control the terms of investments to which the authority is a party.

(d) The board must submit a draft long-term investment strategy for comment to each of the groups and individuals the board consults under paragraph (b) and to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy finance and policy, and must post the draft strategy on the authority's website. The authority must accept written comments on the draft strategy for at least 30 days and must consider the comments in preparing the final long-term investment strategy.

Subd. 9. **Public communications and outreach.** The authority must:

(1) maintain a public website that provides information about the authority's operations, current financing programs, and practices, including rates, terms, and conditions; the number and amount of investments by project type; the number of jobs created; the financing application process; and other information;

(2) periodically issue an electronic newsletter to stakeholders and the public containing information on the authority's products, programs, and services and key authority events and decisions; and

(3) hold quarterly meetings accessible online to update the general public on the authority's activities, report progress being made in regard to the authority's strategic plan and long-term investment strategy, and invite audience questions regarding authority programs.

Subd. 10. **Board of directors.** (a) The Minnesota Climate Innovation Finance Authority Board of Directors shall consist of the following 11 members:

(1) the commissioner of commerce, or the commissioner's designee;

(2) the commissioner of labor and industry, or the commissioner's designee;

(3) the commissioner of the Minnesota Pollution Control Agency, or the commissioner's designee;

(4) the commissioner of employment and economic development, or the commissioner's designee;

(5) the chair of the Minnesota Indian Affairs Council, or the chair's designee; and

(6) six additional members appointed by the governor, as follows:

(i) one member, appointed after the governor consults with labor organizations in the state, must be a representative of a labor union with experience working on clean energy projects;

(ii) one member with expertise in the impact of climate change on Minnesota communities, particularly low-income communities;

(iii) one member with expertise in financing projects at a community bank, credit union, community development institution, or local government;

(iv) one member with expertise in sustainable development and energy conservation;

(v) one member with expertise in environmental justice; and

(vi) one member with expertise in investment fund management or financing and deploying clean energy technologies.

(b) At least two members appointed to the board must permanently reside outside the metropolitan area, as defined in section 473.121, subdivision 2. The board must collectively reflect the geographic and ethnic diversity of the state.

(c) Board members appointed under paragraph (a), clause (6), shall serve a term of four years.

(d) Members appointed to the board must:

(1) provide evidence of a commitment to the authority's purposes and goals; and

(2) not hold any personal or professional conflicts of interest related to the authority's activities, including with respect to the member's financial investments and employment or the financial investments and employment of the member's immediate family members.

(e) The authority shall contract with the department to provide administrative and technical services to the board and to prospective borrowers, especially those serving or located in environmental justice communities.

(f) Compensation of board members, removal of members, and filling of vacancies are governed by section 15.0575.

(g) Board members may be reappointed for up to two full terms.

(h) A majority of board members, excluding vacancies, constitutes a quorum for the purpose of conducting business and exercising powers, and for all other purposes. Action may be taken by the authority upon a vote of a majority of the quorum present.

(i) Board members and officers are not personally liable, either jointly or severally, for any debt or obligation created or incurred by the authority.

Subd. 11. **Report; audit.** Beginning February 1, 2024, the authority must annually submit a comprehensive report on the authority's activities during the previous year to the governor and the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy. The report must contain, at a minimum, information on:

(1) the amount of authority capital invested, by project type;

(2) the amount of private and public capital leveraged by authority investments, by project type;

(3) the number of qualified projects supported, by project type and location within Minnesota, including in environmental justice communities;

(4) the estimated number of jobs created for local workers and nonlocal workers, the ratio of projects subject to and exempt from prevailing wage requirements under subdivision 6, paragraph (b), and tax revenue generated as a result of the authority's activities;

(5) estimated reductions in greenhouse gas emissions resulting from the authority's activities;

(6) the number of clean energy projects financed in low- and moderate-income households;

(7) a narrative describing the progress made toward the authority's equity, social, and labor standards goals; and

(8) a financial audit conducted by an independent party.

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

Sec. 40. **[216C.45] RESIDENTIAL HEAT PUMP REBATE PROGRAM.**

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

(b) "Eligible applicant" means a person who provides evidence to the commissioner's satisfaction demonstrating that the person has received or has applied for a heat pump rebate available from the federal Department of Energy under the Inflation Reduction Act of 2022, Public Law 117-189.

(c) "Heat pump" means a cold climate rated air-source heat pump composed of (1) a mechanism that heats and cools indoor air by transferring heat from outdoor or indoor air using a fan, (2) a refrigerant-filled heat exchanger, and (3) an inverter-driven compressor that varies the pressure of the refrigerant to warm or cool the refrigerant vapor.

Subd. 2. Establishment. A residential heat pump rebate program is established in the department to provide financial assistance to eligible applicants that purchase and install a heat pump in the applicant's Minnesota residence.

Subd. 3. Application. (a) An application for a rebate under this section must be made to the commissioner on a form developed by the commissioner. The application must be accompanied by documentation, as required by the commissioner, demonstrating that:

(1) the applicant is an eligible applicant;

(2) the applicant owns the Minnesota residence in which the heat pump is to be installed;

(3) the applicant has had an energy audit conducted of the residence in which the heat pump is to be installed within the last 18 months by a person with a Building Analyst Technician certification issued by the Building Performance Institute, Inc., or an equivalent certification, as determined by the commissioner;

(4) either:

(i) the applicant has installed in the applicant's residence, by a contractor with an Air Leakage Control Installer certification issued by the Building Performance Institute, Inc., or an equivalent certification, as determined by the commissioner, the amount of insulation and the air sealing measures recommended by the auditor; or

(ii) the auditor has otherwise determined that the amount of insulation and air sealing measures in the residence are sufficient to enable effective heat pump performance;

(5) the applicant has purchased a heat pump of the capacity recommended by the auditor or contractor, and has had the heat pump installed by a contractor with sufficient training and experience in installing heat pumps, as determined by the commissioner; and

(6) the total cost to purchase and install the heat pump in the applicant's residence.

(b) The commissioner must develop administrative procedures governing the application and rebate award processes.

Subd. 4. **Rebate amount.** A rebate awarded under this section must not exceed the lesser of:

(1) \$4,000; or

(2) the total cost to purchase and install the heat pump in an eligible applicant's residence net of the rebate amount received for the heat pump from the federal Department of Energy under the Inflation Reduction Act of 2022, Public Law 117-189.

Subd. 5. **Assisting applicants.** The commissioner must issue a request for proposals seeking an entity to serve as an energy coordinator to interact directly with applicants and potential applicants to:

(1) explain the technical aspects of heat pumps, energy audits, and energy conservation measures, and the energy and financial savings that can result from implementing each;

(2) identify federal, state, and utility programs available to homeowners to reduce the costs of energy audits, energy conservation, and heat pumps;

(3) explain the requirements and scheduling of the application process;

(4) provide access to certified contractors who can perform energy audits, install insulation and air sealing measures, and install heat pumps; and

(5) conduct outreach to make potential applicants aware of the program.

Subd. 6. **Contractor training and support.** The commissioner must issue a request for proposals seeking an entity to develop and organize programs to train contractors with respect to the technical aspects and installation of heat pumps in residences. The training curriculum must be at a level sufficient to provide contractors who complete training with the knowledge and skills necessary to install heat pumps to industry best practice standards, as determined by the commissioner. Training programs must: (1) be accessible in all regions of the state; and (2) provide mentoring and ongoing support, including continuing education and financial assistance, to trainees.

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

Sec. 41. **[216C.46] RESIDENTIAL ELECTRIC PANEL UPGRADE GRANT PROGRAM.**

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

(b) "Area median income" means the median income of the geographic area in which a single-family or multifamily building whose owner is applying for a grant under this section is located, as reported by the United States Department of Housing and Urban Development.

(c) "Electric panel" means a building's electric panel or group of panels, including any subpanels, consisting of buses and automatic overcurrent devices and equipment with or without switches for the control of light, heat, or power circuits placed in an enclosure, cabinet, or cutout box. Electric panel includes a smart panel.

(d) "Electrical work" has the meaning given in section 326B.31, subdivision 17.

(e) "Eligible applicant" means:

(1) an owner of a single-family building whose occupants have an annual household income no greater than 150 percent of the area median income; or

(2) an owner of a multifamily building in which at least 50 percent of the units are occupied by households whose annual income is no greater than 150 percent of the area median income.

(f) "Multifamily building" means a building containing two or more units.

(g) "Smart panel" means an electrical panel that may be electronically programmed to manage electricity use in a building automatically.

(h) "Unit" means a residential living space in a multifamily building occupied by an individual or a household.

(i) "Upgrade" means:

(1) for a single-family residence, the installation of equipment, devices, and wiring necessary to increase an electrical panel's capacity to a total rating of not less than 200 amperes, or to a total rating that allows all the building's energy needs to be provided solely by electricity, as calculated using the most recent National Electrical Code as adopted in Minnesota;

(2) for a single-family residence, the installation of a smart panel; or

(3) for a multifamily building, the installation of equipment, devices, and wiring necessary to increase the capacity of an electric panel, including feeder panels, to a total rating that allows all the building's energy needs to be provided solely by electricity, as calculated using the National Electrical Code as adopted in Minnesota.

Subd. 2. **Program establishment.** A residential electric panel upgrade grant program is established in the Department of Commerce to provide financial assistance to owners of single-family residences and multifamily buildings to upgrade residential electric panels.

Subd. 3. **Application process.** An applicant seeking a grant under this section must submit an application to the commissioner on a form developed by the commissioner. The commissioner must develop administrative procedures to govern the application and grant award process. The commissioner may contract with a third party to conduct some or all of the program's operations.

Subd. 4. **Grant awards.** A grant may be awarded under this section to:

(1) an eligible applicant; or

(2) with the written permission of an eligible applicant submitted to the commissioner, a contractor performing an upgrade or a third party on behalf of the eligible applicant.

Subd. 5. **Grant amount.** (a) Subject to the limits of paragraphs (b) to (d), a grant awarded under this section may be used to pay 100 percent of the equipment and installation costs of an upgrade.

(b) The commissioner may not award a grant to an eligible applicant under this section which, in combination with a federal grant awarded to the eligible applicant under the federal Inflation Reduction Act of 2022, Public Law 117-189, for the same electric panel upgrade, exceeds 100 percent of the equipment and installation costs of the upgrade.

(c) The maximum grant amount under this section that may be awarded to an eligible applicant who owns a single-family residence is:

(1) \$3,000 for an owner whose annual household income is less than 80 percent of area median income; and

(2) \$2,000 for an owner whose annual household income exceeds 80 percent but is not greater than 150 percent of area median income.

(d) The maximum grant amount that may be awarded under this section to an eligible applicant who owns a multifamily building is the sum of \$5,000, plus \$500 multiplied by the number of units containing a separate electric panel receiving an upgrade in the multifamily building, not to exceed \$50,000 per multifamily building.

(e) The commissioner may approve grants over the maximum amounts in paragraphs (c) and (d) up to 100 percent of the equipment and installation costs of the upgrade if necessary to complete the upgrade.

Subd. 6. **Limitation.** No more than one grant may be awarded to an owner under this section for work conducted at the same single-family residence or multifamily building.

Subd. 7. **Outreach.** The department must publicize the availability of grants under this section to, at a minimum:

(1) income-eligible households;

(2) community action agencies and other public and private nonprofit organizations that provide weatherization and other energy services to income-eligible households; and

(3) multifamily property owners and property managers.

Subd. 8. **Contractor or subcontractor requirements.** Contractors and subcontractors performing electrical work under a grant awarded under this section:

(1) must comply with the provisions of sections 326B.31 to 326B.399;

(2) must certify that the electrical work is performed by a licensed journeyworker electrician or a registered unlicensed individual under the direct supervision of a licensed journeyworker electrician or master electrician employed by the same licensed electrical contractor; and

(3) must pay workers the prevailing wage rate, as defined in section 177.42, and are subject to the requirements and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

Subd. 9. **Report.** Beginning January 1, 2025, and each January 1 through 2033, the department must submit a report to the chairs and ranking minority members of the legislative committees with primary jurisdiction over climate and energy policy describing the activities and expenditures under the program established in the section. The report must include, at a minimum:

(1) the number of units in multifamily buildings and the number of single-family residences whose owners received grants;

(2) the geographic distribution of grant recipients; and

(3) the average amount of grants awarded per building in multifamily buildings and in single-family residences.

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

Sec. 42. COMMISSION ORDER.

Within 180 days of the effective date of this section, the Public Utilities Commission must issue an order addressing the requirements of Minnesota Statutes, section 216B.1641, as amended by this act.

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

Sec. 43. ADVANCED NUCLEAR STUDY.

Subdivision 1. **Study required.** (a) The commissioner of commerce must conduct a study evaluating the potential costs, benefits, and impacts of advanced nuclear technology reactor power generation in Minnesota.

(b) At a minimum, the study must address the potential costs, benefits, and impacts of advanced nuclear technology reactor power generation on:

(1) Minnesota's greenhouse gas emissions reduction goals under the Next Generation Energy Act, Laws 2007, chapter 136;

(2) system costs for ratepayers;

(3) system reliability;

(4) the environment;

(5) local jobs;

(6) local economic development;

(7) Minnesota's eligible energy technology standard under Minnesota Statutes, section 216B.1691, subdivision 2a; and

(8) Minnesota's carbon-free standard under Minnesota Statutes, section 216B.1691, subdivision 2g.

(c) The study must also evaluate:

(1) current Minnesota statutes and administrative rules that would require modifications in order to enable the construction and operation of advanced nuclear reactors;

(2) the economic feasibility of replacing coal-fired boilers with advanced nuclear reactors, while accounting for the avoided costs that result from the closure of coal-fired plants; and

(3) the technologies and methods most likely to minimize the environmental impacts of nuclear waste and the costs of managing nuclear waste.

Subd. 2. **Report.** The commissioner of commerce must submit the results of the study under subdivision 1 to the chairs and ranking minority members of the legislative committees having jurisdiction over energy finance and policy no later than January 31, 2025.

Sec. 44. **TRIBAL ADVOCACY COUNCIL ON ENERGY; DEPARTMENT OF COMMERCE SUPPORT.**

(a) The Department of Commerce must provide technical support and subject matter expertise to assist and help facilitate any efforts taken by the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy.

(b) When providing support to a Tribal advocacy council on energy, the Department of Commerce may assist the council to:

(1) assess and evaluate common Tribal energy issues, including (i) identifying and prioritizing energy issues, (ii) facilitating idea sharing between the Tribes to generate solutions to energy issues, and (iii) assisting decision making with respect to resolving energy issues;

(2) develop new statewide energy policies or proposed legislation, including (i) organizing stakeholder meetings, (ii) gathering input and other relevant information, (iii) assisting with policy proposal development, evaluation, and decision making, and (iv) helping facilitate actions taken to submit, and obtain approval for or have enacted, policies or legislation approved by the council;

(3) make efforts to raise awareness and provide educational opportunities with respect to Tribal energy issues by (i) identifying information resources, (ii) gathering feedback on issues and topics the council identifies as areas of interest, and (iii) identifying topics for educational forums and helping facilitate the forum process; and

(4) identify, evaluate, and disseminate successful energy-related practices, and develop mechanisms or opportunities to implement the successful practices.

(c) Nothing in this section requires or otherwise obligates the 11 federally recognized Indian Tribes in Minnesota to establish a Tribal advocacy council on energy, nor does it require or obligate any one of the 11 federally recognized Indian Tribes in Minnesota to participate in or implement a decision or support an effort made by an established Tribal advocacy council on energy.

(d) Any support provided by the Department of Commerce to a Tribal advocacy council on energy under this section may be provided only upon request of the council and is limited to issues and areas where the Department of Commerce's expertise and assistance is requested.

Sec. 45. **ELECTRIC GRID RESILIENCY GRANTS.**

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

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

(c) "Department" means the Department of Commerce.

(d) "Consumer-owned utility" has the meaning given in Minnesota Statutes, section 216B.2402, subdivision 2.

Subd. 2. **Grant awards.** Grants may be awarded under this section to consumer-owned utilities or associated trade associations, or to generation and transmission cooperative electric associations, municipal power agencies, or power districts serving one or more consumer-owned utilities, for projects that:

(1) develop or improve distributed energy resources in the state;

(2) demonstrate the project helps provide flexibility to electric utilities or consumers, lead to lower rates, provide environmental benefits, or increase the resilience of an electric grid;

(3) are power generation or storage resources located near load centers; or

(4) develop programs to enhance the safety of personnel performing duties exposing the personnel to potential electrical hazards, including power system restoration, by incorporating whole person safety concepts into safety programs.

Subd. 3. **Grant awards; administration.** (a) An entity seeking a grant award under subdivision 2 must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner is responsible for receiving and reviewing grant applications and awarding grants under this subdivision, and must develop administrative procedures governing the application, evaluation, and award process. In awarding grants under this subdivision, the commissioner must endeavor to make awards assisting entities from all regions of the state. The maximum grant award for each entity awarded a grant under this subdivision is \$250,000.

(b) The department must provide technical assistance to applicants.

Subd. 4. **Report.** Beginning February 15, 2024, and each February 15 thereafter until the appropriation under article 1, section 2, subdivision 2, paragraph (y), has been expended, the commissioner must submit a written report to the chairs and ranking minority members of the

legislative committees with jurisdiction over energy policy and finance on the activities taken and expenditures made under this section. The report must, at a minimum, include each grant awarded in the most recent calendar year and the remaining balance of the appropriation under this section.

Sec. 46. **MINNESOTA CLIMATE INNOVATION FINANCE AUTHORITY.**

(a) The initial appointments made under Minnesota Statutes, section 216C.441, subdivision 10, paragraph (a), clause (6), items (i) to (iii), shall be for two-year terms, and the initial appointments made under Minnesota Statutes, section 216C.441, subdivision 10, paragraph (a), clause (6), items (iv) to (vi), shall be for three-year terms.

(b) The governor must make the appointments required under this section no later than July 30, 2023.

(c) The initial meeting of the board of directors must be held no later than September 15, 2023. At the initial meeting, the board shall elect a chair and vice-chair by majority vote of the members present.

Sec. 47. **SUPPORTING INVESTMENT IN GREEN FERTILIZER PRODUCTION.**

(a) A grant under this section to a cooperative to invest in green fertilizer production facilities must include a long-term agreement to purchase nitrogen fertilizer for cooperative members. Renewable energy, hydrogen, and ammonia may be produced elsewhere, but the final production of nitrogen fertilizer must occur within Minnesota.

(b) For purposes of this section:

(1) "cooperative" includes an agricultural or rural electric cooperative organized under Minnesota Statutes, chapter 308A or 308B;

(2) "green fertilizer production facilities" means facilities that use renewable energy to produce anhydrous ammonia, urea, or hydrogen;

(3) "green hydrogen" means hydrogen produced by splitting water molecules using:

(i) grid-based electrolyzers that have matched their electricity consumption with wind or solar;

or

(ii) electrolyzers connected directly to a wind or solar facility; and

(4) "green fertilizer" means a nitrogen-based fertilizer produced from green hydrogen.

(c) The commissioner of agriculture must develop criteria and scoring procedures for evaluating and awarding grants. The maximum grant award for a cooperative is \$7,000,000.

(d) Up to five percent of the amount in paragraph (a) may be used by the Department of Agriculture to administer this section.

(e) By December 15 each year, the commissioner of agriculture must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture to provide

an update on the progress of projects funded by this program. Each report must include how much of the amount appropriated has been used, including the amount used for administration. The commissioner may include additional information of interest or relevance to the legislature. This paragraph expires December 31, 2031.

(f) By December 15, 2032, the commissioner of agriculture must complete a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture regarding the uses and impacts of this program. The final report must include a list of the grants awarded, the amount of the appropriation used for administration, the amount of green fertilizer produced, and a summary of the economic and environmental impacts of this production compared to the production and purchase of conventionally produced fertilizer. The commissioner of agriculture may include additional information of interest or relevance to the legislature. This paragraph expires December 31, 2032.

Sec. 48. **REPEALER.**

Minnesota Statutes 2022, sections 16B.24, subdivision 13; and 216B.16, subdivision 10, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for energy and commerce; establishing and modifying energy, renewable energy, and utility provisions; establishing a strengthen Minnesota homes program; requiring reports; amending Minnesota Statutes 2022, sections 16B.325, subdivision 2; 16B.58, by adding a subdivision; 16C.135, subdivision 3; 16C.137, subdivision 1; 116C.779, subdivision 1; 116C.7792; 168.27, by adding a subdivision; 216B.1641; 216B.1691, by adding a subdivision; 216B.17, subdivision 1; 216B.2422, subdivision 2; 216B.62, subdivision 3b; 216C.02, subdivision 1; 216C.264, subdivision 5, by adding subdivisions; 216C.375, subdivisions 1, 3, 10, 11; proposing coding for new law in Minnesota Statutes, chapters 16B; 65A; 116C; 123B; 216B; 216C; repealing Minnesota Statutes 2022, sections 16B.24, subdivision 13; 216B.16, subdivision 10."

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

Senator Kunesh from the Committee on Education Finance, to which was referred

S.F. No. 2684: A bill for an act relating to education finance; providing funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, teachers, special education, facilities, nutrition, libraries, early childhood, community education, and state agencies; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 119A.52; 120A.20, subdivision 1; 120A.41; 120B.018, by adding a subdivision; 120B.02, by adding a subdivision; 120B.12; 121A.04, subdivisions 1, 2; 121A.19; 121A.41, subdivision 7; 121A.582, subdivision 1; 122A.06, subdivision 4; 122A.187, by adding a subdivision; 122A.415, subdivision 4; 122A.63, by adding a subdivision; 122A.73, subdivisions 2, 3, 5; 123B.595, subdivision 1; 123B.92, subdivision 1; 124D.095, subdivisions 2, 7, 8; 124D.111; 124D.1158; 124D.128, subdivision 2; 124D.151, subdivisions 1, 2, 3, 4, 6, 7, by adding a subdivision; 124D.165, subdivisions 2, 6; 124D.2211; 124D.231; 124D.531, subdivisions 1, 4; 124D.55; 124D.59, subdivision

2; 124D.65, subdivision 5; 124D.68, subdivision 2; 124D.74, subdivision 3; 124D.81; 124D.98, by adding a subdivision; 125A.03; 125A.71, subdivision 1; 125A.76, subdivision 2e; 126C.05, subdivisions 1, 3, 17, 19; 126C.10, subdivisions 2, 2d, 4; 126C.15, subdivision 2; 126C.17, by adding a subdivision; 126C.40, subdivision 6; 134.355, subdivisions 5, 6, 7; Laws 2021, First Special Session chapter 13, article 1, section 9; article 11, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 121A; 122A; 124D; 125A; 127A; repealing Minnesota Statutes 2022, section 124D.151, subdivisions 5, 6.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. **[121A.212] ACCESS TO MENSTRUAL PRODUCTS.**

A school district or charter school must provide students access to menstrual products at no charge. The products must be available to all menstruating students in restrooms regularly used by students in grades 4 to 12 according to a plan developed by the school district. For purposes of this section, "menstrual products" means pads, tampons, or other similar products used in connection with the menstrual cycle.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 2. Minnesota Statutes 2022, section 124D.095, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Digital learning" ~~is~~ means learning facilitated by technology that offers students an element of control over the time, place, path, or pace of their learning and includes blended and online learning.

(b) "Blended learning" ~~is~~ means a form of digital learning that occurs when a student learns part time in a supervised physical setting and part time through digital delivery of instruction, or a student learns in a supervised physical setting where technology is used as a primary method to deliver instruction.

(c) "Online learning" ~~is~~ means a form of digital learning delivered by an approved online learning provider under paragraph (d).

(d) "Online learning provider" ~~is~~ means a school district, an intermediate school district, an organization of two or more school districts operating under a joint powers agreement, or a charter school located in Minnesota that provides online learning to students and is approved by the department to provide online learning courses.

(e) "Student" ~~is~~ means a Minnesota resident enrolled in a school under section 120A.22, subdivision 4, or in a Tribal contract or grant school authorized to receive aid under section 124D.83 in kindergarten through grade 12.

(f) "Online learning student" ~~is~~ means a student enrolled in an online learning course or program delivered by an online learning provider under paragraph (d).

(g) "Enrolling district" means the school district or charter school in which a student is enrolled under section 120A.22, subdivision 4, for purposes of compulsory attendance.

(h) "Supplemental online learning" means an online learning course taken in place of a course period at a local district school.

(i) "Full-time online learning provider" means an enrolling school authorized by the department to deliver comprehensive public education at any or all of the elementary, middle, or high school levels.

(j) "Online learning course syllabus" ~~is~~ means a written document that an online learning provider transmits to the enrolling district using a format prescribed by the commissioner to identify the state academic standards embedded in an online course, the course content outline, required course assessments, expectations for actual teacher contact time and other student-to-teacher communications, and the academic support available to the online learning student.

Sec. 3. Minnesota Statutes 2022, section 124D.095, subdivision 8, is amended to read:

Subd. 8. **Financial arrangements.** (a) For a student enrolled in an online learning course, the department must calculate average daily membership and make payments according to this subdivision.

(b) The initial online learning average daily membership equals 1/12 for each semester course or a proportionate amount for courses of different lengths. The adjusted online learning average daily membership equals the initial online learning average daily membership times .88.

(c) No online learning average daily membership shall be generated if: (1) the student does not complete the online learning course, or (2) the student is enrolled in online learning provided by the enrolling district.

(d) Online learning average daily membership under this subdivision for a student currently enrolled in a Minnesota public school or in a Tribal contract or grant school authorized to receive aid under section 124D.83 shall be used only for computing average daily membership according to section 126C.05, subdivision 19, paragraph (a), clause (2), and for computing online learning aid according to section 124D.096.

Sec. 4. Minnesota Statutes 2022, section 124D.59, subdivision 2, is amended to read:

Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten through grade 12; an early childhood special education student under Part B, section 619 of the Individuals with Disabilities Education Act, United States Code, title 20, section 1419; or a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 124D.151 or a school

readiness plus program who meets the requirements under subdivision 2a or the following requirements:

(1) the pupil, as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English; and

(2) the pupil is determined by a valid assessment measuring the pupil's English language proficiency and by developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments, to lack the necessary English skills to participate fully in academic classes taught in English.

(b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in the previous school year took a commissioner-provided assessment measuring the pupil's emerging academic English, shall be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall generate state English learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff score or is otherwise counted as a nonproficient participant on the assessment measuring the pupil's emerging academic English, or, in the judgment of the pupil's classroom teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate academic language proficiency in English, including oral academic language, sufficient to successfully and fully participate in the general core curriculum in the regular classroom.

(c) Notwithstanding paragraphs (a) and (b), a pupil in early childhood special education or prekindergarten under section 124D.151, through grade 12 shall not be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall not generate state English learner aid under section 124D.65, subdivision 5, if:

(1) the pupil is not enrolled during the current fiscal year in an educational program for English learners under sections 124D.58 to 124D.64; or

(2) the pupil has generated seven or more years of average daily membership in Minnesota public schools since July 1, 1996.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 5. Minnesota Statutes 2022, section 124D.65, subdivision 5, is amended to read:

Subd. 5. **School district EL revenue.** (a) A district's English learner programs revenue equals the sum of:

(1) the product of ~~(1) \$704 times~~ (2) (i) \$1,000 and (ii) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year;

(2) \$250 times the English learner pupil units under section 126C.05, subdivision 17; and

(3) the district's English learner cross subsidy aid. A district's English learner cross subsidy aid under paragraph (b) equals:

(i) 25 percent of the district's English learner cross subsidy for fiscal year 2024;

(ii) 50 percent of the district's English learner cross subsidy for fiscal year 2025; and

(iii) 75 percent of the district's English learner cross subsidy for fiscal year 2026 and later.

(b) A district's English learner cross subsidy aid equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue for the second previous year.

~~(b)~~ (c) A pupil ceases to generate state English learner aid in the school year following the school year in which the pupil attains the state cutoff score on a commissioner-provided assessment that measures the pupil's emerging academic English.

Sec. 6. Minnesota Statutes 2022, section 126C.05, subdivision 1, is amended to read:

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

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individualized education program is counted as the ratio of the number of hours of assessment and education service to 825 times 1.0 with a minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is counted as the ratio of the number of hours of assessment service to 825 times 1.0.

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

~~(d)~~ (c) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled in an approved voluntary prekindergarten program under section 124D.151 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units.

~~(e)~~ (d) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school.

~~(f)~~ (e) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

~~(g)~~ (f) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

~~(h)~~ (g) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

~~(i)~~ (h) For fiscal years 2018 through 2023, A prekindergarten pupil who:

(1) is not included in paragraph (a), (b), or ~~(d)~~ (c);

(2) is enrolled in a school readiness plus program under Laws 2017, First Special Session chapter 5, article 8, section 9; and

(3) has one or more of the risk factors specified by the eligibility requirements for a school readiness plus program,

is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same manner as a voluntary prekindergarten student for all general education and other school funding formulas.

EFFECTIVE DATE. This section is effective for fiscal year 2024 and later.

Sec. 7. Minnesota Statutes 2022, section 126C.05, subdivision 19, is amended to read:

Subd. 19. **Online learning students.** (a) The average daily membership for a public school pupil or a pupil enrolled in a school authorized to receive Tribal contract or grant aid under section 124D.83 generating online learning average daily membership according to section 124D.095, subdivision 8, paragraph (b), equals the sum of: (1) the ratio of the sum of the number of instructional hours the pupil is enrolled in a regular classroom setting at the enrolling school to the actual number of instructional hours in the school year at the enrolling school, plus (2) .12 times the initial online learning average daily membership according to section 124D.095, subdivision 8, paragraph (b).

(b) When the sum of the average daily membership under paragraph (a) and the adjusted online learning average daily membership under section 124D.095, subdivision 8, paragraph (b), exceeds the maximum allowed for the student under subdivision 8 or 15, as applicable, the average daily membership under paragraph (a) shall be reduced by the excess over the maximum, but shall not be reduced below .12. The adjusted online learning average daily membership according to section 124D.095, subdivision 8, paragraph (b), shall be reduced by any remaining excess over the maximum.

Sec. 8. Minnesota Statutes 2022, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula allowance times the adjusted pupil units for the school year. ~~The formula allowance for fiscal year 2021 is \$6,567. The formula allowance for fiscal year 2022 is \$6,728. The formula allowance for fiscal year 2023 and later is \$6,863. The formula allowance for fiscal year 2024 is \$7,138. The formula allowance for fiscal year 2025 and later is \$7,495.~~

Sec. 9. Minnesota Statutes 2022, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. **Local optional revenue.** (a) ~~For fiscal year 2021 and later,~~ Local optional revenue for a school district equals the sum of the district's first tier local optional revenue and second tier local optional revenue. A district's first tier local optional revenue equals \$300 times the adjusted

pupil units of the district for that school year. A district's second tier local optional revenue equals \$424 times the adjusted pupil units of the district for that school year.

(b) ~~For fiscal year 2021 and later,~~ A district's local optional levy equals the sum of the first tier local optional levy and the second tier local optional levy.

(c) A district's first tier local optional levy equals the district's first tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.

~~(d) For fiscal year 2022, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000. For fiscal year 2023, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$548,842. For fiscal year 2024 and later,~~ a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000. For fiscal year 2025, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$539,086. For fiscal year 2026, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$530,147. For fiscal year 2027 and later, a district's second tier local optional levy equals the district's second tier local optional revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$541,385.

(e) The local optional levy must be spread on referendum market value. A district may levy less than the permitted amount.

(f) A district's local optional aid equals its local optional revenue minus its local optional levy. If a district's actual levy for first or second tier local optional revenue is less than its maximum levy limit for that tier, its aid must be proportionately reduced.

Sec. 10. Minnesota Statutes 2022, section 126C.10, subdivision 4, is amended to read:

Subd. 4. **Basic skills revenue.** A school district's basic skills revenue equals the sum of:

- (1) compensatory revenue under subdivision 3; ~~plus and~~
- (2) English learner revenue under section 124D.65, subdivision 5; ~~plus~~
- (3) ~~\$250 times the English learner pupil units under section 126C.05, subdivision 17.~~

Sec. 11. Minnesota Statutes 2022, section 126C.10, subdivision 13, is amended to read:

Subd. 13. **Total operating capital revenue.** (a) Total operating capital revenue for a district equals the ~~amount determined under paragraph (b) or (c), plus~~ sum of:

- (1) \$79 times the adjusted pupil units for the school year;

(2) the product of \$109, the district's maintenance cost index, and its adjusted pupil units for the school year plus the amount computed under paragraph (c); and

(3) \$2 times the adjusted pupil units of the school district for the school year for the purposes of supplying menstrual products under subdivision 14, clause (26).

(b) The revenue under this subdivision must be placed in a reserved account in the general fund and may only be used according to subdivision 14.

~~(b) Capital revenue for a district equals \$109 times the district's maintenance cost index times its adjusted pupil units for the school year.~~

(c) The revenue under paragraph (a), clause (2), for a district that operates a program under section 124D.128, is increased by an amount equal to \$31 times the number of adjusted pupil units served at the site where the program is implemented.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 12. Minnesota Statutes 2022, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. **Operating capital levy.** (a) To obtain operating capital revenue, a district may levy an amount not more than the product of its operating capital revenue computed under subdivision 13, paragraph (a), clauses (1) and (2), for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the operating capital equalizing factor.

~~(b) The operating capital equalizing factor equals \$23,902 for fiscal year 2020, \$23,885 for fiscal year 2021, and \$22,912 for fiscal year 2022 and later years 2023 and 2024, \$23,468 for fiscal year 2025, \$23,359 for fiscal year 2026, and \$23,372 for fiscal year 2027 and later.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 13. Minnesota Statutes 2022, section 126C.10, subdivision 14, is amended to read:

Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures, including library media centers;
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;

(7) to bring school buildings into compliance with the State Fire Code adopted according to chapter 299F;

(8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(9) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;

(11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;

(12) to improve buildings that are leased according to section 123B.51, subdivision 4;

(13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust Fund Act according to sections 298.292 to ~~298.298~~ 298.297;

(15) to purchase or lease interactive telecommunications equipment;

(16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;

(17) to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;

(18) to purchase or lease computers and related hardware, software, and annual licensing fees, copying machines, telecommunications equipment, and other noninstructional equipment;

(19) to purchase or lease assistive technology or equipment for instructional programs;

(20) to purchase textbooks as defined in section 123B.41, subdivision 2;

(21) to purchase new and replacement library media resources or technology;

(22) to lease or purchase vehicles;

(23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(ii) managing student assessment, services, and achievement information required for students with individualized education programs; and

(iii) other classroom information management needs;

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software; ~~and~~

(25) to pay the costs directly associated with closing a school facility, including moving and storage costs; and

(26) to pay the costs of supplies and equipment necessary to provide access to menstrual products at no charge to students in restrooms and as otherwise needed in school facilities.

Sec. 14. Minnesota Statutes 2022, section 126C.12, is amended by adding a subdivision to read:

Subd. 7. **Reporting.** A school district must annually report the district's class size ratios by each grade to the commissioner of education in the form and manner specified by the commissioner. The department must annually submit a report beginning December 1, 2024, to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education detailing the statewide ratios by grade starting with the 2023-2024 school year.

Sec. 15. Minnesota Statutes 2022, section 126C.15, subdivision 2, is amended to read:

Subd. 2. **Building allocation.** (a) A district or cooperative must allocate at least 80 percent of its compensatory revenue to each school building in the district or cooperative where the children who have generated the revenue are served unless the school district or cooperative has received permission under Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory revenue according to student performance measures developed by the school board.

(b) ~~Notwithstanding paragraph (a),~~ A district or cooperative may allocate ~~up to 50~~ no more than 20 percent of the amount of compensatory revenue that the district receives to school sites according to a plan adopted by the school board. The money reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but may be spent on students in any grade, including students attending school readiness or other prekindergarten programs.

(c) For the purposes of this section and section 126C.05, subdivision 3, "building" means education site as defined in section 123B.04, subdivision 1.

(d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue generated by students served at a cooperative unit shall be paid to the cooperative unit.

(e) A district or cooperative with school building openings, school building closings, changes in attendance area boundaries, or other changes in programs or student demographics between the prior year and the current year may reallocate compensatory revenue among sites to reflect these changes. A district or cooperative must report to the department any adjustments it makes according to this paragraph and the department must use the adjusted compensatory revenue allocations in preparing the report required under section 123B.76, subdivision 3, paragraph (c).

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 16. Minnesota Statutes 2022, section 126C.17, is amended by adding a subdivision to read:

Subd. 9b. **Renewal by school board.** (a) Notwithstanding the election requirements of subdivision 9, a school board may renew an expiring referendum once by board action if:

(1) the per-pupil amount of the referendum is the same as the amount expiring, or for an expiring referendum that was adjusted annually by the rate of inflation, the same as the per-pupil amount of the expiring referendum, adjusted annually for inflation in the same manner as if the expiring referendum had continued;

(2) the term of the renewed referendum is no longer than the initial term approved by the voters; and

(3) the school board, having taken a recorded vote, has adopted a written resolution authorizing the renewal after holding a meeting and allowing public testimony on the proposed renewal.

(b) The resolution must be adopted by the school board by June 15 of any calendar year and becomes effective 60 days after its adoption.

(c) A referendum expires in the last fiscal year in which the referendum generates revenue for the school district. A school board may renew an expiring referendum under this subdivision not more than two fiscal years before the referendum expires.

(d) A district renewing an expiring referendum under this subdivision must submit a copy of the adopted resolution to the commissioner and to the county auditor no later than September 1 of the calendar year in which the levy is certified.

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

Sec. 17. Minnesota Statutes 2022, section 126C.43, subdivision 2, is amended to read:

Subd. 2. Payment to unemployment insurance program trust fund by state and political subdivisions. (a) A district may levy the amount necessary (1) to pay the district's obligations under section 268.052, subdivision 1, and (2) to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.085 for the fiscal year the levy is certified. A district must not include in its levy authority under this section the costs associated with school employees under section 268.085, subdivision 7, paragraph (b).

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

Sec. 18. Minnesota Statutes 2022, section 268.085, subdivision 7, is amended to read:

Subd. 7. **School employees; between terms denial.** (a) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.

~~This paragraph applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess. This paragraph also applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.~~

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

~~(b) Paragraph (a) does not apply to an applicant who, at the end of the prior academic year or term, had an agreement for a definite period of employment between academic years or terms in other than an instructional, research, or principal administrative capacity and the educational institution or institutions failed to provide that employment, any week during the period between two successive academic years or terms if an applicant worked at a public school district, charter school, the Minnesota State Academies for the Deaf and Blind, or Perpich Center for Arts Education in a capacity other than instructional, research, or principal administrative capacity.~~

~~(c) If unemployment benefits are denied to any applicant under paragraph (a) who was employed in the prior academic year or term in other than an instructional, research, or principal administrative capacity and who was not offered an opportunity to perform the employment in the following academic year or term, the applicant is entitled to retroactive unemployment benefits for each week during the period between academic years or terms that the applicant filed a timely continued request for unemployment benefits, but unemployment benefits were denied solely because of paragraph (a). Paragraph (a) applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess, including applicants who worked in a capacity other than instructional, research, or principal administrative capacity.~~

(d) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency" means a governmental entity established and operated for the purpose of providing services to one or more educational institutions.

(e) This subdivision applies to employment with Minnesota, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

(g) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

(h) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it is not considered substantially less favorable employment.

(i) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

(j) An "educational institution" is a school, college, university, or other educational entity operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit organization.

(k) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

EFFECTIVE DATE. This section is effective May 28, 2023.

Sec. 19. Laws 2021, First Special Session chapter 13, article 1, section 9, is amended to read:

Sec. 9. ENGLISH LEARNER CROSS SUBSIDY REDUCTION AID.

(a) Notwithstanding Minnesota Statutes, section 124D.65, English learner aid is increased by \$2,000,000 per year for fiscal years 2022, and 2023, 2024, and 2025. The commissioner must allocate the aid to each school district and charter school based on the school district's or charter school's proportionate share of English learner and concentration revenue under Minnesota Statutes, section 126C.10, subdivision 4, clauses (2) and (3), for the preceding fiscal year.

(b) Revenue under this section must be used and reserved as basic skills revenue according to Minnesota Statutes, section 126C.15.

Sec. 20. Laws 2021, First Special Session chapter 13, article 1, section 9, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2022 and expires at the end of fiscal year ~~2025~~ 2023.

Sec. 21. REPORT.

By January 15 of each year, the Department of Education, in consultation with the Department of Employment and Economic Development, must report to the legislative committees with jurisdiction over education about the annual reimbursable costs and the number of hourly school workers receiving unemployment insurance benefits during the summer term. To the extent possible, the report must categorize eligible employees by major job class. The report must be filed according to Minnesota Statutes, section 3.195.

Sec. 22. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **General education aid.** (a) For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	<u>8,102,554,000</u>	.....	<u>2024</u>
\$	<u>8,476,351,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$707,254,000 for 2023 and \$7,395,300,000 for 2024.

(c) The 2025 appropriation includes \$772,528,000 for 2024 and \$7,703,819,000 for 2025.

Subd. 3. **Abatement aid.** (a) For abatement aid under Minnesota Statutes, section 127A.49:

\$	<u>2,339,000</u>	.....	<u>2024</u>
\$	<u>2,665,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$126,000 for 2023 and \$2,213,000 for 2024.

(c) The 2025 appropriation includes \$245,000 for 2024 and \$2,420,000 for 2025.

Subd. 4. **Career and technical aid.** (a) For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	<u>1,512,000</u>	.....	<u>2024</u>
\$	<u>761,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$183,000 for 2023 and \$1,329,000 for 2024.

(c) The 2025 appropriation includes \$147,000 for 2024 and \$614,000 for 2025.

Subd. 5. **Consolidation transition aid.** (a) For districts consolidating under Minnesota Statutes, section 123A.485:

\$	<u>187,000</u>	.....	<u>2024</u>
\$	<u>290,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$7,000 for 2023 and \$180,000 for 2024.

(c) The 2025 appropriation includes \$20,000 for 2024 and \$270,000 for 2025.

Subd. 6. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$	<u>18,000</u>	.....	<u>2024</u>
\$	<u>19,000</u>	.....	<u>2025</u>

Subd. 7. **Nonpublic pupil education aid.** (a) For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$	<u>22,354,000</u>	.....	<u>2024</u>
\$	<u>24,121,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$1,925,000 for 2023 and \$20,429,000 for 2024.

(c) The 2025 appropriation includes \$2,269,000 for 2024 and \$21,852,000 for 2025.

Subd. 8. **Nonpublic pupil transportation.** (a) For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$	<u>22,248,000</u>	.....	<u>2024</u>
\$	<u>24,709,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$2,115,000 for 2023 and \$20,133,000 for 2024.

(c) The 2025 appropriation includes \$2,236,000 for 2024 and \$22,473,000 for 2025.

Subd. 9. **One-room schoolhouse.** For a grant to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

\$	<u>65,000</u>	.....	<u>2024</u>
\$	<u>65,000</u>	.....	<u>2025</u>

Subd. 10. **Pregnant and parenting pupil transportation reimbursement.** (a) To reimburse districts for transporting pregnant or parenting pupils under Minnesota Statutes, section 123B.92, subdivision 1, paragraph (b), clause (1), item (vi):

\$	<u>55,000</u>	.....	<u>2024</u>
\$	<u>55,000</u>	.....	<u>2025</u>

(b) To receive reimbursement, districts must apply using the form and manner of application prescribed by the commissioner. If the appropriation is insufficient, the commissioner must prorate the amount paid to districts seeking reimbursement.

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

Sec. 23. **REPEALER.**

(a) Laws 2023, chapter 18, section 4, subdivision 5, is repealed.

(b) Minnesota Statutes 2022, section 268.085, subdivision 8, is repealed.

EFFECTIVE DATE. Paragraph (b) is effective May 28, 2023.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. **[121A.201] MTSS AND COLLABORATIVE MINNESOTA PARTNERSHIPS TO ADVANCE STUDENT SUCCESS (COMPASS).**

Beginning July 1, 2023, all Minnesota school districts and charter schools must be offered training and support in implementing MTSS through the Department of Education COMPASS team and the Department of Education's regional partners, the Minnesota Service Cooperatives. COMPASS is the state school improvement model providing a statewide system through which all districts and schools may receive support in the areas of literacy, math, social-emotional learning, and mental health within the MTSS framework. The MTSS framework is the state's systemic, continuous school improvement framework for ensuring positive social, emotional, behavioral, developmental, and academic outcomes for every student. MTSS provides access to layered tiers of culturally and linguistically responsive, evidence-based practices. The MTSS framework relies on the understanding and belief that every student can learn and thrive, and it engages an anti-bias and socially just approach to examining policies and practices and ensuring equitable distribution of resources and opportunity. The MTSS systemic framework requires:

(1) a district-wide infrastructure consisting of effective leaders, collective efficacy among staff, positive school climate, linked teams, and professional learning that supports continuous improvement;

(2) authentic engagement with families and communities to develop reciprocal relationships and build new opportunities for students together;

(3) multilayered tiers of culturally and linguistically responsive instruction and support that allows every student the support they need to reach meaningful and rigorous learning standards. Tiers of support include core (Tier 1), supplemental (Tier 2), and intensive (Tier 3) instruction levels;

(4) valid and reliable assessment tools and processes to assess student and system performance and inform necessary changes; and

(5) a data-based decision-making approach in which problems are precisely defined and analyzed, solutions address root causes, and implementation is monitored to ensure success. The data-based problem-solving component of the MTSS framework consists of three major subcomponents: accessible and integrated data, decision-making process, and system performance.

Sec. 2. Minnesota Statutes 2022, section 124D.095, subdivision 7, is amended to read:

Subd. 7. Department of Education. (a) The department must review and approve or disapprove online learning providers within 90 calendar days of receiving an online learning provider's completed application. The commissioner, using research-based standards of quality for online learning programs, must review all approved online learning providers on a cyclical three-year basis. Approved online learning providers annually must submit program data to, confirm statements of assurances for, and provide program updates including a current course list to the commissioner.

(b) The online learning courses and programs must be rigorous, aligned with state academic standards, and contribute to grade progression in a single subject. The online learning provider, other than a digital learning provider offering digital learning to its enrolled students only under subdivision 4, paragraph (d), must give the commissioner written assurance that: (1) all courses meet state academic standards; and (2) the online learning curriculum, instruction, and assessment, expectations for actual teacher-contact time or other student-to-teacher communication, and academic support meet nationally recognized professional standards and are described as such in an online learning course syllabus that meets the commissioner's requirements. Once an online learning

provider is approved under this paragraph, all of its online learning course offerings are eligible for payment under this section unless a course is successfully challenged by an enrolling district or the department under paragraph (c).

(c) An enrolling district may challenge the validity of a course offered by an online learning provider. The department must review such challenges based on the approval procedures under paragraph (b). The department may initiate its own review of the validity of an online learning course offered by an online learning provider.

(d) The department may collect a fee not to exceed \$250 for approving online learning providers or \$50 per course for reviewing a challenge by an enrolling district.

(e) The department must develop, publish, and maintain a list of online learning providers that it has reviewed and approved.

(f) The department may review a complaint about an online learning provider, or a complaint about a provider based on the provider's response to notice of a violation. If the department determines that an online learning provider violated a law or rule, the department may:

(1) create a compliance plan for the provider; or

(2) withhold funds from the provider under sections 124D.095, 124E.25, and 127A.42. The department must notify an online learning provider in writing about withholding funds and provide detailed calculations.

(g) An online learning program fee administration account is created in the special revenue fund. Funds retained under paragraph (d) shall be deposited in the account. Money in the account is appropriated to the commissioner for costs associated with administering and monitoring online and digital learning programs.

Sec. 3. Minnesota Statutes 2022, section 124D.231, is amended to read:

124D.231 FULL-SERVICE COMMUNITY SCHOOLS.

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

(a) "Community organization" means a nonprofit organization that has been in existence for three years or more and serves persons within the community surrounding the covered school site on education and other issues.

(b) "Community school consortium" means a group of schools and community organizations that propose to work together to plan and implement community school programming.

(c) "Community school programming" means services, activities, and opportunities described under subdivision 2, paragraph ~~(g)~~ (f).

(d) "Community-wide full-service community school leadership team" means a district-level team that is responsible for guiding the vision, policy, resource alignment, implementation, oversight, and goal setting for community school programs within the district. This team shall include

representatives from the district, including teachers, school leaders, students, and family members from the eligible schools; community members; system-level partners that include representatives from government agencies, relevant unions, and nonprofit and other community-based partners; and, if applicable, the full-service community school initiative director.

(e) "Full-service community school initiative director" means a director responsible for coordinating districtwide administrative and leadership assistance to community school sites and site coordinators, including serving as chairperson for the district's community-wide full-service community school leadership team; site coordinator support; data gathering and evaluation; administration of partnership and data agreements, contracts, and procurement; and grant administration.

~~(d)~~ (f) "High-quality child care or early childhood education programming" means educational programming for preschool-aged children that is grounded in research, consistent with best practices in the field, and provided by licensed teachers.

~~(e)~~ (g) "School site" means a school site at which an applicant has proposed or has been funded to provide community school programming.

~~(f)~~ (h) "Site coordinator" ~~is an individual~~ means a full-time staff member serving one eligible school who is responsible for ~~aligning~~ the identification, implementation, and coordination of programming ~~with~~ to address the needs of the school community identified in the baseline analysis.

Subd. 2. **Full-service community school program.** (a) The commissioner shall provide funding to districts and charter schools with eligible school sites to plan, implement, and improve full-service community schools. Eligible school sites must meet one of the following criteria:

(1) the school is on a development plan for continuous improvement under section 120B.35, subdivision 2; or

(2) the school is in a district that has an achievement and integration plan approved by the commissioner of education under sections 124D.861 and 124D.862.

~~(b) An eligible school site may receive up to \$150,000 annually.~~ Districts and charter schools may receive up to:

(1) \$100,000 for each eligible school available for up to one year to fund planning activities, including convening a full-service community school leadership team, facilitating family and community stakeholder engagement, conducting a baseline analysis, and creating a full-service community school plan. At the end of this period, the school must submit a full-service community school plan pursuant to paragraphs (d) and (e); and

(2) \$200,000 annually for each eligible school for up to three years of implementation of a full-service community school plan, pursuant to paragraphs (f) and (g). School sites receiving funding under this section shall hire or contract with a partner agency to hire a site coordinator to coordinate services at each covered school site. Districts or charter schools receiving funding under this section for three or more schools shall provide or contract with a partner agency to provide a full-service community school initiative director.

~~(e)~~ Of grants awarded, implementation funding of up to \$20,000 must be available for up to one year for planning for school sites. ~~At the end of this period, the school must submit a full-service community school plan, pursuant to paragraph (g). If the site decides not to use planning funds, the plan must be submitted with the application.~~

~~(d)~~ (c) The commissioner shall consider additional school factors when dispensing funds including: schools with significant populations of students receiving free or reduced-price lunches; significant homeless and highly mobile rates; ~~and~~ equity among urban, suburban, and greater Minnesota schools; and demonstrated success implementing full-service community school programming.

~~(e)~~ (d) A school site must establish a full-service community school leadership team responsible for developing school-specific programming goals, assessing program needs, and overseeing the process of implementing expanded programming ~~at each covered site~~. The school leadership team shall have ~~between~~ at least 12 to 15 members and shall meet the following requirements:

(1) at least 30 percent of the members are parents, guardians, or students and 30 percent of the members are teachers at the school site and must include the school principal and representatives from partner agencies; and

(2) the full-service community school leadership team must be responsible for overseeing the baseline analyses under paragraph ~~(f)~~ (e) and the creation of a full-service community school plan under paragraphs (f) and (g). A full-service community school leadership team must meet at least quarterly and have ongoing responsibility for monitoring the development and implementation of full-service community school operations and programming at the school site and shall issue recommendations to schools on a regular basis and summarized in an annual report. These reports shall also be made available to the public at the school site and on school and district websites.

~~(f)~~ (e) School sites must complete a baseline analysis prior to ~~beginning programming as the~~ creation of a full-service community school plan. The analysis shall include:

(1) a baseline analysis of needs at the school site, led by the school leadership team, ~~which shall include~~ including the following elements:

(i) identification of challenges facing the school;

(ii) analysis of the student body, including:

(A) number and percentage of students with disabilities and needs of these students;

(B) number and percentage of students who are English learners and the needs of these students;

(C) number of students who are homeless or highly mobile; ~~and~~

(D) number and percentage of students receiving free or reduced-price lunch and the needs of these students; and

(E) number and percentage of students by race and ethnicity;

(iii) analysis of enrollment and retention rates for students with disabilities, English learners, homeless and highly mobile students, and students receiving free or reduced-price lunch;

(iv) analysis of suspension and expulsion data, including the justification for such disciplinary actions and the degree to which particular populations, including, but not limited to, American Indian students and students of color, students with disabilities, students who are English learners, and students receiving free or reduced-price lunch are represented among students subject to such actions;

(v) analysis of school achievement data disaggregated by major demographic categories, including, but not limited to, race, ethnicity, English learner status, disability status, and free or reduced-price lunch status;

(vi) analysis of current parent engagement strategies and their success; and

(vii) evaluation of the need for and availability of ~~wraparound services~~ full-service community school activities, including, but not limited to:

~~(A) mechanisms for meeting students' social, emotional, and physical health needs, which may include coordination of existing services as well as the development of new services based on student needs; and~~

~~(B) strategies to create a safe and secure school environment and improve school climate and discipline, such as implementing a system of positive behavioral supports, and taking additional steps to eliminate bullying;~~

(A) integrated student supports that address out-of-school barriers to learning through partnerships with social and health service agencies and providers, and may include medical, dental, vision care, and mental health services or counselors to assist with housing, transportation, nutrition, immigration, or criminal justice issues;

(B) expanded and enriched learning time and opportunities, including before-school, after-school, weekend, and summer programs that provide additional academic instruction, individualized academic support, enrichment activities, and learning opportunities that emphasize real-world learning and community problem solving and may include art, music, drama, creative writing, hands-on experience with engineering or science, tutoring and homework help, or recreational programs that enhance and are consistent with the school's curriculum;

(C) active family and community engagement that brings students' families and the community into the school as partners in education and makes the school a neighborhood hub, providing adults with educational opportunities that may include adult English as a second language classes, computer skills, art, or other programs that bring community members into the school for meetings or events; and

(D) collaborative leadership and practices that build a culture of professional learning, collective trust, and shared responsibility and include a school-based full-service community school leadership team, a full-service community school site coordinator, a full-service community school initiative director, a community-wide leadership team, other leadership or governance teams, teacher learning communities, or other staff to manage the joint work of school and community organizations;

(2) a baseline analysis of community assets ~~and a strategic plan for utilizing and aligning identified assets. This analysis should include, but is not limited to, a,~~ including documentation of individuals in the community, faith-based organizations, community and neighborhood associations, colleges, hospitals, libraries, businesses, and social service agencies ~~who~~ that may be able to provide support and resources; and

(3) a baseline analysis of needs in the community surrounding the school, led by the school leadership team, ~~including, but not limited to:~~

- (i) the need for high-quality, full-day child care and early childhood education programs;
- (ii) the need for physical and mental health care services for children and adults; and
- (iii) the need for job training and other adult education programming.

~~(g)~~ (f) Each school site receiving funding under this section must establish develop a full-service community school plan that utilizes and aligns district and community assets and establishes services in at least two of the following types of programming:

(1) early childhood:

- (i) early childhood education; and
- (ii) child care services;

(2) academic:

- (i) academic support and enrichment activities, including expanded learning time;
- (ii) summer or after-school enrichment and learning experiences;
- (iii) job training, internship opportunities, and career counseling services;

(iv) programs that provide assistance to students who have been chronically absent, truant, suspended, or expelled; and

(v) specialized instructional support services;

(3) parental involvement:

(i) programs that promote parental involvement and family literacy;

(ii) parent leadership development activities that empower and strengthen families and communities, provide volunteer opportunities, or promote inclusion in school-based leadership teams; and

(iii) parenting education activities;

(4) mental and physical health:

(i) mentoring and other youth development programs, including peer mentoring and conflict mediation;

(ii) juvenile crime prevention and rehabilitation programs;

(iii) home visitation services by teachers and other professionals;

(iv) developmentally appropriate physical education;

(v) nutrition services;

(vi) primary health and dental care; and

(vii) mental health counseling services;

(5) community involvement:

(i) service and service-learning opportunities;

(ii) adult education, including instruction in English as a second language; and

(iii) homeless prevention services;

(6) positive discipline practices; and

(7) other programming designed to meet school and community needs identified in the baseline analysis and reflected in the full-service community school plan.

~~(h)~~ (g) The full-service community school leadership team at each school site must develop a full-service community school plan detailing the steps the school leadership team will take, including:

(1) timely establishment and consistent operation of the school leadership team;

(2) maintenance of attendance records in all programming components;

(3) maintenance of measurable data showing annual participation and the impact of programming on the participating children and adults;

(4) documentation of meaningful and sustained collaboration between the school and community stakeholders, including local governmental units, civic engagement organizations, businesses, and social service providers;

(5) establishment and maintenance of partnerships with institutions, such as universities, hospitals, museums, or not-for-profit community organizations to further the development and implementation of community school programming;

(6) ensuring compliance with the district nondiscrimination policy; and

(7) plan for school leadership team development.

Subd. 3. **Full-service community school review.** (a) ~~Every three years,~~ A full-service community school site must submit to the commissioner, and make available at the school site and online, a report describing efforts to integrate community school programming at each covered school site and the effect of the transition to a full-service community school on participating children and adults. This report shall include, but is not limited to, the following:

(1) an assessment of the effectiveness of the school site in development or implementing the community school plan;

(2) problems encountered in the design and execution of the community school plan, including identification of any federal, state, or local statute or regulation impeding program implementation;

(3) the operation of the school leadership team and its contribution to successful execution of the community school plan;

(4) recommendations for improving delivery of community school programming to students and families;

(5) the number and percentage of students receiving community school programming who had not previously been served;

(6) the number and percentage of nonstudent community members receiving community school programming who had not previously been served;

(7) improvement in retention among students who receive community school programming;

(8) improvement in academic achievement among students who receive community school programming;

(9) changes in student's readiness to enter school, active involvement in learning and in their community, physical, social and emotional health, and student's relationship with the school and community environment;

(10) an accounting of anticipated local budget savings, if any, resulting from the implementation of the program;

(11) improvements to the frequency or depth of families' involvement with their children's education;

(12) assessment of community stakeholder satisfaction;

(13) assessment of institutional partner satisfaction;

(14) the ability, or anticipated ability, of the school site and partners to continue to provide services in the absence of future funding under this section;

(15) increases in access to services for students and their families; and

(16) the degree of increased collaboration among participating agencies and private partners.

(b) Reports submitted under this section shall be evaluated by the commissioner with respect to the following criteria:

(1) the effectiveness of the school or the community school consortium in implementing the full-service community school plan, including the degree to which the school site navigated difficulties encountered in the design and operation of the full-service community school plan, including identification of any federal, state, or local statute or regulation impeding program implementation;

(2) the extent to which the project has produced lessons about ways to improve delivery of community school programming to students;

(3) the degree to which there has been an increase in the number or percentage of students and nonstudents receiving community school programming;

(4) the degree to which there has been an improvement in retention of students and improvement in academic achievement among students receiving community school programming;

(5) local budget savings, if any, resulting from the implementation of the program;

(6) the degree of community stakeholder and institutional partner engagement;

(7) the ability, or anticipated ability, of the school site and partners to continue to provide services in the absence of future funding under this section;

(8) increases in access to services for students and their families; and

(9) the degree of increased collaboration among participating agencies and private partners.

Sec. 4. [124D.475] CREDIT FOR EMPLOYMENT WITH HEALTH CARE PROVIDERS.

Consistent with the career and technical pathways program, a student in grade 11 or 12 who is employed by an institutional long-term care or licensed assisted living facility, a home and community-based services and supports provider, a hospital or health system clinic, or a child care center may earn up to two elective credits each year toward graduation under section 120B.024, subdivision 1, paragraph (a), clause (7), at the discretion of the enrolling school district or charter school. A student may earn one elective credit for every 350 hours worked, including hours worked during the summer. A student who is employed by an eligible employer must submit an application, in the form or manner required by the school district or charter school, for elective credit to the school district or charter school in order to receive elective credit. The school district or charter school must verify the hours worked with the employer before awarding elective credit.

EFFECTIVE DATE. This section is effective for the 2023-2024 school year and later.

Sec. 5. Minnesota Statutes 2022, section 124D.74, subdivision 3, is amended to read:

Subd. 3. **Enrollment of other children; shared time enrollment.** To the extent it is economically feasible that the unique educational and culturally related academic needs of American Indian people are met and American Indian student accountability factors are the same or higher than their non-American Indian peers, a district or participating school may make provision for the voluntary enrollment of non-American Indian children in the instructional components of an American Indian

education program in order that they may acquire an understanding of the cultural heritage of the American Indian children for whom that particular program is designed. However, in determining eligibility to participate in a program, priority must be given to American Indian children. American Indian children ~~and other children~~ enrolled in an existing nonpublic school system may be enrolled on a shared time basis in American Indian education programs.

Sec. 6. Minnesota Statutes 2022, section 124D.81, is amended to read:

124D.81 AMERICAN INDIAN EDUCATION AID.

Subdivision 1. **Procedures.** A school district, charter school, cooperative unit as defined in section 123A.24, subdivision 2, or American Indian-controlled Tribal contract or grant school enrolling at least 20 American Indian students on October 1 of the previous school year ~~and operating an American Indian education program according to section 124D.74~~ is eligible for American Indian education aid if it meets the requirements of this section. Programs may provide for contracts for the provision of program components by nonsectarian nonpublic, community, Tribal, charter, or alternative schools. The commissioner shall prescribe the form and manner of application for aids, and no aid shall be made for a program not complying with the requirements of sections 124D.71 to 124D.82.

Subd. 2. **Plans.** To ~~qualify for~~ receive aid, an eligible district, charter school, cooperative unit as defined in section 123A.24, subdivision 2, or Tribal contract school must develop and submit a plan for approval by the Indian education director that shall:

- (a) Identify the measures to be used to meet the requirements of sections 124D.71 to 124D.82;
- (b) Identify the activities, methods and programs to meet the identified educational needs of the children to be enrolled in the program;
- (c) Describe how district goals and objectives as well as the objectives of sections 124D.71 to 124D.82 are to be achieved;
- (d) Demonstrate that required and elective courses as structured do not have a discriminatory effect within the meaning of section 124D.74, subdivision 5;
- (e) Describe how each school program will be organized, staffed, coordinated, and monitored;
and
- (f) Project expenditures for programs under sections 124D.71 to 124D.82.

Subd. 2a. **American Indian education aid.** (a) The American Indian education aid for an eligible district, cooperative unit, or Tribal contract school equals the greater of (1) the sum of ~~\$20,000~~ \$40,000 plus the product of ~~\$358~~ \$500 times the difference between the number of American Indian students enrolled on October 1 of the previous school year and 20; or (2) if the district or school received a grant under this section for fiscal year 2015, the amount of the grant for fiscal year 2015.

(b) Notwithstanding paragraph (a), the American Indian education aid must not exceed the district, cooperative unit, or Tribal contract school's actual expenditure according to the approved plan under subdivision 2, except as provided in subdivision 2b.

Subd. 2b. **Carry forward of funds.** Notwithstanding section 16A.28, if a school district or Tribal contract school does not expend the full amount of its aid described in its plan and received under this section in the designated fiscal year, the school district or Tribal contract school may carry forward the remaining funds to the following fiscal year and is not subject to an aid reduction only if:

(1) the district is otherwise adhering to the plan developed under subdivision 2;

(2) the American Indian education parent advisory committee for that school has approved the carry forward; and

(3) the school district reports the reason for the carry forward and describes the district's intended actions to ensure the funds are expended in the following fiscal year. The district must report this information to the Department of Education in the form and manner and according to the timelines specified by the commissioner.

Subd. 3. **Additional requirements.** Each district or cooperative unit receiving aid under this section must each year conduct a count of American Indian children in the schools of the district; test for achievement; identify the extent of other educational needs of the children to be enrolled in the American Indian education program; and classify the American Indian children by grade, level of educational attainment, age and achievement. Participating schools must maintain records concerning the needs and achievements of American Indian children served.

Subd. 4. **Nondiscrimination; testing.** In accordance with recognized professional standards, all testing and evaluation materials and procedures utilized for the identification, testing, assessment, and classification of American Indian children must be selected and administered so as not to be racially or culturally discriminatory and must be valid for the purpose of identifying, testing, assessing, and classifying American Indian children.

Subd. 5. **Records.** Participating schools ~~and~~, districts, and cooperative units must keep records and afford access to them as the commissioner finds necessary to ensure that American Indian education programs are implemented in conformity with sections 124D.71 to 124D.82. Each school district, cooperative unit, or participating school must keep accurate, detailed, and separate revenue and expenditure accounts for ~~pilot~~ American Indian education programs funded under this section.

Subd. 6. **Money from other sources.** A district, cooperative unit, or participating school providing American Indian education programs shall be eligible to receive moneys for these programs from other government agencies and from private sources when the moneys are available.

Subd. 7. **Exceptions.** Nothing in sections 124D.71 to 124D.82 shall be construed as prohibiting a district, cooperative unit, or school from implementing an American Indian education program which is not in compliance with sections 124D.71 to 124D.82 if the proposal and plan for that program is not funded pursuant to this section.

EFFECTIVE DATE. This section is effective the day following final enactment for aid for fiscal year 2024 and later.

Sec. 7. **INNOVATIVE INCUBATOR SERVICE-LEARNING GRANTS.**

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

(b) "Eligible school" means a school district or school site operated by a school district, charter school, or Tribal contract or grant school eligible for state aid under Minnesota Statutes, section 124D.83, or cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2.

(c) "Eligible service-learning partnership" means a partnership that includes an eligible school and at least one community-based organization, community education program, state or federal agency, or political subdivision. An eligible service-learning partnership may include other individuals or entities, such as a postsecondary faculty member or institution, parent, other community member, local business or business organization, or local media representative. A school district member in an eligible service-learning partnership may participate in the partnership through a community education program established under Minnesota Statutes, section 124D.19.

Subd. 2. **Establishment; eligibility criteria; application requirements.** (a) A technical assistance and grant program is established to initiate or expand and strengthen innovative service-learning opportunities for students in kindergarten through grade 12; increase student engagement and academic achievement; help close the academic achievement gap and the community, college, and career opportunity gaps; and create a positive school climate and safer schools and communities.

(b) At least one teacher, administrator, or program staff member and at least one service-learning specialist, service-learning coordinator, curriculum specialist, or other qualified employee employed by an eligible school and designated to develop and share expertise in implementing service-learning best practices must work with students to form a student-adult partnership. Before developing and submitting a grant application to the department, a participating student must work with at least one adult who is part of the initial partnership to identify a need or opportunity to pursue through a service-learning partnership and invite at least one partner to collaborate in developing and submitting a grant application. The fiscal agent for the grant to an eligible service-learning partnership is an eligible school that is a member of the partnership or has a program that is a member of the partnership.

(c) An eligible service-learning partnership receiving an innovation service-learning grant must:

(1) include at least two or more enrolled students; two or more school employees of an eligible school in accordance with paragraph (b); and an eligible community-based organization, community education program, state or federal agency, or political subdivision; and

(2) assist students to:

(i) actively participate in service-learning experiences that meet identified student and community needs or opportunities;

(ii) operate collaboratively with service-learning partnership members;

(iii) align service-learning experiences with at least one state or local academic standard, which may include a local career and technical education standard;

(iv) apply students' knowledge and skills in their community and help solve community problems or address community opportunities;

(v) foster students' civic engagement; and

(vi) explore or pursue career pathways and support career and college readiness.

(d) An eligible service-learning partnership interested in receiving a grant must apply to the commissioner of education in the form and manner determined by the commissioner. The partnership must work with an eligible school. Consistent with this subdivision, the application must describe the eligible service-learning partnership plan to:

(1) incorporate student-designed and student-led service-learning into the school curriculum or specific courses or across subject areas;

(2) provide students with instruction and experiences using service-learning best practices during the regular school day with an option to supplement their service-learning experiences outside of the school day;

(3) align service-learning experiences with at least one state or local academic standard, which may include a local career or technical education standard, and at least one goal of the world's best workforce in accordance with Minnesota Statutes, section 120B.11, or the state plan submitted and approved under the most recent reauthorization of the Elementary and Secondary Education Act;

(4) make implementing service-learning best practices an educational priority;

(5) provide student-designed, student-led service-learning experiences that help meet community needs or develop or advance community opportunities; and

(6) identify at least one eligible school teacher, administrator, or program staff member and at least one service-learning specialist, service-learning coordinator, curriculum specialist, or other qualified eligible school employee designated to develop and share expertise in implementing service-learning best practices to work with students to form a student-adult partnership that includes at least one community-based organization, community education program, state or federal agency, or political subdivision.

Subd. 3. **Innovation grants.** The commissioner of education must award up to 32 grants of up to \$50,000 each to allow eligible partnerships to provide student-designed, student-led service-learning opportunities consistent with this section. Grant awards must be equitably distributed throughout Minnesota by congressional district. The commissioner may designate start-up or leader grant categories with differentiated maximum grant dollar amounts up to \$50,000. A grantee designated as a leader grantee may be required to meet additional leader grant requirements as established by the commissioner in the grant application criteria developed by the commissioner. In order to receive a grant, a partnership must provide a 50 percent match in funds or in-kind contributions unless the

commissioner waives the match requirement for an applicant serving a high number of students whose families meet federal poverty guidelines. A partnership grantee must allocate the grant amount according to its grant application. The partnership must convey 50 percent of the actual grant amount to at least one community-based organization, community education program, state or federal agency, or political subdivision to help implement or defray the direct costs of carrying out the service-learning strategies and activities described in the partnership's grant application.

Subd. 4. **Report.** A grantee must report to the commissioner on the educational and developmental outcomes of participating students and the eligible school's progress toward meeting at least one goal of the world's best workforce goals in accordance with Minnesota Statutes, section 120B.11, or the state plan submitted and approved under the most recent reauthorization of the Elementary and Secondary Education Act. A grantee must report on the community outcomes achieved through student service-learning experiences and the corresponding student service activities. The commissioner must submit a report on participating student and community outcomes under this section to the legislative committees with jurisdiction over kindergarten through grade 12 education by February 15, 2025.

Sec. 8. **PILOT PROGRAM TO IMPROVE EDUCATIONAL OUTCOMES AND ACCOUNTABILITY.**

Subdivision 1. **Establishment.** The Department of Education must establish a pilot program beginning in the 2023-2024 school year to redesign performance frameworks for high schools to improve educational outcomes for students of color. The pilot program must engage students, families, and community leaders in redesigning performance frameworks. The performance frameworks must support schools in continuous improvement efforts and use data to measure performance of students beyond tests scores, graduation rates, and the world's best workforce goals.

Subd. 2. **Performance measures.** For each school in the pilot program, the equity-focused framework must:

(1) measure total enrollment, including the percentage of enrolled students disaggregated by characteristics of race and ethnicity, gender, age, economic disadvantage, disability, homelessness, home language, number of schools attended, foster-system involvement, or other categories required by the department;

(2) describe basic needs support provided by the school to students, family members, and community members;

(3) measure the number of students who receive support of the following types of social-emotional and mental health support: (i) individual meetings with licensed mental health professionals; (ii) peer support groups; (iii) referrals to community resources; and (iv) other social-emotional and mental health services provided by the school;

(4) describe flexible, personalized, and innovative instruction provided by the school;

(5) describe culturally and real-life relevant curriculum provided by the school, including students learning about the experiences of People of Color through a contextually accurate history of Minnesota's Indigenous people;

(6) measure the number and percentage of students provided opportunities for student identity development, including cultural identity;

(7) measure the number and percentage of students provided opportunities for student career exploration and preparation;

(8) measure the number and percentage of students participating in at least one extracurricular activity;

(9) measure the number of restorative-justice interventions and the number of referrals, suspensions, and expulsions per school;

(10) describe family engagement practices by the school;

(11) describe community engagement practices by the school; and

(12) describe teacher and staff training about antiracism, anti-bias, or equity, and the average weekly time provided for teacher and staff collaboration.

Subd. 3. **Reports.** (a) By July 1, 2024, the commissioner of education must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education detailing the effectiveness of the first year of the pilot program and recommendations for improvement in future years.

(b) By July 1, 2025, the commissioner of education must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education detailing the effectiveness of the pilot program after two years, including details on school implementation and performance measures on each of the criteria listed under subdivision 2.

Sec. 9. APPROPRIATIONS.

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Achievement and integration aid.** (a) For achievement and integration aid under Minnesota Statutes, section 124D.862:

<u>\$</u>	<u>83,330,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>84,232,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$8,172,000 for 2023 and \$75,158,000 for 2024.

(c) The 2025 appropriation includes \$8,350,000 for 2024 and \$75,882,000 for 2025.

Subd. 3. **Alliance of Chicanos, Hispanics, and Latin Americans.** (a) For a grant to the Alliance of Chicanos, Hispanics, and Latin Americans (ACHLA) for the Juntos Club to support English language learners, low-income students, migrant students, and Latinx students with improving English and math proficiency:

<u>\$</u>	<u>300,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>200,000</u>	<u>.....</u>	<u>2025</u>

(b) The base for fiscal year 2026 and later is \$0.

Subd. 4. **American Indian education aid.** (a) For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

<u>\$</u>	<u>17,949,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>19,266,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$1,159,000 for 2023 and \$16,790,000 for 2024.

(c) The 2025 appropriation includes \$1,865,000 for 2024 and \$17,401,000 for 2025.

Subd. 5. **BARR Center.** (a) For grants to the Building Assets, Reducing Risks (BARR) Center, to deliver an evidence-based, research-validated program to schools:

<u>\$</u>	<u>5,000,000</u>	<u>.....</u>	<u>2024</u>
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(b) Consistent with Minnesota Statutes, section 127A.20, the BARR Center must apply for the grants in the form and manner specified by the commissioner of education. The BARR Center must deliver an evidence-based, research-validated program that provides school coaching support, professional development, and curriculum and resources over a three-year period to each qualifying school site.

(c) The BARR Center must select at least 18 schools to participate in the program. The schools must be geographically balanced among urban, suburban, and rural schools, and serve high concentrations of students in poverty or high concentrations of underrepresented students, including students who are from Black, Indigenous, and People of Color communities.

(d) The grants to the BARR Center must be directed toward:

(1) improving student social and emotional skills and engagement in school;

(2) increasing opportunity and academic achievement for students of color and those experiencing poverty;

(3) improving teacher satisfaction and effectiveness; and

(4) increasing the number of students who earn a high school diploma.

(e) This is a onetime appropriation and is available until June 30, 2026.

Subd. 6. **Charter school building lease aid.** (a) For building lease aid under Minnesota Statutes, section 124E.22:

<u>\$</u>	<u>94,320,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>98,166,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$9,047,000 for 2023 and \$85,273,000 for 2024.

(c) The 2025 appropriation includes \$9,474,000 for 2024 and \$88,692,000 for 2025.

Subd. 7. **College entrance examination reimbursement.** (a) To reimburse districts for the costs of college entrance examination fees for students who are eligible for free or reduced-price meals who take the ACT or SAT test under Minnesota Statutes, section 120B.30, subdivision 1, paragraph (e):

\$	<u>1,011,000</u>	.....	<u>2024</u>
\$	<u>1,011,000</u>	.....	<u>2025</u>

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

Subd. 8. **COMPASS and MTSS.** (a) To support the development and implementation of the MTSS framework and the Collaborative Minnesota Partnerships to Advance Student Success (COMPASS) school improvement model:

\$	<u>5,075,000</u>	.....	<u>2024</u>
\$	<u>5,076,000</u>	.....	<u>2025</u>

(b) Of this amount, \$2,951,000 in fiscal year 2024 and \$2,952,000 in fiscal year 2025 are to support implementation of MTSS and COMPASS. Funds must be used to support increased capacity at the Department of Education and the Minnesota Service Cooperatives for implementation supports.

(c) Of this amount, \$2,124,000 each year is reserved for grants to school districts, charter schools, and cooperative units as defined in Minnesota Statutes, section 123A.24, subdivision 2, for implementation of MTSS, including: hiring local MTSS coordinators; deferring costs for personnel to participate in cohort activities and professional learning; and piloting a Department of Education One Plan, the consolidation of multiple reporting structures to streamline various applications, reports, and submissions by school districts and charter schools. Up to five percent of this amount is available for program and grant administration.

(d) The base for fiscal year 2026 and later is \$14,968,000.

(e) Up to five percent of the funds identified for grants is available for grant administration costs.

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

Subd. 9. **Concurrent enrollment aid.** (a) For concurrent enrollment aid under Minnesota Statutes, section 124D.091:

\$	<u>4,000,000</u>	.....	<u>2024</u>
\$	<u>4,000,000</u>	.....	<u>2025</u>

(b) If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each school district.

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

Subd. 10. **Early childhood literacy programs.** (a) For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

<u>\$</u>	<u>7,950,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>7,950,000</u>	<u>.....</u>	<u>2025</u>

(b) Up to \$7,950,000 each year is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota reading corps program established by ServeMinnesota, including costs associated with training and teaching early literacy skills to children ages three through grade 3 and evaluating the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

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

Subd. 11. **Emergency medical training.** (a) For grants to offer high school students courses in emergency medical services:

<u>\$</u>	<u>1,000,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>1,000,000</u>	<u>.....</u>	<u>2025</u>

(b) A school district, charter school, or cooperative unit under Minnesota Statutes, section 123A.24, subdivision 2, may apply for a grant under this section to offer enrolled students emergency medical services courses approved by the Minnesota Emergency Medical Services Regulatory Board to prepare students to take the emergency medical technician certification test, including an emergency medical services course that is a prerequisite to an emergency medical technician course.

(c) A grant recipient may use grant funds to partner with a district, charter school, cooperative unit, postsecondary institution, political subdivision, or entity with expertise in emergency medical services, including health systems, hospitals, ambulance services, and health care providers to offer an emergency medical services course.

(d) Eligible uses of grant funds include teacher salaries, transportation, equipment costs, emergency medical technician certification test fees, and student background checks.

(e) To the extent practicable, the commissioner must award half of the grant funds to applicants outside of the seven-county metropolitan area, and 30 percent of the grant funds to applicants with high concentrations of students of color.

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

(g) The base for fiscal year 2026 is \$0.

Subd. 12. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

<u>\$</u>	<u>4,500,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>4,500,000</u>	<u>.....</u>	<u>2025</u>

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international

baccalaureate programs selected by the Advanced Placement Advisory Council and International Baccalaureate Minnesota, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

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

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

Subd. 13. **Full-service community schools.** (a) For grants to school districts and charter schools to plan or expand the full-service community schools programs under Minnesota Statutes, section 124D.231:

\$	<u>14,500,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>0</u>	<u>.....</u>	<u>2025</u>

(b) Up to five percent of this appropriation is available for grant administration costs.

(c) This is a onetime appropriation and is available through June 30, 2027.

Subd. 14. **Girls Taking Action grant.** (a) For a grant to the Girls Taking Action program to enable Girls Taking Action to continue to provide and expand metropolitan-area school and community-based programs that encourage and support low-income girls of color:

\$	<u>1,500,000</u>	<u>.....</u>	<u>2024</u>
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(b) Of the appropriated funds, \$1,000,000 must be used to sustain 16 current Girls Taking Action program sites, and to expand to an additional four sites in inner-ring suburban communities with growing ethnic diversity among students.

(c) Of the appropriated funds, \$500,000 must be used to sustain three community-based Girls Taking Action programs for Asian, East African, and Latina girls in Hennepin, Ramsey, and Dakota Counties, and to expand an additional two community-based programs in these counties to reach Native American and African American girls.

(d) Girls Taking Action programs supported by these funds must include programs focused on:

(1) increasing academic performance, high school graduation rates, and enrollment in postsecondary education for girls faced with social, demographic, racial, and economic barriers and challenges;

(2) increasing mentoring opportunities, literacy, career development, positive community engagement, and the number of qualified female employees of color in the workforce pipeline, particularly in science, technology, engineering, and mathematics fields;

(3) providing coaching, mentoring, health and wellness counseling, resources to girls whose experience with sexual assault has negatively impacted their academics and behavior, and culturally sensitive therapy resources and counseling services to sexual assault victims; and

(4) increasing financial literacy and knowledge of options for financing college or postsecondary education.

(e) This is a onetime appropriation. Any balance in the first year does not cancel but is available in the second year.

Subd. 15. Grants to increase science, technology, engineering, and math course offerings.

(a) For grants to schools to encourage low-income and other underserved students to participate in advanced placement and international baccalaureate programs according to Minnesota Statutes, section 120B.132:

\$	<u>250,000</u>	.....	<u>2024</u>
\$	<u>250,000</u>	.....	<u>2025</u>

(b) To the extent practicable, the commissioner must distribute grant funds equitably among geographic areas in the state, including schools located in greater Minnesota and in the seven-county metropolitan area.

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

Subd. 16. Innovation service learning grants. (a) For innovative service-learning grants under Minnesota Statutes, section 124D.501:

\$	<u>1,000,000</u>	.....	<u>2024</u>
\$	<u>0</u>	.....	<u>2025</u>

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

(c) The base for fiscal year 2026 and later is \$0.

Subd. 17. Interdistrict desegregation or integration transportation grants. For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$	<u>14,992,000</u>	.....	<u>2024</u>
\$	<u>16,609,000</u>	.....	<u>2025</u>

Subd. 18. Junior Achievement North. (a) For a grant to Junior Achievement North to expand access to its financial literacy programming for elementary and secondary students:

\$	<u>500,000</u>	.....	<u>2024</u>
\$	<u>500,000</u>	.....	<u>2025</u>

(b) The grant awarded under this section must be consistent with the procedures for evidence-based education grants under Minnesota Statutes, section 127A.20.

(c) Junior Achievement North must use the grant proceeds to expand the number of students who participate in Junior Achievement North's financial literacy programs, career readiness programs, and entrepreneurship programs with a focus on expanding opportunities for underserved students. To the extent practicable, programming must be provided in an equitable manner to students in greater Minnesota.

(d) In addition to other reporting requirements, and subject to Minnesota Statutes, section 3.195, by February 1 of each year Junior Achievement North receives an appropriation, Junior Achievement North must report to the chairs and ranking minority members of the legislative committees with jurisdiction over education on activities funded by this appropriation. The report must include but is not limited to: information about the operations of Junior Achievement North, including its most recent audit; a description of the financial literacy, career readiness, and entrepreneurship programs offered during the year; participation and demographic information about the students and schools served by the program; and a description of partnerships with other financial literacy organizations.

(e) The base for fiscal year 2026 and later is \$0.

Subd. 19. Literacy incentive aid. (a) For literacy incentive aid under Minnesota Statutes, section 124D.98:

\$	<u>42,234,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>42,502,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$4,606,000 for 2023 and \$37,628,000 for 2024.

(c) The 2025 appropriation includes \$4,180,000 for 2024 and \$38,322,000 for 2025.

Subd. 20. Minnesota Center for the Book programming. (a) For grants to the entity designated by the Library of Congress as the Minnesota Center for the Book to provide statewide programming related to the Minnesota Book Awards and for additional programming throughout the state related to the Center for the Book designation:

\$	<u>150,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>150,000</u>	<u>.....</u>	<u>2025</u>

(b) The base for fiscal year 2026 and later is \$0.

Subd. 21. Minnesota Council on Economic Education. (a) For a grant to the Minnesota Council on Economic Education:

\$	<u>200,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>200,000</u>	<u>.....</u>	<u>2025</u>

(b) The grant must be used to:

(1) provide professional development to kindergarten through grade 12 teachers implementing state graduation standards in learning areas related to economic education; and

(2) support the direct-to-student ancillary economic and personal finance programs that teachers supervise and coach.

(c) By February 15 of each year following the receipt of a grant, the Minnesota Council on Economic Education must report to the commissioner of education the number and type of in-person and online teacher professional development opportunities provided by the Minnesota Council on Economic Education or its affiliated state centers. The report must include a description of the content, length, and location of the programs; the number of preservice and licensed teachers receiving professional development through each of these opportunities; and summaries of evaluations of teacher professional opportunities.

(d) The Department of Education must pay the full amount of the grant to the Minnesota Council on Economic Education by August 15 of each fiscal year for which the grant is appropriated. The Minnesota Council on Economic Education must submit its fiscal reporting in the form and manner specified by the commissioner. The commissioner may request additional information as necessary.

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

(f) The base for fiscal year 2026 and later is \$0.

Subd. 22. **Minnesota Independence College and Community.** (a) For transfer to the Office of Higher Education for grants to Minnesota Independence College and Community for tuition reduction and institutional support:

\$	<u>625,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>625,000</u>	<u>.....</u>	<u>2025</u>

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

(c) By January 15 of each year, Minnesota Independence College and Community must submit a report detailing expenditures, activities, and outcomes to the commissioner and the chairs and ranking minority members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education.

Subd. 23. **Minnesota math corps program.** (a) For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9:

\$	<u>1,000,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>1,000,000</u>	<u>.....</u>	<u>2025</u>

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

(c) The base for fiscal year 2026 and later is \$500,000.

Subd. 24. **Minnesota Principals Academy.** (a) For grants to the University of Minnesota College of Education and Human Development for the operation of the Minnesota Principals Academy:

\$	<u>200,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>200,000</u>	<u>.....</u>	<u>2025</u>

(b) Of these amounts, \$50,000 must be used to pay the costs of attendance for principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act. To the extent funds are available, the Department of Education is encouraged to use up to \$200,000 of federal Title II funds to support additional participation in the Principals Academy by principals and school leaders from schools identified for intervention under the state's accountability system as implemented to comply with the federal Every Student Succeeds Act.

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

Subd. 25. **Museums and education centers.** (a) For grants to museums and education centers:

\$	1,241,000	.....	2024
\$	1,241,000	.....	2025

(b) \$500,000 each year is for the Minnesota Children's Museum.

(c) \$50,000 each year is for the Children's Museum of Rochester.

(d) \$41,000 each year is for the Minnesota Academy of Science.

(e) \$50,000 each year is for the Headwaters Science Center.

(f) \$100,000 each year is for The Bakken Museum, Minneapolis.

(g) \$50,000 each year is for The Works, Bloomington.

(h) \$50,000 each year is for the WonderTrek Children's Museum, Brainerd-Baxter.

(i) \$50,000 each year is for the Duluth Children's Museum, Duluth.

(j) \$50,000 each year is for the Otter Cove Children's Museum, Fergus Falls.

(k) \$50,000 each year is for the Children's Discovery Museum, Grand Rapids.

(l) \$50,000 each year is for the Wheel and Cog Children's Museum, Hutchinson.

(m) \$50,000 each year is for the Children's Museum of Southern Minnesota, Mankato.

(n) \$50,000 each year is for the Great River Children's Museum, St. Cloud.

(o) \$50,000 each year is for the Village Children's Museum, Willmar.

(p) \$50,000 each year is for the Children's Discovery Museum, Breckenridge.

(q) A recipient of a grant under this subdivision must use the funds to encourage and increase access for historically underserved communities.

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

(s) The base for fiscal year 2026 and later is \$1,741,000. Of this amount, \$741,000 is for the museums and amounts indicated in paragraphs (b) to (f), and \$1,000,000 is for the museums in paragraphs (g) to (q) in the amount of \$100,000 per museum.

Subd. 26. **Native language revitalization grants to schools.** (a) For grants to school districts and charter schools to offer language instruction in Dakota and Anishinaabe languages or another language indigenous to the United States or Canada:

<u>\$</u>	<u>7,500,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>7,500,000</u>	<u>.....</u>	<u>2025</u>

(b) Grant amounts are to be determined based upon the number of schools within a district implementing language courses. Eligible expenses include costs for teachers, program supplies, and curricular resources.

(c) Up to five percent of the grant amount is available for grant administration and monitoring.

(d) Up to \$300,000 each year is for administrative and programmatic capacity at the Department of Education.

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

Subd. 27. **Online music instruction grant.** (a) For a grant to MacPhail Center for Music for the online music instruction program:

<u>\$</u>	<u>300,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>0</u>	<u>.....</u>	<u>2025</u>

(b) The MacPhail Center for Music must use the grant funds received under this subdivision to:

(1) partner with schools and early childhood centers to provide online music instruction to students and children for the purpose of increasing student self-confidence, providing students with a sense of community, and reducing individual stress. In applying for the grant, MacPhail Center for Music must commit to providing at least a 30 percent match of the funds allocated. MacPhail Center for Music must also include in the application the measurable outcomes the applicant intends to accomplish with the grant funds;

(2) partner with schools or early childhood centers that are designated Title I schools or centers or are located in rural Minnesota, and may use the funds in consultation with the music or early childhood educators in each school or early childhood center to provide individual or small group music instruction, sectional ensembles or other group music activities, music workshops, or early childhood music activities. At least half of the online music programs must be in partnership with schools or early childhood centers located in rural Minnesota. MacPhail Center for Music may use the funds awarded to supplement or enhance an existing online music program within a school or early childhood center that meets the criteria described in this clause; and

(3) contract with a third-party entity to evaluate the success of the online music program. The evaluation must include interviews with the music educators and students at the schools and early childhood centers where an online music program was established. The results of the evaluation must be submitted to the commissioner of education and to the chairs and ranking minority members

of the legislative committees with jurisdiction over education policy and finance by December 15, 2026.

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

(d) The base for fiscal year 2026 is \$0.

Subd. 28. **P-TECH schools.** (a) For P-TECH support grants under Minnesota Statutes, section 124D.093, subdivision 5:

<u>\$</u>	<u>791,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>791,000</u>	<u>.....</u>	<u>2025</u>

(b) The amounts in this subdivision are for grants, including to a public-private partnership that includes Independent School District No. 535, Rochester.

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

Subd. 29. **Pilot program to improve educational outcomes and accountability.** (a) For a grant to Pillsbury United Communities to collaborate with the Department of Education to implement the pilot program to improve educational outcomes and accountability under article 1, section 8.

<u>\$</u>	<u>150,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>150,000</u>	<u>.....</u>	<u>2025</u>

(b) Up to \$30,000 of the appropriation amount in each fiscal year may be retained to monitor and administer the program.

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

(d) The base for fiscal year 2026 and later is \$0.

Subd. 30. **Recovery program grants.** (a) For recovery program grants under Minnesota Statutes, section 124D.695:

<u>\$</u>	<u>750,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>750,000</u>	<u>.....</u>	<u>2025</u>

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

Subd. 31. **Rural career and technical education consortium.** (a) For rural career and technical education consortium grants:

<u>\$</u>	<u>3,000,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>3,000,000</u>	<u>.....</u>	<u>2025</u>

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

Subd. 32. **ServeMinnesota program.** (a) For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

<u>\$</u>	<u>900,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>900,000</u>	<u>.....</u>	<u>2025</u>

(b) A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time ServeMinnesota program to the extent such coverage is not otherwise available.

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

Subd. 33. **Starbase MN.** (a) For a grant to Starbase MN for a rigorous science, technology, engineering, and math program providing students in grades 4 through 6 with a multisensory learning experience and a hands-on curriculum in an aerospace environment using state-of-the-art technology:

<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>500,000</u>	<u>.....</u>	<u>2025</u>

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

Subd. 34. **Statewide testing and reporting system.** (a) For the statewide testing and reporting system under Minnesota Statutes, section 120B.30:

<u>\$</u>	<u>10,892,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>10,892,000</u>	<u>.....</u>	<u>2025</u>

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

Subd. 35. **Student organizations.** (a) For student organizations:

<u>\$</u>	<u>868,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>868,000</u>	<u>.....</u>	<u>2025</u>

(b) \$53,000 each year is for student organizations serving health occupations (HOSA).

(c) \$100,000 each year is for student organizations serving trade and industry occupations (Skills USA, secondary and postsecondary).

(d) \$104,000 each year is for student organizations serving business occupations (BPA, secondary and postsecondary).

(e) \$234,000 each year is for student organizations serving agriculture occupations (FFA, PAS).

(f) \$185,000 each year is for student organizations serving family and consumer science occupations (FCCLA). Notwithstanding Minnesota Rules, part 3505.1000, subparts 28 and 31, the student organizations serving FCCLA shall continue to serve students in grade 9 and below.

(g) \$138,000 each year is for student organizations serving marketing occupations (DECA and DECA collegiate).

(h) \$54,000 each year is for the Minnesota Foundation for Student Organizations.

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

(j) The base for fiscal year 2026 and later is \$768,000. Of this amount:

(1) \$46,000 each year is for student organizations serving health occupations (HOSA);

(2) \$100,000 each year is for student organizations serving trade and industry occupations (Skills USA, secondary and postsecondary);

(3) \$95,000 each year is for student organizations serving business occupations (BPA, secondary and postsecondary);

(4) \$193,000 each year is for student organizations serving agriculture occupations (FFA, PAS);

(5) \$185,000 each year is for student organizations serving family and consumer science occupations (FCCLA). Notwithstanding Minnesota Rules, part 3505.1000, subparts 28 and 31, the student organizations serving FCCLA shall continue to serve students in grade 9 and below;

(6) \$109,000 each year is for student organizations serving marketing occupations (DECA and DECA collegiate); and

(7) \$40,000 each year is for the Minnesota Foundation for Student Organizations.

Subd. 36. **Tribal contract school aid.** (a) For Tribal contract school aid under Minnesota Statutes, section 124D.83:

<u>\$</u>	<u>2,585,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>2,961,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$255,000 for 2023 and \$2,330,000 for 2024.

(c) The 2025 appropriation includes \$258,000 for 2024 and \$2,703,000 for 2025.

Subd. 37. **Walkabouts program.** (a) For a grant to the regional centers of excellence to provide an evidence-based, standards-aligned, kinesthetic learning platform using physical activity to teach math, English, language arts, and literacy standards for prekindergarten through grade 5 to improve academic performance and social-emotional learning:

<u>\$</u>	<u>250,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>250,000</u>	<u>.....</u>	<u>2025</u>

(b) The regional centers of excellence must provide the ActivEd Walkabouts program at no cost to schools. A school must apply for participation in the program in the form and manner determined by the regional centers of excellence. To the extent practicable, the regional centers of excellence must select schools that are identified for support under the state accountability system and that are geographically distributed equitably throughout the state.

(c) The base for fiscal year 2026 and later is \$0.

ARTICLE 3**READ ACT**

Section 1. Minnesota Statutes 2022, section 120B.11, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section and section 120B.10, the following terms have the meanings given them.

(a) "Instruction" means methods of providing learning experiences that enable a student to meet state and district academic standards and graduation requirements including applied and experiential learning.

(b) "Curriculum" means district or school adopted programs and written plans for providing students with learning experiences that lead to expected knowledge and skills and career and college readiness.

(c) "World's best workforce" means striving to: meet school readiness goals; ~~have all third-grade students achieve grade-level literacy;~~ close the academic achievement gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; and have all students graduate from high school.

(d) "Experiential learning" means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

Sec. 2. Minnesota Statutes 2022, section 120B.11, subdivision 2, is amended to read:

Subd. 2. **Adopting plans and budgets.** (a) A school board, at a public meeting, shall adopt a comprehensive, long-term strategic plan to support and improve teaching and learning that is aligned with creating the world's best workforce and includes:

(1) clearly defined district and school site goals and benchmarks for instruction and student achievement for all student subgroups identified in section 120B.35, subdivision 3, paragraph (b), clause (2);

(2) a process to assess and evaluate each student's progress toward meeting state and local academic standards, assess and identify students to participate in gifted and talented programs and accelerate their instruction, and adopt early-admission procedures consistent with section 120B.15, and identifying the strengths and weaknesses of instruction in pursuit of student and school success and curriculum affecting students' progress and growth toward career and college readiness and leading to the world's best workforce;

(3) a system to periodically review and evaluate the effectiveness of all instruction and curriculum, taking into account strategies and best practices, student outcomes, school principal evaluations under section 123B.147, subdivision 3, students' access to effective teachers who are members of populations underrepresented among the licensed teachers in the district or school and

who reflect the diversity of enrolled students under section 120B.35, subdivision 3, paragraph (b), clause (2), and teacher evaluations under section 122A.40, subdivision 8, or 122A.41, subdivision 5;

(4) strategies for improving instruction, curriculum, and student achievement, including the English and, where practicable, the native language development and the academic achievement of English learners;

(5) a process to examine the equitable distribution of teachers and strategies to ensure low-income and minority children are not taught at higher rates than other children by inexperienced, ineffective, or out-of-field teachers;

(6) education effectiveness practices that integrate high-quality instruction, rigorous curriculum, technology, and a collaborative professional culture that develops and supports teacher quality, performance, and effectiveness; and

(7) an annual budget for continuing to implement the district plan.

(b) A school district is not required to include information regarding literacy in a plan or report required under this section, except with regard to the academic achievement of English learners.

Sec. 3. **[120B.1119] TITLE; THE READ ACT.**

Sections 120B.12 to 120B.124 may be cited as the "Reading to Ensure Academic Development Act" or the "Read Act."

Sec. 4. Minnesota Statutes 2022, section 120B.12, is amended to read:

120B.12 READING PROFICIENTLY NO LATER THAN THE END OF GRADE 3 READ ACT GOAL AND INTERVENTIONS.

Subdivision 1. **Literacy goal.** (a) The legislature seeks to have every child reading at or above grade level no later than the end of grade 3, every year, beginning in kindergarten, including English multilingual learners, and that teachers provide comprehensive, scientifically based and students receiving special education services. School leaders and educators must provide evidence-based reading instruction consistent with section 122A.06, subdivision 4 through a focus on student mastery of the foundational reading skills of phonemic awareness, phonics, and fluency, as well as the development of oral language, vocabulary, and reading comprehension skills. Students must receive evidence-based instruction that is proven to effectively teach children to read, consistent with sections 120B.12 to 120B.124.

(b) To meet this goal, each school district must provide teachers and instructional support staff with responsibility for teaching reading with training on evidence-based reading instruction that is approved by the Department of Education and CAREI. By 2025, a district must provide the training to intervention teachers working with students in kindergarten through grade 12, special education teachers, curriculum directors, instructional support staff who provide reading instruction, and any staff who selects literacy instructional materials for a district. By 2027, a district must provide the training to all classroom teachers of students in a prekindergarten program, and in kindergarten through grade 3. The commissioner may grant a district an extension to the deadlines in this paragraph.

(c) Districts are strongly encouraged to adopt a MTSS framework. The framework should include a process for monitoring student progress, evaluating program fidelity, and analyzing student outcomes and needs in order to design and implement ongoing evidenced-based instruction and interventions.

Subd. 2. **Identification; report.** ~~(a) Each school district must identify before the end of~~ Twice per year, each school district must screen every student enrolled in kindergarten, grade 1, and grade 2 all students who are not reading at grade level, and grade 3 using a screening tool approved by the Department of Education. Students identified as not reading at grade level by the end of kindergarten, grade 1, and grade 2, and grade 3, including multilingual learners and students receiving special education services, must be universally screened, in a locally determined manner for mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, oral language, and for characteristics of dyslexia as measured by a screening tool approved by the Department of Education. The screening for characteristics of dyslexia may be integrated with universal screening for mastery of foundational skills and oral language. A district must submit data on student performance in kindergarten, grade 1, grade 2, and grade 3 on foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language to the Department of Education in the annual local literacy plan.

~~(b) Students in grade 3 or higher who demonstrate a reading difficulty to a classroom teacher~~ grades 4 and above, including multilingual learners and students receiving special education services, who do not demonstrate mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language, must be screened, in a locally determined manner, using a screening tool approved by the Department of Education for characteristics of dyslexia, unless a different reason for the reading difficulty has been identified, and must continue to receive evidence-based instruction, interventions, and progress monitoring until the student achieves grade-level proficiency.

~~(c) Reading assessments screeners~~ in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of English multilingual learners. The district must use a locally adopted, developmentally appropriate, and culturally responsive assessment screener and annually report summary assessment screener results to the commissioner by July 1.

~~(d) The district also must annually report to the commissioner by July 1~~ include in its literacy plan under subdivision 4a, a summary of the district's efforts to screen and, identify, and provide interventions to students who demonstrate characteristics of dyslexia using as measured by a screening tools such as those recommended by the department's dyslexia specialist tool approved by the Department of Education. Districts are strongly encouraged to use the MTSS framework. With respect to students screened or identified under paragraph (a), the report must include:

- (1) a summary of the district's efforts to screen for dyslexia;
- (2) the number of students universally screened for that reporting year; ~~and~~
- (3) the number of students demonstrating characteristics of dyslexia for that year; and

~~(e) A student~~ (4) an explanation of how students identified under this subdivision must be are provided with alternate instruction and interventions under section 125A.56, subdivision 1.

Subd. 2a. **Parent notification and involvement.** Schools, at least annually, must give the parent of each student who is not reading at or above grade level timely information about:

(1) the student's reading proficiency as measured by a locally adopted ~~assessment~~ screeener approved by the Department of Education;

(2) reading-related services currently being provided to the student and the student's progress; and

(3) strategies for parents to use at home in helping their student succeed in becoming grade-level proficient in reading in English and in their native language.

A district may not use this section to deny a student's right to a special education evaluation.

Subd. 3. **Intervention.** (a) For each student identified under subdivision 2, the district shall provide reading intervention to accelerate student growth and reach the goal of reading at or above grade level by the end of the current grade and school year. A district is encouraged to provide reading intervention through a MTSS framework. If a student does not read at or above grade level by the end of ~~grade 3~~ the current school year, the district must continue to provide reading intervention until the student reads at grade level. District intervention methods shall encourage family engagement and, where possible, collaboration with appropriate school and community programs. ~~Intervention methods that specialize in evidence-based instructional practices and measure mastery of foundational reading skills, including phonemic awareness, phonics, decoding, fluency, and oral language.~~ Intervention may include, but are is not limited to, requiring student attendance in summer school, intensified reading instruction that may require that the student be removed from the regular classroom for part of the school day, extended-day programs, or programs that strengthen students' cultural connections.

(b) ~~A school district or charter school~~ is strongly encouraged to provide a personal learning plan for a student who is unable to demonstrate grade-level proficiency, as measured by the statewide reading assessment in grade 3 or a screener identified by the Department of Education under section 120B.123. The district or charter school must determine the format of the personal learning plan in collaboration with the student's educators and other appropriate professionals. The school must develop the learning plan in consultation with the student's parent or guardian. The personal learning plan must include targeted instruction and ongoing progress monitoring of the student's progress, and address knowledge gaps and skill deficiencies through strategies such as specific exercises and practices during and outside of the regular school day, group interventions, periodic assessments or screeners, and reasonable timelines. The personal learning plan may include grade retention, if it is in the student's best interest; a student may not be retained solely due to delays in literacy or not demonstrating grade-level proficiency. A school must maintain and regularly update and modify the personal learning plan until the student reads at grade level. This paragraph does not apply to a student under an individualized education program.

Subd. 4. **Staff development.** (a) A district must provide training that is evidence-based to teachers and instructional staff in accordance with subdivision 1, paragraph (b). The training must

include teaching in the areas of phonemic awareness, phonics, vocabulary development, reading fluency, reading comprehension, and culturally and linguistically responsive pedagogy.

(b) Each district shall use the data under subdivision 2 to identify the staff development needs so that:

(1) elementary teachers are able to implement ~~comprehensive, scientifically based reading and oral language~~ explicit, systematic, evidence-based instruction on foundational reading skills in the five reading areas of phonemic awareness, phonics, fluency, vocabulary, and comprehension as defined in section ~~122A.06, subdivision 4,~~ 120B.121 and other literacy-related areas including writing until the student achieves grade-level reading and writing proficiency;

(2) elementary teachers have sufficient training to provide ~~comprehensive, scientifically based reading~~ school students with evidence-based reading and oral language instruction that meets students' developmental, linguistic, and literacy needs using the intervention methods or programs selected by the district for the identified students;

(3) licensed teachers employed by the district have regular opportunities to improve reading and writing instruction;

(4) licensed teachers recognize students' diverse needs in cross-cultural settings and are able to serve the oral language and linguistic needs of students who are English multilingual learners by maximizing strengths in their native languages in order to cultivate students' English language development, including oral academic language development, and build academic literacy; and

(5) licensed teachers are well trained in culturally responsive pedagogy that enables students to master content, develop skills to access content, and build relationships.

(c) A district must provide staff in early childhood programs sufficient training to provide children in early childhood programs with explicit, systematic instruction in phonological and phonemic awareness; oral language, including listening comprehension; vocabulary; and letter-sound correspondence.

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child ~~reading at or above grade level no later than the end of in kindergarten through grade 3, including English learners, multilingual learners and students receiving special education services, demonstrate mastery of foundational literacy skills and read proficiently,~~ at or above grade level, at every grade. The plan must be updated by August 1 each year. The plan must be consistent with section 122A.06, subdivision 4 the Read Act, and include the following:

(1) a process to assess students' level of reading proficiency and ~~data to support the effectiveness of an assessment used to screen and identify a student's level of reading proficiency~~ the screeners used, by school site and grade level, under section 120B.123;

(2) a process to notify and involve parents;

(3) a description of how schools in the district will determine the ~~proper~~ targeted reading instruction that is evidence-based and includes an intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level and progress monitoring to provide information on the effectiveness of the intervention; ~~and~~

(5) identification of staff development needs, including a program to meet those needs;

(6) the literacy curriculum used by school site and grade level;

(7) a statement of whether the district has adopted a MTSS framework; and

(8) student data using the measures of foundational literacy skills and mastery identified by the Department of Education and CAREI.

(b) The district must post its literacy plan on the official school district website and submit it to the commissioner of education using the template developed by the commissioner of education once it is available.

(c) By March 1, 2024, the commissioner of education must develop a streamlined template for local literacy plans that meets the requirements of this subdivision and requires all reading instruction and teacher training in reading instruction to be evidence-based. The template must require a district to report information using the student categories required in the commissioner's report under paragraph (d). The template must focus district resources on improving students' foundational reading skills while reducing paperwork requirements for teachers.

(d) By December 1, 2025, the commissioner of education must submit a report to the legislative committees with jurisdiction over prekindergarten through grade 12 education summarizing the local literacy plans submitted to the commissioner. The summary must include the following information:

(1) the number of teachers and other staff that have completed training approved by the Department of Education;

(2) by school site and grade, the screeners used at the beginning and end of the school year and the reading curriculum used; and

(3) by school site and grade, using the measurements of foundational literacy skills and mastery identified by the department and CAREI, both aggregated data and disaggregated data using the student categories under section 120B.35, subdivision 3, paragraph (a), clause (2).

Subd. 5. ~~Commissioner Approved screeners.~~ The commissioner ~~shall~~ must recommend to districts multiple ~~assessment~~ screening tools to assist districts and teachers with identifying students under subdivision 2 and to assess students' reading proficiency. The commissioner must identify screeners that may be used for both purposes. The commissioner ~~shall~~ must also make available examples of nationally recognized and ~~research-based~~ evidence-based instructional methods or programs to districts to provide ~~comprehensive, scientifically based~~ evidence-based reading instruction and intervention under this section.

Sec. 5. [120B.121] READ ACT DEFINITIONS.

Subdivision 1. Read Act. For purposes of sections 120B.12 to 120B.124, the following terms have the meanings given.

Subd. 2. **CAREI.** "CAREI" means the Center for Applied Research and Educational Improvement at the University of Minnesota.

Subd. 3. **District.** "District" means a school district, charter school, or cooperative unit as defined in section 123A.24, subdivision 2.

Subd. 4. **Evidence-based.** "Evidence-based" means the instruction or item described is based on reliable, trustworthy, and valid evidence and has demonstrated a record of success in increasing students' reading competency in the areas of phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension. Evidence-based literacy instruction is explicit, systematic, evidence-based reading instruction that includes the acquisition of language, phonological and phonemic awareness, phonics and decoding, spelling, fluency, vocabulary, oral language, and comprehension that can be differentiated to meet the needs of individual students. Evidence-based instruction does not include the three-cueing system, as defined in subdivision 17.

Subd. 5. **Fluency.** "Fluency" means the ability of students to read text accurately, automatically, and with proper expression.

Subd. 6. **Foundational reading skills.** "Foundational reading skills" includes phonological and phonemic awareness, phonics and decoding, and fluency. Foundational reading skills appropriate to each grade level must be mastered in kindergarten, grade 1, grade 2, and grade 3. Struggling readers in grades 4 and above who do not demonstrate mastery of grade-level foundational reading skills must continue to receive explicit, systematic instruction to reach mastery.

Subd. 7. **Literacy specialist.** "Literacy specialist" means a person licensed by the Professional Educator Licensing and Standards Board as a teacher of reading, a special education teacher, or a kindergarten through grade 6 teacher, who has completed professional development approved by the Department of Education in structured literacy.

Subd. 8. **Literacy lead.** "Literacy lead" means a literacy specialist with expertise in working with educators as adult learners. A district literacy lead must support the district's implementation of the Read Act; provide school-based coaching; support the implementation of structured literacy, interventions, curriculum delivery, and teacher training; assist with the development of personal learning plans; and train paraprofessionals and other support staff to support classroom literacy instruction. A literacy lead may be employed by one district, jointly by two or more districts, or may provide services to districts through a partnership with the Regional Centers of Excellence or another district.

Subd. 9. **MTSS.** "Multitiered system of support" or "MTSS" means a systemic, continuous improvement framework for ensuring positive social, emotional, behavioral, developmental, and academic outcomes for every student. The MTSS framework provides access to layered tiers of culturally and linguistically responsive, evidence-based practices and relies on the understanding and belief that every student can learn and thrive. Through a MTSS at the core (Tier 1), supplemental (Tier 2), and intensive (Tier 3) levels, educators provide high quality, evidence-based instruction and intervention that is matched to a student's needs; progress is monitored to inform instruction and set goals and data is used for educational decision making.

Subd. 10. **Oral language.** "Oral language," also called "spoken language," includes speaking and listening, and consists of five components, including phonology, morphology, syntax, semantics, and pragmatics.

Subd. 11. **Phonemic awareness.** "Phonemic awareness" means the ability to notice, think about, and manipulate individual sounds in spoken syllables and words.

Subd. 12. **Phonics instruction.** "Phonics instruction" means the explicit, systematic, and direct instruction of the relationships between letters and the sounds they represent and the application of this knowledge in reading and spelling.

Subd. 13. **Progress monitoring.** "Progress monitoring" means using data collected to inform whether interventions are working. Progress monitoring involves ongoing monitoring of progress that quantifies rates of improvement and informs instructional practice and the development of individualized programs using state-approved screening that is reliable and valid for the intended purpose.

Subd. 14. **Reading comprehension.** "Reading comprehension" means a function of word recognition skills, which includes phonemic awareness and language comprehension skills.

Subd. 15. **Structured literacy.** "Structured literacy" means an approach to reading instruction in which teachers carefully structure important literacy skills, concepts, and the sequence of instruction to facilitate children's literacy learning and progress. Structured literacy is characterized by the provision of systematic, explicit, sequential, and diagnostic instruction in phonemic awareness, phonics, fluency, vocabulary and oral language development, and reading comprehension.

Subd. 16. **Three-cueing system.** "Three-cueing system," also known as "meaning structure visual (MSV)," means a method that teaches students to use meaning, structure and syntax, and visual cues when attempting to read an unknown word.

Subd. 17. **Vocabulary development.** "Vocabulary development" means the process of acquiring new words. A robust vocabulary improves all areas of communication: listening, speaking, reading, and writing. Vocabulary growth is directly related to school achievement and is a strong predictor for reading success.

Sec. 6. Minnesota Statutes 2022, section 120B.122, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The department must employ a dyslexia specialist to provide technical assistance for dyslexia and related disorders and to serve as the primary source of information and support for schools in addressing the needs of students with dyslexia and related disorders. The dyslexia specialist shall also act to increase professional awareness and instructional competencies to meet the educational needs of students with dyslexia or identified with risk characteristics associated with dyslexia and shall develop implementation guidance and make recommendations to the commissioner consistent with ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124, to be used to assist general education teachers and special education teachers to recognize educational needs and to improve literacy outcomes for students with dyslexia or identified with risk characteristics associated with dyslexia, including recommendations related to increasing the availability of online and asynchronous professional development programs and materials.

Sec. 7. **[120B.123] READ ACT IMPLEMENTATION.**

Subdivision 1. **Screeners.** A district must administer a reading screener to students in kindergarten through grade 3 within the first six weeks of the school year, and again within the last six weeks of the school year. The screener tools must be one of the screening tools identified by the Department of Education.

Subd. 2. **Progress monitoring.** For a student not reading at grade level, a district is strongly encouraged to develop an intervention plan that meets the requirements of section 120B.12, subdivision 3. A district may use screening tools to monitor students' progress.

Subd. 3. **Curriculum.** A district must use evidence-based curriculum at each grade level that is designed around teaching the foundational reading skills of phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension.

Subd. 4. **MTSS Framework.** A district is encouraged to use a data-based decision-making process within the MTSS framework to determine the evidence-based core reading instruction and Tier 2 or Tier 3 intervention required to meet a student's identified needs.

Subd. 5. **Professional development.** (a) A district must provide training that is evidence-based to all reading intervention teachers and literacy specialists by July 1, 2025; and by June 15, 2027, to other teachers in the district, prioritizing elementary school classroom teachers, teachers who work with students with disabilities, English learners, and students who qualify for the graduation incentives program under section 124D.68. The commissioner of education may grant a district an extension to the deadlines in this paragraph.

(b) The training must prepare teachers to provide:

(1) elementary school students with explicit, systematic instruction in the five reading areas of phonemic awareness, phonics, fluency, vocabulary, and comprehension as defined in section 120B.121 and other literacy-related areas, including writing and oral language, until the student achieves grade-level reading and writing proficiency; and

(2) children in early childhood programs with explicit, systematic instruction in phonological and phonemic awareness; oral language, including listening comprehension; vocabulary; and letter-sound correspondence.

(c) The training must include teaching in the areas of phonemic awareness, phonics, vocabulary development, reading fluency, reading comprehension, and culturally and linguistically responsive pedagogy.

Subd. 6. **Literacy lead.** (a) By August 30, 2025, a district must employ or contract with a literacy lead, or be actively supporting a designated literacy specialist through the process of becoming a literacy lead. A board may satisfy the requirements of this subdivision by contracting with another school board or cooperative unit under section 123A.24 for the services of a literacy lead by August 30, 2025. A district may use Read Act funding to pay for training, substitute teachers to allow teachers time to attend trainings, and incentives for teachers that complete the training.

(b) A district literacy lead must collaborate with district administrators and staff to support the district's implementation of requirements under the Read Act.

Subd. 7. **Department of Education.** (a) By July 1, 2023, the department must make available to districts a list of approved evidence-based screeners in accordance with section 120B.12. A district must use an approved screener to assess students' mastery of foundational reading skills in accordance with section 120B.12.

(b) The Department of Education must partner with CAREI as required under section 120B.124 to approve literacy curricula. A district is not required to use an approved curriculum, unless the curriculum was purchased with state grant funds that require a curriculum to be selected from a list of approved curricula.

(c) The Department of Education must partner with CAREI as required under section 120B.124 to approve professional development programs, subject to final determination by the department. After the implementation partnership under section 120B.124 ends, the department must continue to regularly provide districts with information about professional development opportunities available throughout the state on reading instruction that is evidence-based.

(d) The department must identify training required for a literacy specialist position under this section.

(e) The department must employ a literacy specialist to provide support to districts implementing the Read Act and coordinate duties assigned to the department under the Read Act. The literacy specialist must work on state efforts to improve literacy tracking and implementation.

(f) The department must develop a template for a local literacy plan in accordance with section 120B.12, subdivision 4a.

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

Sec. 8. [120B.124] READ ACT IMPLEMENTATION PARTNERSHIP.

Subdivision 1. **Resources.** The Department of Education must partner with CAREI for two years beginning June 1, 2023, until August 30, 2025, to support implementation of the Read Act. The department and CAREI must jointly:

(1) identify at least five literacy curricula and supporting materials that are evidence-based or focused on structured literacy by July 15, 2023, and post a list of the curricula on the department website. The list must include curricula that use culturally and linguistically responsive materials that reflect diverse populations;

(2) identify at least three professional development programs that focus on the five pillars of literacy and the components of structured literacy by July 15, 2023, and post a list of the programs on the department website. The programs may include a program offered by CAREI;

(3) identify evidence-based literacy intervention materials for students in kindergarten through grade 12;

(4) develop an evidence-based literacy lead training program that trains literacy specialists throughout Minnesota to support schools' efforts in screening, measuring growth, monitoring progress, and implementing interventions in accordance with subdivision 1;

(5) identify measures of foundational literacy skills and mastery that a district must report on a local literacy plan;

(6) provide guidance to districts about best practices in literacy instruction, and practices that are not evidence-based;

(7) develop MTSS model plans that districts may adopt to support efforts to screen, identify, intervene, and monitor the progress of students not reading at grade level; and

(8) ensure that teacher professional development options and MTSS framework trainings are geographically equitable by supporting trainings through the regional service cooperatives.

Subd. 2. **Reconsideration.** The department and CAREI must provide districts an opportunity to request that the department and CAREI add to the list of curricula or professional development programs a specific curriculum or professional development program. The department must publish the request for reconsideration procedure on the department website. A request for reconsideration must demonstrate that the curriculum or professional development program meets the requirements of the Read Act, is evidence-based, and has structured literacy components; or that the screener accurately measures literacy growth, monitors progress, and accurately assesses effective reading, including phonemic awareness, phonics, fluency, vocabulary, and comprehension. The department and CAREI must review the request for reconsideration, consult with the Read Act Implementation Advisory Council regarding the request, and approve or deny the request within 60 days.

Subd. 3. **Support.** The department and CAREI must support district efforts to implement the Read Act by:

(1) issuing guidance for teachers on implementing curriculum that is evidence-based, or focused on structured literacy;

(2) providing teachers accessible options for evidence-based professional development focused on structured literacy;

(3) providing districts with guidance on adapting MTSS; and

(4) providing districts with literacy implementation guidance and support.

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

Sec. 9. Minnesota Statutes 2022, section 122A.092, subdivision 5, is amended to read:

Subd. 5. Reading strategies. (a) A teacher preparation provider approved by the Professional Educator Licensing and Standards Board to prepare persons for classroom teacher licensure must include in its teacher preparation programs ~~research-based~~ evidence-based best practices in reading, consistent with ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124, that enable the licensure candidate to teach reading in the candidate's content areas. Teacher candidates must be instructed in using students' native languages as a resource in creating effective differentiated

instructional strategies for English learners developing literacy skills. A teacher preparation provider also must prepare early childhood and elementary teacher candidates for Tier 3 and Tier 4 teaching licenses under sections 122A.183 and 122A.184, respectively, for the portion of the examination under section 122A.185, subdivision 1, paragraph (c), covering assessment of reading instruction.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in applying comprehensive, scientifically based or evidence-based, and structured reading instruction programs that:

(1) teach students to read using foundational knowledge, practices, and strategies consistent with ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124, so that all students achieve continuous progress in reading; and

(2) teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels to become proficient readers.

(c) Board-approved teacher preparation programs for teachers of elementary education, early childhood education, special education, and reading intervention must include instruction on dyslexia, as defined in section 125A.01, subdivision 2. Teacher preparation programs may consult with the Department of Education, including the dyslexia specialist under section 120B.122, to develop instruction under this paragraph. Instruction on dyslexia must be modeled on practice standards of the International Dyslexia Association, and must address:

(1) the nature and symptoms of dyslexia;

(2) resources available for students who show characteristics of dyslexia;

(3) evidence-based instructional strategies for students who show characteristics of dyslexia, including the structured literacy approach; and

(4) outcomes of intervention and lack of intervention for students who show characteristics of dyslexia.

(d) Nothing in this section limits the authority of a school district to select a school's reading program or curriculum.

Sec. 10. Minnesota Statutes 2022, section 122A.185, subdivision 1, is amended to read:

Subdivision 1. **Tests.** (a) The Professional Educator Licensing and Standards Board must adopt rules requiring a candidate to demonstrate a passing score on a board-adopted examination of skills in reading, writing, and mathematics before being granted a Tier 4 teaching license under section 122A.184 to provide direct instruction to pupils in elementary, secondary, or special education programs. Candidates may obtain a Tier 1, Tier 2, or Tier 3 license to provide direct instruction to pupils in elementary, secondary, or special education programs if candidates meet the other requirements in section 122A.181, 122A.182, or 122A.183, respectively.

(b) The board must adopt rules requiring candidates for Tier 3 and Tier 4 licenses to pass an examination of general pedagogical knowledge and examinations of licensure field specific content. The content examination requirement does not apply if no relevant content exam exists.

(c) Candidates for initial Tier 3 and Tier 4 licenses to teach elementary students must pass test items assessing the candidates' knowledge, skill, and ability in ~~comprehensive, scientifically based reading~~ evidence-based literacy instruction under ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124, knowledge and understanding of the foundations of reading development, development of reading comprehension and reading assessment and instruction, and the ability to integrate that knowledge and understanding into instruction strategies under ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124.

(d) The requirement to pass a board-adopted reading, writing, and mathematics skills examination does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1.

Sec. 11. Minnesota Statutes 2022, section 122A.187, subdivision 5, is amended to read:

Subd. 5. **Reading preparation.** The Professional Educator Licensing and Standards Board must adopt rules that require all licensed teachers who are renewing a Tier 3 or Tier 4 teaching license under sections 122A.183 and 122A.184, respectively, to include in the renewal requirements further reading preparation, consistent with ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124. The rules do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this section.

Sec. 12. Minnesota Statutes 2022, section 124D.42, subdivision 8, is amended to read:

Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps program is established to provide ServeMinnesota AmeriCorps members with a data-based problem-solving model of literacy instruction to use in helping to train local Head Start program providers, other prekindergarten program providers, and staff in schools with students in kindergarten through grade 3 to evaluate and teach early literacy skills, including ~~comprehensive, scientifically based reading~~ evidence-based literacy instruction under ~~section 122A.06, subdivision 4~~ sections 120B.12 to 120B.124, to children age 3 to grade 3.

(b) Literacy programs under this subdivision must comply with the provisions governing literacy program goals and data use under section 119A.50, subdivision 3, paragraph (b).

(c) The commission must submit a biennial report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education that records and evaluates program data to determine the efficacy of the programs under this subdivision.

Sec. 13. Minnesota Statutes 2022, section 124D.98, is amended by adding a subdivision to read:

Subd. 5. **Literacy incentive aid uses.** A school district must use its literacy incentive aid to support evidence-based reading instruction. The following are eligible uses of literacy incentive aid:

(1) training for kindergarten through grade 3 teachers, early childhood educators, special education teachers, reading intervention teachers working with students in kindergarten through

grade 12, curriculum directors, and instructional support staff that provide reading instruction, on using evidence-based screening and progress monitoring tools;

(2) evidence-based training using a training program approved by the Department of Education;

(3) employing or contracting with a literacy lead, as defined in section 120B.121;

(4) materials, training, and ongoing coaching to ensure reading interventions under section 125A.56, subdivision 1, are evidence-based; and

(5) evidence-based, structured literacy curriculum and supporting materials.

Sec. 14. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **CAREI.** (a) To contract with the Center for Applied Research and Educational Improvement at the University of Minnesota for the Read Act implementation partnership under section 120B.124:

<u>\$</u>	<u>4,200,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>4,200,000</u>	<u>.....</u>	<u>2025</u>

(b) This appropriation is available until June 30, 2026.

(c) The base for fiscal year 2026 and later is \$0.

Subd. 3. **Department literacy specialist.** For a full-time literacy specialist at the Department of Education:

<u>\$</u>	<u>250,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>250,000</u>	<u>.....</u>	<u>2025</u>

Subd. 4. **Read Act professional development.** (a) For evidence-based training on structured literacy for teachers working in school districts, charter schools, and cooperatives:

<u>\$</u>	<u>32,543,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>0</u>	<u>.....</u>	<u>2025</u>

(b) Of this amount, \$18,000,000 is to fund the development of regional literacy networks. The regional literacy networks must focus on the implementation of comprehensive literacy reform efforts based on structured literacy. Each Minnesota service cooperative must add a literacy director position and establish a team of trained literacy coaches to facilitate evidence-based training opportunities and ongoing supports to school districts and charter schools in each of their regions.

(c) Of this amount, \$9,200,000 is for one or more contracts to develop statewide training based in structured literacy to be offered free to school districts and charter schools and facilitated by the regional literacy networks and Minnesota Service Cooperatives.

(d) Of this amount, \$1,000,000 is for grants to school districts, charter schools, or cooperatives to pay for substitute teachers to allow classroom teachers time to attend training, and incentives for teachers that complete training.

(e) Of this amount, \$125,000 is for administration.

(f) If funds remain unspent on July 1, 2026, the commissioner must expand eligibility for approved training to include principals and other district, charter school, or cooperative administrators.

(g) The commissioner must report to the legislative committees with jurisdiction over kindergarten through grade 12 education the number of teachers from each district who received approved training using funds under this subdivision, and the amounts awarded to districts, charter schools, or cooperatives under paragraph (d).

(h) This appropriation is available until June 30, 2028.

(i) The base for fiscal year 2026 is \$7,200,000 for the regional literacy networks and staff at the Department of Education to support ongoing support for school districts, charter schools, and cooperatives to implement evidence-based literacy instruction.

Sec. 15. **REPEALER.**

Minnesota Statutes 2022, section 122A.06, subdivision 4, is repealed.

ARTICLE 4

TEACHERS

Section 1. **[120B.113] CLOSING EDUCATIONAL OPPORTUNITY GAPS GRANTS.**

Subdivision 1. **Grant program established.** The commissioner of education must establish a grant program to support implementation of world's best workforce strategies under section 120B.11, subdivision 2, clauses (4) and (6), and collaborative efforts that address opportunity gaps resulting from curricular, environmental, and structural inequities in schools experienced by students, families, and staff who are of color or who are American Indian.

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

(b) "Antiracist" means actively working to identify and eliminate racism in all forms so that power and resources are redistributed and shared equitably among racial groups.

(c) "Curricular" means curriculum resources used and content taught as well as access to levels of coursework or types of learning opportunities.

(d) "Environmental" means relating to the climate and culture of a school.

(e) "Equitable" means fairness by providing curriculum, instruction, support, and other resources for learning based on the needs of individual students and groups of students to succeed at school rather than treating all students the same despite the students having different needs.

(f) "Institutional racism" means policies and practices within and across institutions that produce outcomes that chronically favor white people and disadvantage those who are Black, Indigenous, and People of Color.

(g) "Opportunity gap" means the inequitable distribution of resources that impacts inequitable opportunities that contribute to or perpetuate learning gaps for certain groups of students.

(h) "Structural" means relating to the organization and systems of a school that have been created to manage a school.

Subd. 3. **Applications and grant awards.** The commissioner must determine application procedures and deadlines, select districts and charter schools to participate in the grant program, and determine the award amount and payment process of the grants. To the extent that there are sufficient applications, the commissioner must award an approximately equal number of grants between districts in greater Minnesota and those in the Twin Cities metropolitan area. If there are an insufficient number of applications received for either geographic area, then the commissioner may award grants to meet the requests for funds wherever a district is located.

Subd. 4. **Description.** The grant program must provide funding that supports collaborative efforts that close opportunity gaps by:

(1) ensuring school environments and curriculum validate, affirm, embrace, and integrate cultural and community strengths of students, families, and employees from all racial and ethnic backgrounds; and

(2) addressing institutional racism with equitable school policies, structures, practices, and curricular offerings, consistent with the requirements for long-term plans under section 124D.861, subdivision 2, paragraph (c).

Subd. 5. **Report.** Grant recipients must annually report to the commissioner by a date and in a form and manner determined by the commissioner on efforts planned and implemented that engaged students, families, educators, and community members of diverse racial and ethnic backgrounds in making improvements to school climate and curriculum. The report must assess the impact of those efforts as perceived by racially and ethnically diverse stakeholders, and must identify any areas needed for further continuous improvement. The commissioner must publish a report for the public summarizing the activities of grant recipients and what was done to promote sharing of effective practices among grant recipients and potential grant applicants.

Sec. 2. Minnesota Statutes 2022, section 122A.183, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) The Professional Educator Licensing and Standards Board must issue a Tier 3 license to a candidate who provides information sufficient to demonstrate all of the following:

(1) the candidate meets the educational or professional requirements in paragraphs (b) and (c);

(2) the candidate has obtained a passing score on the required licensure exams under section 122A.185; and

(3) the candidate has completed the coursework required under subdivision 2.

(b) A candidate for a Tier 3 license must have a bachelor's degree to teach a class or course outside a career and technical education or career pathways course of study.

(c) A candidate for a Tier 3 license must have one of the following credentials in a relevant content area to teach a class or course in a career and technical education or career pathways course of study:

(1) an associate's degree;

(2) a professional certification; or

(3) five years of relevant work experience.

In consultation with the governor's Workforce Development Board established under section 116L.665, the board must establish a list of qualifying certifications, and may add additional professional certifications in consultation with school administrators, teachers, and other stakeholders.

(d) The board must issue a Tier 3 license to a candidate who provides information sufficient to demonstrate the following, regardless of whether the candidate meets other requirements in this section:

(1) the candidate has completed a teacher preparation program from a culturally specific Minority Serving Institution in the United States, such as Historically Black Colleges and Universities, Tribal Colleges and Universities, or Hispanic-Serving Institutions, including those in Puerto Rico; or

(2) the candidate has completed a university teacher preparation program in another country and has taught at least two years.

The candidate must have completed student teaching comparable to the student teaching expectations in Minnesota.

Sec. 3. Minnesota Statutes 2022, section 122A.184, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The Professional Educator Licensing and Standards Board must issue a Tier 4 license to a candidate who provides information sufficient to demonstrate all of the following:

(1) the candidate meets all requirements for a Tier 3 license under section 122A.183, and has completed a teacher preparation program under section 122A.183, subdivision 2, clause (1) or (2);

(2) the candidate has at least three years of teaching experience in Minnesota or another state;

(3) the candidate has obtained a passing score on all required licensure exams under section 122A.185; and

(4) the candidate's most recent summative teacher evaluation did not result in placing or otherwise keeping the teacher in an improvement process pursuant to section 122A.40, subdivision 8, or 122A.41, subdivision 5.

Sec. 4. Minnesota Statutes 2022, section 122A.185, subdivision 1, is amended to read:

~~Subdivision 1. **Tests.** (a) The Professional Educator Licensing and Standards Board must adopt rules requiring a candidate to demonstrate a passing score on a board-adopted examination of skills in reading, writing, and mathematics before being granted a Tier 4 teaching license under section 122A.184 to provide direct instruction to pupils in elementary, secondary, or special education programs. Candidates may obtain a Tier 1, Tier 2, or Tier 3 license to provide direct instruction to pupils in elementary, secondary, or special education programs if candidates meet the other requirements in section 122A.181, 122A.182, or 122A.183, respectively.~~

~~(b) (a) The board must adopt and revise rules requiring ~~candidates~~ applicants for Tier 3 and Tier 4 licenses to pass an examination of general pedagogical knowledge and examinations of licensure field specific content: if the applicant has not completed a board-approved preparation program assuring that candidates from the program recommended for licensure meet content and pedagogy licensure standards in Minnesota. Candidates who have satisfactorily completed board-approved programs in Minnesota with required coursework and clinical field experiences that include learning opportunities and assessments aligned to content and pedagogy licensure standards are not additionally required to pass content and pedagogy exams for Tier 3 licensure. Applicants who have satisfactorily completed a preparation program in another state and passed licensure examinations in that state are not additionally required to pass similar examinations required in Minnesota. The content examination requirement does not apply if no relevant content exam exists.~~

~~(c) (b) Candidates for initial Tier 3 and Tier 4 licenses to teach elementary students must pass test items assessing under this paragraph if the candidates did not complete a board-approved preparation program in Minnesota. The test items must assess the candidates' knowledge, skill, and ability in comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, knowledge and understanding of the foundations of reading development, development of reading comprehension and reading assessment and instruction, and the ability to integrate that knowledge and understanding into instruction strategies under section 122A.06, subdivision 4.~~

~~(d) The requirement to pass a board-adopted reading, writing, and mathematics skills examination does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1.~~

~~(c) All testing centers in the state must provide monthly opportunities for untimed content and pedagogy examinations. These opportunities must be advertised on the test registration website. The board must require the exam vendor to provide other equitable opportunities to pass exams, including: (1) waiving testing fees for test takers who qualify for federal grants; (2) providing free, multiple, full-length practice tests for each exam and free, comprehensive study guides on the test registration website; (3) making content and pedagogy exams available in languages other than English for teachers seeking licensure to teach in language immersion programs; and (4) providing free, detailed exam results analysis by test objective to assist candidates who do not pass an exam in identifying areas for improvement. Any candidate who has not passed a required exam after two attempts must be allowed to retake the exam, including new versions of the exam, without being charged an additional fee.~~

Sec. 5. Minnesota Statutes 2022, section 122A.40, subdivision 3, is amended to read:

Subd. 3. **Hiring, dismissing.** (a) School boards must hire or dismiss teachers at duly called meetings. Where a husband and wife, brother and sister, or two brothers or sisters, constitute a quorum, no contract employing a teacher shall be made or authorized except upon the unanimous vote of the full board. A teacher related by blood or marriage, within the fourth degree, computed by the civil law, to a board member shall not be employed except by a unanimous vote of the full board. The initial employment of the teacher in the district must be by written contract, signed by the teacher and by the chair and clerk. All subsequent employment of the teacher in the district must be by written contract, signed by the teacher and by the chair and clerk, except where there is a master agreement covering the employment of the teacher. Contracts for teaching or supervision of teaching can be made only with qualified teachers. A teacher shall not be required to reside within the employing district as a condition to teaching employment or continued teaching employment.

(b) A school district must annually report to the Professional Educator Licensing and Standards Board: (1) all new teacher hires and terminations, including layoffs, by race and ethnicity; and (2) the reasons for all teacher resignations and requested leaves of absence. The report must not include data that would personally identify individuals.

Sec. 6. Minnesota Statutes 2022, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period that is consistent with subdivision 8. Evaluation must occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

(b) A board must discharge a probationary teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment

timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a) if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(e) A probationary teacher must complete at least 120 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

(f) Notwithstanding any law to the contrary, a teacher who has taught for three consecutive years in a single school district or charter school in Minnesota or another state must serve a probationary period no longer than one year in a Minnesota school district.

EFFECTIVE DATE. This section is effective for collective bargaining agreements effective July 1, 2023, and thereafter.

Sec. 7. Minnesota Statutes 2022, section 122A.41, subdivision 2, is amended to read:

Subd. 2. **Probationary period; discharge or demotion.** (a) All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit. The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to subdivisions 3 and 5. Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(c) A probationary teacher whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a)

if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(d) A probationary teacher must complete at least 120 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

(e) Notwithstanding any law to the contrary, a teacher who has taught for three consecutive years in a single school district or charter school in Minnesota or another state must serve a probationary period no longer than one year in a Minnesota school district.

EFFECTIVE DATE. This section is effective for collective bargaining agreements effective July 1, 2023, and thereafter.

Sec. 8. Minnesota Statutes 2022, section 122A.41, is amended by adding a subdivision to read:

Subd. 16. **Reporting of hires and terminations.** A school district must annually report to the Professional Educator Licensing and Standards Board: (1) all new teacher hires and terminations, including layoffs, by race and ethnicity; and (2) the reasons for all teacher resignations and requested leaves of absence. The report must not include data that would personally identify individuals.

Sec. 9. Minnesota Statutes 2022, section 122A.415, subdivision 4, is amended to read:

Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1. The basic alternative teacher compensation aid for a charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed ~~\$75,840,000 for fiscal year 2016 and~~ \$88,118,000 for fiscal year ~~2017~~ 2023; \$88,466,000 for fiscal year 2024; \$88,426,000 for fiscal year 2025; \$88,244,000 for fiscal year 2026; and \$87,940,000 for fiscal year 2027 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits by not approving new participants or by prorating the aid among participating districts, intermediate school districts, school sites, and charter schools. The commissioner may also reallocate a portion of the allowable aid for the biennium from the second year to the first year to meet the needs of approved participants.

(c) Basic alternative teacher compensation aid for an intermediate district or other cooperative unit equals \$3,000 times the number of licensed teachers employed by the intermediate district or cooperative unit on October 1 of the previous school year.

Sec. 10. Minnesota Statutes 2022, section 122A.59, is amended to read:

122A.59 COME TEACH IN MINNESOTA HIRING BONUSES.

Subdivision 1. **Purpose.** This section establishes a program to support districts and schools recruiting and offering hiring bonuses for ~~licensed~~ teachers who are American Indian or a person of color from another state or country in order to meet staffing needs in shortage areas in ~~economic development regions in~~ Minnesota.

Subd. 2. **Eligibility.** A district or school must verify that the hiring bonus is given to ~~teachers licensed in~~ persons from another state or country who:

- (1) immediately qualify for a Tier 3 or Tier 4 2 or higher Minnesota license;
- (2) have moved to ~~the economic development region in~~ Minnesota ~~where they were hired;~~ and
- (3) belong to a racial or ethnic group that is underrepresented among teachers compared to students in the district or school under section 120B.35, subdivision 3, paragraph (b), clause (2).

Subd. 3. **Bonus amount.** A district or school may offer a ~~signing~~ hiring and retention bonus of a minimum of ~~\$2,500~~ \$4,000 and a maximum of ~~\$5,000~~ \$8,000 to a teacher who meets the eligibility requirements. A teacher who meets the eligibility requirements and meets a licensure shortage area in the economic development region of the state where the school is located may be offered a ~~signing~~ hiring bonus of a minimum of ~~\$4,000~~ \$5,000 and a maximum of ~~\$8,000~~ \$10,000. A teacher must be paid half of the bonus when starting employment and half after completing four years of service in the hiring district or school if the teacher has demonstrated teaching effectiveness and is not on a professional improvement plan under section 122A.40, subdivision 8, paragraph (b), clause (12) or (13), or section 122A.41, subdivision 5, paragraph (b), clause (12) or (13), or is not being considered for termination for a reason listed in section 122A.40, subdivision 9, including a teacher hired by a school district located in a city of the first class. A teacher who does not complete their first school year upon receiving a hiring bonus must repay the hiring bonus. A teacher must have a Tier 3 or Tier 4 Minnesota teaching license to qualify for the second half of the bonus. A district must prorate the second half of the bonus if the eligible teacher is nonrenewed due to reasons not having to do with teaching effectiveness or misconduct.

Subd. 4. **Administration.** (a) The commissioner must establish a process for districts or schools to seek reimbursement for hiring bonuses given to teachers in shortage areas moving to and working in Minnesota schools experiencing specific shortages. The commissioner must provide guidance for districts to seek repayment of a hiring bonus from a teacher who does not complete the first year of employment. The department may conduct a pilot program with a small number of teachers during the 2022-2023 biennium to establish feasibility. The department must submit a report by December 1, 2022, to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education detailing the effectiveness of the program and recommendations for improvement in future years.

(b) The commissioner may award participating districts and schools additional funds to administer the program, including out-of-state recruiting efforts and retention activities. The commissioner may allow participating districts and schools to reserve up to five percent of Come Teach in Minnesota funding to administer the program, including for out-of-state recruiting efforts and retention activities.

Subd. 5. **Come Teach in Minnesota Hiring Bonus program account.** (a) An account is established in the special revenue fund known as the "Come Teach in Minnesota Hiring Bonus program account."

(b) Funds appropriated for the Come Teach in Minnesota Hiring Bonus program under this section must be transferred to the Come Teach in Minnesota Hiring Bonus program account in the special revenue fund.

(c) Money in the account is annually appropriated to the commissioner for hiring bonuses under this section. Any returned funds are available to be regranted.

(d) Up to \$35,000 annually is appropriated to the commissioner for costs associated with developing and administering the program under this section.

EFFECTIVE DATE. The amendment to subdivision 2 is effective retroactively from July 1, 2022. The amendments to subdivisions 1, 3, and 4 are effective the day following final enactment.

Sec. 11. **[122A.631] SUPPORTING HERITAGE LANGUAGE AND CULTURE TEACHERS.**

Subdivision 1. **Purpose.** The purpose of this section is to increase the number of heritage language and culture teachers in Minnesota.

Subd. 2. **Definitions.** "Heritage language and culture teachers" means teachers with a connection to a community's language and culture who use this connection to support students as they learn academic content or the language and culture of that particular community.

Subd. 3. **Eligibility.** Applicants for the heritage language and culture licensure pathway program must:

(1) hold a current license issued by the Professional Educator Licensing and Standards Board or meet the criteria for licensure in 122A.181; and

(2) seek initial, dual, or additional licensure in a heritage language.

Subd. 4. **Heritage language and culture teacher licensure pathway program.** (a) The Professional Educator Licensing and Standards Board shall develop a program to support initial and additional licensure for heritage language and culture teachers. The program must include:

(1) a yearlong mentorship program;

(2) monthly meetings where applicants receive guidance on completing the portfolio process from a portfolio liaison, dedicated specifically to facilitating this program;

(3) a stipend to cover substitute teachers when meetings take place during the school day;

(4) a waiver for all portfolio and licensure testing fees; and

(5) a portfolio review committee created by the board.

(b) For applicants seeking an initial license in a world language and culture, the applicant must demonstrate meeting the standards of effective practice in Minnesota Rules, part 8710.2000 and content-specific pedagogical standards in Minnesota Rules, part 8710.4950, through the portfolio process.

(c) For applicants seeking a dual license, the applicant must demonstrate meeting the standards of effective practice in Minnesota Rules, part 8710.2000, content-specific pedagogical standards in Minnesota Rules, part 8710.4950, and all standards for the chosen dual license through the portfolio process.

(d) For applicants seeking an additional license in a world language and culture, the applicant must demonstrate meeting the content-specific pedagogical standards in Minnesota Rules, part 8710.4950.

Subd. 5. **Heritage language and culture educators seeking a world language license.** Heritage language and culture teachers seeking a world language and culture license pursuant to Minnesota Rules, part 8710.4950, who demonstrate proficiency through one of the following may use this proficiency to evidence meeting the required content-specific world language and culture standards, which do not include content-specific pedagogical standards, for licensure in their heritage language:

- (1) passing a board-adopted assessment;
- (2) holding a certificate to serve as a translator or interpreter; or
- (3) completing an undergraduate or postbaccalaureate degree from an accredited university where the majority of coursework was taught via the non-English instructional language.

Sec. 12. Minnesota Statutes 2022, section 122A.635, is amended to read:

122A.635 COLLABORATIVE URBAN AND GREATER MINNESOTA EDUCATORS OF COLOR GRANT PROGRAM.

Subdivision 1. **Establishment.** The Professional Educator Licensing and Standards Board must award competitive grants to increase the number of teacher candidates who are of color or who are American Indian, complete teacher preparation programs, and meet the requirements for a Tier 3 license under section 122A.183. Eligibility for a grant under this section is limited to public or private higher education institutions that offer a teacher preparation program approved by the Professional Educator Licensing and Standards Board.

Subd. 2. **Competitive grants.** (a) The Professional Educator Licensing and Standards Board must award competitive grants to a variety of higher education institution types under this section. The board must require an applicant institution to submit a plan describing how it would use grant funds to increase the number of teachers who are of color or who are American Indian, and must award grants based on the following criteria, listed in descending order of priority:

- (1) the number of teacher candidates being supported in the program who are of color or who are American Indian;

~~(2) (1) program outcomes, including graduation or program completion rates, and licensure recommendation rates, and placement rates for candidates who are of color or who are American Indian compared to all candidates enrolled in a teacher preparation program at the institution and, for each outcome measure, the number of those teacher candidates who are of color or who are American Indian; and~~

~~(3) the percent of racially and ethnically diverse teacher candidates enrolled in the institution compared to:~~

~~(i) the total percent of students of color and American Indian students enrolled at the institution, regardless of major; and~~

~~(ii) the percent of underrepresented racially and ethnically diverse teachers in the economic development region of the state where the institution is located and where a shortage of diverse teachers exists, as reported under section 122A.091, subdivision 5.~~

(2) the extent to which an institution's plan is clear in describing how the institution would use grant funds for implementing explicit research-based practices to provide programmatic support to teacher candidates who are of color or who are American Indian. Plans for grant funds may include:

(i) recruiting more racially and ethnically diverse candidates for admission to teacher preparation programs;

(ii) providing differentiated advising, mentoring, or other supportive community-building activities in addition to what the institution provides to all candidates enrolled in the institution;

(iii) providing academic tutoring or support to help teacher candidates pass required assessments;
and

(iv) providing for program staffing expenses;

(3) an institution's plan to provide direct financial assistance as scholarships or stipends within the allowable dollar range determined by the board under subdivision 3, paragraph (b), to teacher candidates who are of color or who are American Indian;

(b) The board must give priority in awarding grants under this section to institutions that received grants under Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 27, and have demonstrated continuing success at recruiting, retaining, graduating, and inducting (4) whether the institution has previously received a competitive grant under this section and has demonstrated positive outcomes from the use of grant funds for efforts helping teacher candidates who are of color or who are American Indian; to enroll in and successfully complete teacher preparation programs and be recommended for licensure;

(5) geographic diversity among the institutions. In order to expand the number of grant recipients throughout the state, whenever there is at least a 20 percent increase in the base appropriation for this grant program, the board must prioritize awarding grants to institutions outside of the Twin Cities metropolitan area. If the board awards a competitive grant based on the criteria in paragraph (a) to a program that has not previously received funding, the board must thereafter give priority to

the program equivalent to other programs ~~given priority under this paragraph.~~ that have received grants and demonstrated positive outcomes; and

(6) the percentage of racially and ethnically diverse teacher candidates enrolled in the institution compared to:

(i) the aggregate percentage of students of color and American Indian students enrolled in the institution, regardless of major; and

(ii) the percentage of underrepresented racially and ethnically diverse teachers in the economic development region of the state where the institution is located and where a shortage of diverse teachers exists, as reported under section 122A.091, subdivision 5.

(b) The board must not penalize an applicant institution in the grant review process for using grant funds only to provide direct financial support to teacher candidates if that is the institution's priority and the institution uses other resources to provide programmatic support to candidates.

(c) The board must determine award amounts for ~~development, maintenance and, or~~ expansion of programs based only on the degree to which applicants meet the criteria in this subdivision, the number of candidates who are of color or who are American Indian supported by an applicant program, sustaining support for those candidates, and funds available.

(d) The board must determine grant awards in part by multiplying the number of teacher candidates to be provided direct financial assistance by the average amount the institution proposes per candidate that is within the allowable dollar range. After assessing an institution's adherence to grant criteria and funds available, the board may grant an institution a lower average amount per candidate and the institution may decide to award less per candidate or provide financial assistance to fewer candidates within the allowable range. Additionally, an institution may use up to 25 percent of the awarded grant funds to provide programmatic support as described in paragraph (a), clause (3). If the board does not award an applicant institution's full request, the board must allow the institution to modify how it uses grant funds to maximize program outcomes consistent with the requirements of this section.

Subd. 3. Grant program administration. (a) The Professional Educator Licensing and Standards Board may enter into an interagency agreement with the Office of Higher Education. The agreement may include a transfer of funds to the Office of Higher Education to help establish and administer the competitive grant process. The board must award grants to institutions located in various economic development regions throughout the state, but must not predetermine the number of institutions to be awarded grants under this section or set a limit for the amount that any one institution may receive as part of the competitive grant application process.

(b) The board must establish a standard allowable dollar range for the amount of direct financial assistance an applicant institution may provide to each candidate. To determine the range, the board may collect de-identified data from institutions that received a grant during the previous grant period and calculate the average scholarship amount awarded to all candidates across all institutions using the most recent fiscal year data available. The calculation may be used to determine a scholarship range that is no more than 25 percent of this amount and no less than half the average of this amount. The purpose of direct financial assistance is to assist candidates matriculating through completing

licensure programs if they demonstrate financial need after considering other grants and scholarships provided.

(c) All grants must be awarded by August 15 of the fiscal year in which the grants are to be used ~~except that, for initial competitive grants awarded for fiscal year 2020, grants must be awarded by September 15.~~ An institution that receives a grant under this section may use the grant funds over a two- to four-year period to sustain support for teacher candidates at any stage from recruitment and program admission to graduation and licensure application.

Subd. 4. **Report.** (a) ~~By January~~ August 15 of each year, an institution awarded a grant under this section must prepare for the ~~legislature and the board~~ a detailed report regarding the expenditure of grant funds, including the amounts used to recruit, retain, and ~~induct~~ support teacher candidates of color or ~~who are~~ American Indian teacher candidates to complete programs and be recommended for licensure. The report must include:

(1) the total number of teacher candidates of color, ~~disaggregated by race or ethnic group, who~~ and American Indian teacher candidates who:

(i) are enrolled in the institution;

(ii) are supported by grant funds with direct financial assistance during the academic reporting year;

(iii) are supported with other programmatic supports;

(iv) are recruited ~~to the institution, are~~ and newly admitted to ~~the~~ a licensure program, ~~are enrolled in the;~~

(v) are enrolled in a licensure program;

(vi) have completed a licensure program, ~~have completed student teaching, have graduated, are licensed, and are newly employed as Minnesota teachers in their licensure field. A grant recipient must report;~~ and

(vii) were recommended for licensure in the field for which they were prepared;

(2) the total number of teacher candidates of color or ~~who are~~ American Indian teacher candidates at each stage from recruitment program admission to licensed teaching licensure recommendation as a percentage of ~~total~~ all candidates seeking the same licensure at the institution.; and

(3) a brief narrative describing the successes and challenges of efforts proposed in the grant application to support candidates with grant funds, and lessons learned for future efforts.

(b) By November 1 of each year, the board must post a report on its website summarizing the activities and outcomes of grant recipients and results that promote sharing of effective practices and lessons learned among grant recipients.

Sec. 13. Minnesota Statutes 2022, section 122A.70, is amended to read:

122A.70 TEACHER MENTORSHIP AND RETENTION OF EFFECTIVE TEACHERS.

Subdivision 1. **Teacher mentoring, induction, and retention programs.** (a) School districts must develop teacher mentoring programs for teachers new to the profession or district, including teaching residents, teachers of color, teachers who are American Indian, teachers in license shortage areas, teachers with special needs, or experienced teachers in need of peer coaching.

(b) Teacher mentoring programs must be included in or aligned with districts' teacher evaluation and peer review processes under sections 122A.40, subdivision 8, and 122A.41, subdivision 5. A district may use staff development revenue under section 122A.61, special grant programs established by the legislature, or another funding source to pay a stipend to a mentor who may be a current or former teacher who has taught at least three years and is not on an improvement plan. ~~Other initiatives using such funds or funds available under sections 124D.861 and 124D.862 may include:~~

~~(1) additional stipends as incentives to mentors of color or who are American Indian;~~

~~(2) financial supports for professional learning community affinity groups across schools within and between districts for teachers from underrepresented racial and ethnic groups to come together throughout the school year. For purposes of this section, "affinity groups" are groups of educators who share a common racial or ethnic identity in society as persons of color or who are American Indian;~~

~~(3) programs for induction aligned with the district or school mentorship program during the first three years of teaching, especially for teachers from underrepresented racial and ethnic groups; or~~

~~(4) grants supporting licensed and nonlicensed educator participation in professional development, such as workshops and graduate courses, related to increasing student achievement for students of color and American Indian students in order to close opportunity and achievement gaps.~~

~~(c) A school or district that receives a grant must negotiate additional retention strategies or protection from unrequested leave of absences in the beginning years of employment for teachers of color and teachers who are American Indian. Retention strategies may include providing financial incentives for teachers of color and teachers who are American Indian to work in the school or district for at least five years and placing American Indian educators at sites with other American Indian educators and educators of color at sites with other educators of color to reduce isolation and increase opportunity for collegial support.~~

Subd. 2. **Board grants.** The Professional Educator Licensing and Standards Board must make grant application forms available to sites interested in developing, sustaining, or expanding a mentorship program. A school district; ~~a or~~ a group of school districts; ~~a coalition of districts, teachers, and teacher education institutions; or,~~ a school or coalition of schools, or a coalition of teachers; ~~or nonlicensed educators~~ may apply for a program grant. A higher education institution or nonprofit organization may partner with a grant applicant but is not eligible as a sole applicant for grant funds. The Professional Educator Licensing and Standards Board, in consultation with the teacher mentoring task force, must approve or disapprove the applications. To the extent possible, the approved applications must reflect effective mentoring, professional development, and retention components, and be geographically distributed throughout the state. The Professional Educator Licensing and Standards Board must encourage the selected sites to consider the use of its assessment procedures.

Subd. 2a. **Funded work.** (a) Grant funds may be used for the following:

(1) additional stipends as incentives to mentors who are of color or who are American Indian;

(2) financial supports for professional learning community affinity groups across schools within and between districts for educators from underrepresented racial and ethnic groups to come together throughout the school year. For purposes of this section, "affinity groups" means groups of licensed and nonlicensed educators who share a common racial or ethnic identity in society as persons who are of color or who are American Indian;

(3) programs for induction aligned with the district or school mentorship program during the first three years of teaching, especially for teachers from underrepresented racial and ethnic groups;

(4) professional development focused on ways to close opportunity and achievement gaps for students of color and American Indian students; or

(5) for teachers of color and American Indian teachers, graduate courses toward a first master's degree in a field related to their licensure or toward an additional license.

(b) A charter school or district that receives a grant must negotiate additional retention strategies or protection from unrequested leaves of absence in the beginning years of employment for teachers who are of color or who are American Indian. Retention strategies may include providing financial incentives for teachers of color and teachers who are American Indian to work in the school or district for at least five years and placing American Indian educators at sites with other American Indian educators and educators of color at sites with other educators of color to reduce isolation and increase opportunity for collegial support.

Subd. 3. **Criteria for selection.** (a) At a minimum, applicants for grants under subdivision 2 must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions or teacher educators;
- (6) provide facilities and other resources;
- (7) share findings, materials, and techniques with other school districts; and
- (8) retain teachers of color and teachers who are American Indian.

(b) The Professional Educator Licensing and Standards Board must give priority to applications to fund programs to induct, mentor, and retain Tier 2 or Tier 3 teachers who are of color or who are American Indian, and Tier 2 or Tier 3 teachers in licensure shortage areas within the applicant's economic development region.

Subd. 4. **Additional funding.** Grant applicants must seek additional funding and assistance from sources such as school districts, postsecondary institutions, foundations, and the private sector.

Subd. 5. **Program implementation.** A grant recipient may use grant funds on implementing activities over a period of time up to 24 months. New and expanding mentorship sites that receive a board grant under subdivision 2 to design, develop, implement, and evaluate their program must participate in activities that support program development and implementation.

Subd. 6. **Report.** By ~~June~~ September 30 of each year after receiving a grant, recipients must submit a report to the Professional Educator Licensing and Standards Board on program efforts that describes mentoring and induction activities and assesses the impact of these programs on teacher effectiveness and retention. The board must publish a summary report for the public and submit the report to the committees of the legislature with jurisdiction over kindergarten through grade 12 education policy and finance in accordance with section 3.302 by November 30 of each year.

Sec. 14. Minnesota Statutes 2022, section 122A.73, subdivision 2, is amended to read:

Subd. 2. **Grow Your Own district programs.** (a) A school district, charter school, cooperative unit under section 123A.24, subdivision 2, or Head Start program under section 119A.50 may apply for a grant ~~for~~ to partner with a Professional Educator Licensing and Standards Board-approved teacher preparation program at the undergraduate or postbaccalaureate level. Partnerships may also include associate's degree-granting institutions to support students in early childhood or education programs that have transfer agreements with board-approved preparation programs at colleges or universities. The grant recipient must use at least 80 percent of grant funds to provide tuition scholarships or stipends to enable school district employees or community members affiliated with a school district, who are of color or American Indian and who seek a teaching license, to participate in the teacher preparation program.

(b) A district using grant funds under this subdivision to provide financial support to teacher candidates may require a commitment as determined by the district to teach in the district for a reasonable amount of time that does not exceed five years.

(c) The maximum grant award under this subdivision is \$850,000. The commissioner may consider the number of participants a grant recipient intends to support when determining a grant amount.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 15. Minnesota Statutes 2022, section 122A.73, subdivision 3, is amended to read:

Subd. 3. **Grants for programs serving secondary school students.** (a) ~~In addition to grants for developing and offering dual-credit postsecondary course options in schools for "Introduction to Teaching" or "Introduction to Education" courses under section 124D.09, subdivision 10, A school district or charter school may apply for grants under this section to offer other innovative programs that encourage secondary school students, especially students of color and American Indian students, to pursue teaching. To be eligible for a grant under this subdivision, a school district or charter school~~ an applicant must ensure that the aggregate percentage of secondary school students of color and American Indian students participating in the program is equal to or greater than the

aggregate percentage of students of color and American Indian students in the school district ~~or~~, charter school, or cooperative unit.

(b) A grant recipient must use grant funds awarded under this subdivision for:

(1) supporting future teacher clubs or service-learning opportunities that provide middle and high school students with experiential learning that supports the success of younger students or peers and increases students' interest in pursuing a teaching career;

(2) developing and offering postsecondary enrollment options for "Introduction to Teaching" or "Introduction to Education" courses consistent with section 124D.09, subdivision 10, that meet degree requirements for teacher licensure;

~~(2)~~ (3) providing direct support, including wrap-around services, for students who are of color or American Indian to enroll and be successful in postsecondary enrollment options courses under section 124D.09 that would meet degree requirements for teacher licensure; or

~~(3)~~ (4) offering scholarships to graduating high school students who are of color or American Indian to enroll in board-approved undergraduate teacher preparation programs at a college or university in Minnesota.

(c) The maximum grant award under this subdivision is \$500,000. The commissioner may consider the number of participants a grant recipient intends to support when determining a grant amount.

Sec. 16. Minnesota Statutes 2022, section 123B.147, subdivision 3, is amended to read:

Subd. 3. **Duties; evaluation.** (a) The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the district and according to the policies, rules, and regulations of the school board, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.

(b) To enhance a principal's culturally responsive leadership skills and support and improve teaching practices, school performance, and student achievement for diverse student populations, including at-risk students, children with disabilities, English learners, and gifted students, among others, a district must develop and implement a performance-based system for annually evaluating school principals assigned to supervise a school building within the district. The evaluation must be designed to improve teaching and learning by supporting the principal in shaping the school's professional environment and developing teacher quality, performance, and effectiveness. The annual evaluation must:

(1) support and improve a principal's instructional leadership, organizational management, and professional development, and strengthen the principal's capacity in the areas of instruction, supervision, evaluation, and teacher development;

(2) support and improve a principal's culturally responsive leadership practices that create inclusive and respectful teaching and learning environments for all students, families, and employees;

~~(2)~~ (3) include formative and summative evaluations based on multiple measures of student progress toward career and college readiness;

~~(3)~~ (4) be consistent with a principal's job description, a district's long-term plans and goals, and the principal's own professional multiyear growth plans and goals, all of which must support the principal's leadership behaviors and practices, rigorous curriculum, school performance, and high-quality instruction;

~~(4)~~ (5) include on-the-job observations and previous evaluations;

~~(5)~~ (6) allow surveys to help identify a principal's effectiveness, leadership skills and processes, and strengths and weaknesses in exercising leadership in pursuit of school success;

~~(6)~~ (7) use longitudinal data on student academic growth as 35 percent of the evaluation and incorporate district achievement goals and targets;

~~(7)~~ (8) be linked to professional development that emphasizes improved teaching and learning, curriculum and instruction, student learning, culturally responsive leadership practices, and a collaborative professional culture; and

~~(8)~~ (9) for principals not meeting standards of professional practice or other criteria under this subdivision, implement a plan to improve the principal's performance and specify the procedure and consequence if the principal's performance is not improved.

The provisions of this paragraph are intended to provide districts with sufficient flexibility to accommodate district needs and goals related to developing, supporting, and evaluating principals.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 17. **[124D.901] STUDENT SUPPORT PERSONNEL AID.**

Subdivision 1. Definitions. For the purposes of this section, the following terms have the meanings given:

(1) "new position" means a student support services personnel full-time or part-time position not under contract by a school district, charter school, or cooperative unit at the start of the 2022-2023 school year;

(2) "part-time position" means a student support services personnel position less than 1.0 full-time equivalent at the start of the 2022-2023 school year;

(3) "American Rescue Plan Act" means the federal American Rescue Plan Act of 2021, Public Law 117-2, that awarded funds; and

(4) "student support services personnel" means an individual licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

Subd. 2. Purpose. The purpose of student support personnel aid is to:

- (1) address shortages of student support services personnel within Minnesota schools;
- (2) decrease caseloads for existing student support services personnel to ensure effective services;
- (3) ensure that students receive effective student support services and integrated and comprehensive services to improve prekindergarten through grade 12 academic, physical, social, and emotional outcomes supporting career and college readiness and effective school mental health services;
- (4) ensure that student support services personnel serve within the scope and practice of their training and licensure;
- (5) fully integrate learning supports, instruction, assessment, data-based decision making, and family and community engagement within a comprehensive approach that facilitates interdisciplinary collaboration; and
- (6) improve student health, school safety, and school climate to support academic success and career and college readiness.

Subd. 3. **Student support personnel aid.** (a) The initial student support personnel aid for fiscal year 2024 and fiscal year 2025 for a school district equals the greater of \$24 times the adjusted pupil units at the district for the current fiscal year or \$25,000. The initial student support personnel aid for fiscal year 2026 and later for a school district equals the greater of \$44 times the adjusted pupil units at the district for the current fiscal year or \$60,000. The initial student support personnel aid for fiscal year 2024 and fiscal year 2025 for a charter school equals \$22 times the adjusted pupil units at the charter school for the current fiscal year. The initial student support personnel aid for fiscal year 2026 and later for a charter school equals \$40 times the adjusted pupil units at the charter school for the current fiscal year.

(b) The cooperative student support personnel aid for fiscal year 2024 and fiscal year 2025 for a school district that is a member of an intermediate school district or other cooperative unit that enrolls students equals \$2 times the adjusted pupil units at the member district for the current fiscal year. The cooperative student support personnel aid for fiscal year 2026 and later for a school district that is a member of an intermediate school district or other cooperative unit that enrolls students equals \$4 times the adjusted pupil units at the member district for the current fiscal year. If a district is a member of more than one cooperative unit that enrolls students, the revenue must be allocated among the cooperative units.

(c) Notwithstanding paragraphs (a) and (b), the student support personnel aid must not exceed the district's or cooperative unit's actual expenditure according to the approved plan under subdivision 3.

Subd. 4. **Allowed uses.** (a) Aid under this section must be used to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a position hired using onetime resources awarded through the American Rescue Plan Act, or to maintain a position that would otherwise be eliminated.

(b) Cooperative student support personnel aid must be transferred to the intermediate district or other cooperative unit of which the district is a member and used to hire new positions for student support services personnel or increase a current position that is less than 1.0 full-time equivalent to a greater number of service hours or make permanent a position hired using onetime resources awarded through the federal American Rescue Plan Act at the intermediate district or cooperative unit.

(c) If a school district, charter school, or cooperative unit does not receive at least two applications and is not able to hire a new full-time equivalent position with student support personnel aid, the aid may be used for contracted services from individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.

Subd. 5. **Report required.** By February 1 following any fiscal year in which student support personnel aid was received, a school district, charter school, or cooperative unit must submit a written report to the commissioner indicating how the new position affected two or more of the following measures:

- (1) school climate;
- (2) student health;
- (3) attendance rates;
- (4) academic achievement;
- (5) career and college readiness; and
- (6) postsecondary completion rates.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 18. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal year designated.

Subd. 2. **Agricultural educator grants.** (a) For agricultural educator grants under Laws 2017, First Special Session chapter 5, article 2, section 51:

<u>\$</u>	<u>250,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>250,000</u>	<u>.....</u>	<u>2025</u>

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

Subd. 3. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

<u>\$</u>	<u>88,443,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>88,430,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$8,824,000 for fiscal year 2023 and \$79,619,000 for fiscal year 2024.

(c) The 2025 appropriation includes \$8,847,000 for fiscal year 2024 and \$79,583,000 for fiscal year 2025.

Subd. 4. **Come Teach in Minnesota hiring bonuses.** (a) For the Come Teach in Minnesota hiring bonuses pilot program under Minnesota Statutes, section 122A.59:

\$	<u>200,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>400,000</u>	<u>.....</u>	<u>2025</u>

(b) The department may use up to \$30,000 of the appropriation amount to administer and improve the program under this subdivision.

(c) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.59, subdivision 5.

(d) The base for fiscal year 2026 and later is \$400,000.

Subd. 5. **Closing educational opportunity gaps grants.** (a) To support schools in their efforts to close opportunity gaps under Minnesota Statutes, section 120B.113:

\$	<u>4,000,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>4,000,000</u>	<u>.....</u>	<u>2025</u>

(b) The department may retain up to five percent of this appropriation to administer the grant program.

Subd. 6. **Coalition to Increase Teachers of Color and American Indian Teachers.** (a) For a grant to the Coalition to Increase Teachers of Color and American Indian Teachers in Minnesota for nonlobbying activities and general operating expenses that support the recruitment and retention of racially and ethnically diverse teachers underrepresented in the state's workforce:

\$	<u>100,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>100,000</u>	<u>.....</u>	<u>2025</u>

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

Subd. 7. **Expanded concurrent enrollment grants.** (a) For grants to institutions offering "Introduction to Teaching" or "Introduction to Education" courses under Minnesota Statutes, section 124D.09, subdivision 10, paragraph (b):

\$	<u>500,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>500,000</u>	<u>.....</u>	<u>2025</u>

(b) Up to five percent of the grant amount is available for grant administration and monitoring.

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

Subd. 8. **Grow Your Own pathways to teacher licensure grants.** (a) For grants to develop, continue, or expand Grow Your Own new teacher programs under Minnesota Statutes, section 122A.73, to develop a teaching workforce that more closely reflects the state's increasingly diverse student population and ensure all students have equitable access to effective and diverse teachers:

\$	<u>32,500,000</u>	.....	<u>2024</u>
\$	<u>32,500,000</u>	.....	<u>2025</u>

(b) Of the amounts in paragraph (a), \$1,500,000 each year is for grants to early childhood educator programs.

(c) Of the amounts in paragraph (a), at least \$3,000,000 each year is for teacher residency programs under Minnesota Statutes, section 122A.68, subdivision 3.

(d) This appropriation is subject to the requirements under Minnesota Statutes, section 122A.73, subdivision 5.

(e) The base for fiscal year 2026 and later is \$32,500,000.

Subd. 9. **Minnesota Indian teacher training program grants.** (a) For joint grants to assist American Indian people to become teachers under Minnesota Statutes, section 122A.63:

\$	<u>700,000</u>	.....	<u>2024</u>
\$	<u>700,000</u>	.....	<u>2025</u>

(b) The department may use up to five percent of the appropriation amount to administer the grant program.

Subd. 10. **Reimbursements for teacher licensing and exam fees.** (a) For reducing financial burdens for aspiring teachers by funding costs associated with Minnesota teacher licensing exams and first professional teacher license fees for newly graduated teachers:

\$	<u>1,400,000</u>	.....	<u>2024</u>
\$	<u>0</u>	.....	<u>2025</u>

(b) The commissioner must establish a process for newly licensed teachers to be reimbursed for expenses related to:

(1) application fees to the board for initial licensure; and

(2) exam fees for required licensure exams to obtain a teaching license in Minnesota.

(c) Up to \$50,000 is available for administration, including contracts.

(d) This is a onetime appropriation and is available until June 30, 2027.

Subd. 11. **Statewide concurrent enrollment teacher training program.** (a) For the concurrent enrollment teacher partnership under Minnesota Statutes, section 122A.76:

\$	<u>375,000</u>	.....	<u>2024</u>
\$	<u>375,000</u>	.....	<u>2025</u>

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

Subd. 12. **Statewide teacher mentoring program.** (a) For a statewide teacher induction and mentoring program:

<u>\$</u>	<u>9,940,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>0</u>	<u>.....</u>	<u>2025</u>

(b) Funds may be used for:

(1) competitive grants to Minnesota regional partners, including institutions of higher education, regional service cooperatives, other district or charter collaboratives, and professional organizations, to provide mentoring supports for new teachers, on-the-ground training, technical assistance, and networks or communities of practice for local new teachers, districts, and charter schools to implement Minnesota's induction model;

(2) competitive grants to school districts to fund Teacher of Record mentorships to Tier 1 special education teachers, including training and supervision; and

(3) contracts with national content experts and research collaboratives to assist in developing Minnesota's induction model, to provide ongoing training to mentors and principals, and to evaluate the program over time.

(c) This is a onetime appropriation and is available until June 30, 2027.

Subd. 13. **Student support personnel.** (a) To address shortages of school support personnel services that benefit children and young people's social, emotional, and physical health through strategies to fund additional positions within early childhood systems, public schools, and the Department of Education, and to implement a workforce development initiative:

<u>\$</u>	<u>2,550,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>2,550,000</u>	<u>.....</u>	<u>2025</u>

(b) Of this amount, \$2,400,000 each year is to fund a workforce development initiative to increase the number of student support personnel each year.

(c) Of this amount, \$150,000 each year is to fund a school mental health service lead at the Department of Education.

Subd. 14. **Student support personnel aid.** (a) For aid to support schools in addressing students' social, emotional, and physical health under Minnesota Statutes, section 124D.901:

<u>\$</u>	<u>23,432,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>25,990,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$0 for 2023 and \$23,432,000 for 2024.

(c) The 2025 appropriation includes \$2,604,000 for 2024 and \$23,386,000 for 2025.

Sec. 19. **APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.**

Subdivision 1. **Professional Educator Licensing and Standards Board.** The sum indicated in this section is appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal year designated.

Subd. 2. **Collaborative urban and greater Minnesota educators of color grants.** (a) For collaborative urban and greater Minnesota educators of color competitive grants under Minnesota Statutes, section 122A.635:

\$	<u>5,530,000</u>	.....	<u>2024</u>
\$	<u>5,350,000</u>	.....	<u>2025</u>

(b) The board may retain up to \$100,000 of the appropriation amount to monitor and administer the grant program.

(c) Any balance does not cancel but is available in the following fiscal year.

(d) The base for fiscal year 2026 and later is \$5,350,000.

Subd. 3. **Heritage language and culture teachers.** To support an additional licensure pathway program for heritage language and culture teachers under Minnesota Statutes, section 122A.631, including funding for a portfolio liaison and funding for substitute teachers on meeting days, portfolio fees, licensure fees, and licensure exam fees for 50 program participants:

\$	<u>208,000</u>	.....	<u>2024</u>
\$	<u>208,000</u>	.....	<u>2025</u>

Subd. 4. **Mentoring, induction, and retention incentive program grants for teachers of color.** (a) To develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers under Minnesota Statutes, section 122A.70:

\$	<u>3,496,000</u>	.....	<u>2024</u>
\$	<u>3,496,000</u>	.....	<u>2025</u>

(b) Any balance does not cancel but is available in the following fiscal year.

(c) The base for fiscal year 2026 and later is \$3,496,000, of which at least \$2,500,000 each fiscal year is for grants to develop and expand mentoring, induction, and retention programs designed for teachers of color or American Indian teachers.

(d) The board may retain up to three percent of the appropriation amount to monitor and administer the grant program.

Subd. 5. **Reports on increasing percentage of teachers of color and American Indian teachers.** (a) For a full-time equivalent employee to complete reports on state-funded programs to increase the percentage of teachers of color and American Indian teachers in Minnesota schools in accordance with Minnesota Statutes, section 120B.117, and process reports under Minnesota Statutes, sections 122A.40, subdivision 3, and 122A.41, subdivision 16:

\$	<u>20,000</u>	.....	<u>2024</u>
\$	<u>0</u>	.....	<u>2025</u>

(b) The base for fiscal year 2026 and later is \$0.

Subd. 6. **Teacher recruitment marketing campaign.** (a) To develop two contracts to develop and implement an outreach and marketing campaign under this subdivision:

\$	<u>500,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>500,000</u>	<u>.....</u>	<u>2025</u>

(b) The Professional Educator Licensing and Standards Board must issue a request for proposals to develop and implement an outreach and marketing campaign to elevate the profession and recruit teachers, especially teachers of color and American Indian teachers. Outreach efforts should include and support current and former Teacher of the Year finalists interested in being recruitment fellows to encourage prospective educators throughout the state.

(c) The outreach and marketing campaign must focus on increasing interest in teaching in Minnesota public schools for the following individuals:

(1) high school and college students of color or American Indian students who have not chosen a career path; or

(2) adults from racial or ethnic groups underrepresented in the teacher workforce who may be seeking to change careers.

(d) The board must award two \$250,000 grants each year to firms or organizations that demonstrate capacity to reach wide and varied audiences of prospective teachers based on a work plan with quarterly deliverables. Preferences should be given to firms or organizations that are led by people of color and that have people of color working on the campaign with a proven record of success. The grant recipients must recognize current pathways or programs to become a teacher and must partner with educators, schools, institutions, and racially diverse communities. The grant recipients are encouraged to provide in-kind contributions or seek funds from nonstate sources to supplement the grant award.

(e) The board may use no more than three percent of the appropriation amount to administer the program under this subdivision, and may have an interagency agreement with the Department of Education including transfer of funds to help administer the program.

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

ARTICLE 5

SPECIAL EDUCATION

Section 1. Minnesota Statutes 2022, section 120A.20, subdivision 1, is amended to read:

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

of age attending a public secondary school is governed by a single set of reasonable rules and regulations promulgated by the school board.

(b) A person shall not be admitted to a public school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a 1st grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that any school board may establish a policy for admission of selected pupils at an earlier age under section 124D.02.

(c) A pupil who becomes age 21 after enrollment is eligible for continued free public school enrollment until at least one of the following occurs: (1) the first September 1 after the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3) the pupil's withdrawal with no subsequent enrollment within 21 calendar days; ~~or~~ (4) the end of the school year; or (5) in the case of a student with a disability as defined under section 125A.02, the pupil's 22nd birthday.

Sec. 2. Minnesota Statutes 2022, section 121A.41, subdivision 7, is amended to read:

Subd. 7. **Pupil.** (a) "Pupil" means any student:

(1) without a disability under 21 years of age; or

(2) with a disability under ~~21~~ 22 years old who has not received a regular high school diploma ~~or for a child with a disability who becomes 21 years old during the school year but has not received a regular high school diploma, until the end of that school year;~~ and

(3) who remains eligible to attend a public elementary or secondary school.

(b) A "student with a disability" or a "pupil with a disability" has the same meaning as a "child with a disability" under section 125A.02.

Sec. 3. Minnesota Statutes 2022, section 122A.31, subdivision 1, is amended to read:

Subdivision 1. **Requirements for American sign language/English interpreters.** (a) In addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must:

(1) hold current interpreter ~~and~~ or transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf (NAD), or a comparable state certification from the commissioner of education; ~~and~~

~~(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution; or~~

(2) hold a certified deaf interpreter certification issued by RID.

(b) New graduates of an interpreter/transliterator program affiliated with an accredited education institution or certified deaf interpreters who hold a certification issued by RID shall be granted a

two-year provisional certificate by the commissioner. During the two-year provisional period, the interpreter/transliterator must develop and implement an education plan in collaboration with a mentor under paragraph (c).

(c) A mentor of a provisionally certified interpreter/transliterator must be an interpreter/transliterator who has either NAD level IV or V certification or RID certified interpreter and certified transliterator certification and have at least three years of interpreting/transliterating experience in any educational setting. The mentor, in collaboration with the provisionally certified interpreter/transliterator, shall develop and implement an education plan designed to meet the requirements of paragraph (a), clause (1), and include a weekly on-site mentoring process.

(d) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission of the Deaf, DeafBlind and Hard of Hearing, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

(2) records of the person's formal education, training, experience, and progress on the person's education plan; and

(3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying ~~time-line~~ timeline for meeting the requirements of this subdivision. A committee composed of the deaf and hard-of-hearing state specialist, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters ~~of~~ for the Deaf, and other appropriate ~~persons~~ committee members selected by the commissioner must develop the plan and ~~time-line~~ timeline for the person receiving the extension.

(e) A school district may employ only an interpreter/transliterator who has been certified under paragraph (a) or (b), or for whom a time-limited extension has been granted under paragraph (d).

(f) An interpreter who meets the requirements of paragraph (a) is "essential personnel" as defined in section 125A.76, subdivision 1.

Sec. 4. Minnesota Statutes 2022, section 123B.92, subdivision 1, is amended to read:

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

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

(1) the sum of:

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

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

(iii) an amount equal to one year's depreciation on the district's type III vehicles, as defined in section 169.011, subdivision 71, which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

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

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

(1) Regular transportation is:

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

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

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

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

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

(vi) transportation of pregnant or parenting pupils to and from a program that was established on or before January 1, 2018, or that is in operation on or after July 1, 2021, that provides:

(A) academic instruction;

(B) at least four hours per week of parenting instruction; and

(C) high-quality child care on site during the education day with the capacity to serve all children of enrolled pupils.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person or other location chosen by the pupil's parent or guardian, or an after-school program for children operated by a political subdivision of the state, as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence, or program is within the attendance area of the school the pupil attends.

(2) Excess transportation is:

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

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

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

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

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

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

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

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

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

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

(vii) transportation of pupils for a curricular field trip activity on a school bus equipped with a power lift when the power lift is required by a student's disability or section 504 plan; and

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

For purposes of computing special education initial aid under section 125A.76, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a student placed in a family foster home as defined in section 260C.007, subdivision 16b, a homeless student in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a). For purposes of subitem (A), a school district may transport a child who does not have a school of origin to the same school attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

(5) "Nonpublic nonregular transportation" is:

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

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

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

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

Sec. 5. Minnesota Statutes 2022, section 124D.128, subdivision 2, is amended to read:

Subd. 2. **Commissioner designation.** (a) A state-approved alternative program designated by the state must be a site. A state-approved alternative program must provide services to students who meet the criteria in section 124D.68 and who are enrolled in:

(1) a district that is served by the state-approved alternative program; or

(2) a charter school located within the geographic boundaries of a district that is served by the state-approved alternative program.

(b) To be designated, a state-approved alternative program must demonstrate to the commissioner that it will:

(1) provide a program of instruction that permits pupils to receive instruction throughout the entire year; and

(2) develop and maintain a separate record system that, for purposes of section 126C.05, permits identification of membership attributable to pupils participating in the program. The record system and identification must ensure that the program will not have the effect of increasing the total average daily membership attributable to an individual pupil as a result of a learning year program. The record system must include the date the pupil originally enrolled in a learning year program, the pupil's grade level, the date of each grade promotion, the average daily membership generated in each grade level, the number of credits or standards earned, and the number needed to graduate.

(c) A student who has not completed a school district's graduation requirements may continue to enroll in courses the student must complete in order to graduate until the student satisfies the district's graduation requirements or the student is 21 years old, whichever comes first. A student with a disability as set forth in section 125A.02 may continue to enroll in courses until the student graduates with a regular high school diploma or the student is 22 years old, whichever comes first.

Sec. 6. Minnesota Statutes 2022, section 124D.68, subdivision 2, is amended to read:

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

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

(2) is behind in satisfactorily completing coursework or obtaining credits for graduation;

(3) is pregnant or is a parent;

(4) has been assessed as having substance use disorder;

(5) has been excluded or expelled according to sections 121A.40 to 121A.56;

(6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 124D.69;

(7) is a victim of physical or sexual abuse;

(8) has experienced mental health problems;

(9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program;

(10) speaks English as a second language or is an English learner;

(11) has withdrawn from school or has been chronically truant; or

(12) is being treated in a hospital in the seven-county metropolitan area for cancer or other life threatening illness or is the sibling of an eligible pupil who is being currently treated, and resides with the pupil's family at least 60 miles beyond the outside boundary of the seven-county metropolitan area.

(b) A pupil otherwise qualifying under paragraph (a) who is at least 21 years of age and not yet 22 years of age, and is an English learner with an interrupted formal education according to section 124D.59, subdivision 2a, or is a pupil with a disability as set forth in section 125A.02, is eligible to participate in the graduation incentives program under section 124D.68 and in concurrent enrollment courses offered under section 124D.09, subdivision 10, and is funded in the same manner as other pupils under this section.

Sec. 7. Minnesota Statutes 2022, section 125A.03, is amended to read:

125A.03 SPECIAL INSTRUCTION FOR CHILDREN WITH A DISABILITY.

(a) As defined in paragraph (b), every district must provide special instruction and services, either within the district or in another district, for all children with a disability, including providing required services under Code of Federal Regulations, title 34, section 300.121, paragraph (d), to those children suspended or expelled from school for more than ten school days in that school year, who are residents of the district and who are disabled as set forth in section 125A.02. For purposes of state and federal special education laws, the phrase "special instruction and services" in the state Education Code means a free and appropriate public education provided to an eligible child with disabilities. "Free appropriate public education" means special education and related services that:

(1) are provided at public expense, under public supervision and direction, and without charge;

(2) meet the standards of the state, including the requirements of the Individuals with Disabilities Education Act, Part B or C;

(3) include an appropriate preschool, elementary school, or secondary school education; and

(4) are provided to children ages three through 21 in conformity with an individualized education program that meets the requirements of the Individuals with Disabilities Education Act, subpart A, sections 300.320 to 300.324, and provided to infants and toddlers in conformity with an individualized family service plan that meets the requirements of the Individuals with Disabilities Education Act, subpart A, sections 303.300 to 303.346.

(b) Notwithstanding any age limits in laws to the contrary, special instruction and services must be provided from birth ~~until July 1 after the child with a disability becomes 21 years old~~ until the child with a disability becomes 22 years old but shall not extend beyond secondary school or its equivalent, except as provided in section 124D.68, subdivision 2. Local health, education, and social service agencies must refer children under age five who are known to need or suspected of needing special instruction and services to the school district. Districts with less than the minimum number of eligible children with a disability as determined by the commissioner must cooperate with other

districts to maintain a full range of programs for education and services for children with a disability. This section does not alter the compulsory attendance requirements of section 120A.22.

(c) At the board's discretion, a school district that participates in a reciprocity agreement with a neighboring state under section 124D.041 may enroll and provide special instruction and services to a child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service if the district has completed child identification procedures for that child to determine the child's eligibility for special education services, and the child has received developmental screening under sections 121A.16 to 121A.19.

Sec. 8. Minnesota Statutes 2022, section 125A.08, is amended to read:

125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

(a) At the beginning of each school year, each school district shall have in effect, for each child with a disability, an individualized education program.

(b) As defined in this section, every district must ensure the following:

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individualized education program team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individualized education program. The individualized education program team shall consider and may authorize services covered by medical assistance according to section 256B.0625, subdivision 26. Before a school district evaluation team makes a determination of other health disability under Minnesota Rules, part 3525.1335, subparts 1 and 2, item A, subitem (1), the evaluation team must seek written documentation of the student's medically diagnosed chronic or acute health condition signed by a licensed physician or a licensed health care provider acting within the scope of the provider's practice. The student's needs and the special education instruction and services to be provided must be agreed upon through the development of an individualized education program. The program must address the student's need to develop skills to live and work as independently as possible within the community. The individualized education program team must consider positive behavioral interventions, strategies, and supports that address behavior needs for children. During grade 9, the program must address the student's needs for transition from secondary services to postsecondary education and training, employment, community participation, recreation, and leisure and home living. In developing the program, districts must inform parents of the full range of transitional goals and related services that should be considered. The program must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded. If the individualized education program meets the plan components in section 120B.125, the individualized education program satisfies the requirement and no additional transition plan is needed;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) eligibility and needs of children with a disability are determined by an initial evaluation or reevaluation, which may be completed using existing data under United States Code, title 20, section 33, et seq.;

(5) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(6) in accordance with recognized professional standards, testing and evaluation materials, and procedures used for the purposes of classification and placement of children with a disability are selected and administered so as not to be racially or culturally discriminatory; and

(7) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

(c) For all paraprofessionals employed to work in programs whose role in part is to provide direct support to students with disabilities, the school board in each district shall ensure that:

(1) before or beginning at the time of employment, each paraprofessional must develop sufficient knowledge and skills in emergency procedures, building orientation, roles and responsibilities, confidentiality, vulnerability, and reportability, among other things, to begin meeting the needs, especially disability-specific and behavioral needs, of the students with whom the paraprofessional works;

(2) before beginning work alone with an individual student with a disability, the assigned paraprofessional must be either given paid time, or time during the school day, to review a student's individualized education program or be briefed on the student's specific needs by appropriate staff;

~~(2)~~ (3) annual training opportunities are required to enable the paraprofessional to continue to further develop the knowledge and skills that are specific to the students with whom the paraprofessional works, including understanding disabilities, the unique and individual needs of each student according to the student's disability and how the disability affects the student's education and behavior, following lesson plans, and implementing follow-up instructional procedures and activities; and

(4) a minimum of 16 hours of paid orientation or professional development must be provided annually to all paraprofessionals, Title I aides, and other instructional support staff. Eight of the 16 hours must be completed before the first instructional day of the school year or within 30 days of hire. The orientation or professional development must be relevant to the employee's occupation and may include collaboration time with classroom teachers and planning for the school year. For paraprofessionals who provide direct support to students, at least 50 percent of the professional development or orientation must be dedicated to meeting the requirements of this section. Professional

development for paraprofessionals may also address the requirements of section 120B.363, subdivision 3. A school administrator must provide an annual certification of compliance with this requirement to the commissioner. The annual certification must include the prior year expenses associated with the training provided under this clause; and

~~(3)~~ (5) a districtwide process obligates each paraprofessional to work under the ongoing direction of a licensed teacher and, where appropriate and possible, the supervision of a school nurse.

(d) A school district may conduct a functional behavior assessment as defined in Minnesota Rules, part 3525.0210, subpart 22, as a stand-alone evaluation without conducting a comprehensive evaluation of the student in accordance with prior written notice provisions in section 125A.091, subdivision 3a. A parent or guardian may request that a school district conduct a comprehensive evaluation of the parent's or guardian's student.

Sec. 9. Minnesota Statutes 2022, section 125A.76, subdivision 2e, is amended to read:

Subd. 2e. **Cross subsidy reduction aid.** (a) A school district's annual cross subsidy reduction aid equals the school district's initial special education cross subsidy for the previous fiscal year times the cross subsidy aid factor for that fiscal year.

(b) The cross subsidy aid factor equals ~~2.6 percent for fiscal year 2020 and 6.43 percent for fiscal year 2021~~ 40 percent for fiscal year 2024, 47.3 percent for fiscal year 2025, and 60 percent for fiscal year 2026 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 10. **[125A.81] SPECIAL EDUCATION SEPARATE SITES AND PROGRAMS AID.**

Subdivision 1. **Definition.** For purposes of this section, "special education separate site and program" means a public separate day school facility attended by students with disabilities for 50 percent or more of their school day.

Subd. 2. **Eligibility for special education separate sites and programs aid.** An education cooperative under section 471.59, education district under section 123A.15, service cooperative under section 123A.21, or intermediate school district under section 136D.01 qualifies for additional state funding to special education separate sites and programs for every kindergarten through grade 12 child with a disability, as defined in section 125A.02, served in a special education separate site or program as defined in subdivision 1.

Subd. 3. **Uses of special education separate sites and programs aid.** Additional state funding to special education separate sites and programs under this section may be used for the same purposes as are permitted for state special education aid under section 125A.76.

Subd. 4. **Special education separate sites and programs aid.** For fiscal year 2024 and later, additional state funding to special education separate sites and programs equals \$1,689 times the adjusted kindergarten through grade 12 pupil units served in special education separate sites and programs under subdivision 1.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 11. Minnesota Statutes 2022, section 256B.0625, subdivision 26, is amended to read:

Subd. 26. **Special education services.** (a) Medical assistance covers evaluations necessary in making a determination for eligibility for individualized education program and individualized family service plan services and for medical services identified in a recipient's individualized education program and individualized family service plan and covered under the medical assistance state plan. Covered services include occupational therapy, physical therapy, speech-language therapy, clinical psychological services, nursing services, school psychological services, school social work services, personal care assistants serving as management aides, assistive technology devices, transportation services, health assessments, and other services covered under the medical assistance state plan. Mental health services eligible for medical assistance reimbursement must be provided or coordinated through a children's mental health collaborative where a collaborative exists if the child is included in the collaborative operational target population. The provision or coordination of services does not require that the individualized education program be developed by the collaborative.

The services may be provided by a Minnesota school district that is enrolled as a medical assistance provider or its subcontractor, and only if the services meet all the requirements otherwise applicable if the service had been provided by a provider other than a school district, in the following areas: medical necessity; physician's, advanced practice registered nurse's, or physician assistant's orders; documentation; personnel qualifications; and prior authorization requirements. The nonfederal share of costs for services provided under this subdivision is the responsibility of the local school district as provided in section 125A.74. Services listed in a child's individualized education program are eligible for medical assistance reimbursement only if those services meet criteria for federal financial participation under the Medicaid program.

(b) Approval of health-related services for inclusion in the individualized education program does not require prior authorization for purposes of reimbursement under this chapter. The commissioner may require physician, advanced practice registered nurse, or physician assistant review and approval of the plan not more than once annually or upon any modification of the individualized education program that reflects a change in health-related services.

(c) Services of a speech-language pathologist provided under this section are covered notwithstanding Minnesota Rules, part 9505.0390, subpart 1, item L, if the person:

(1) holds a masters degree in speech-language pathology;

(2) is licensed by the Professional Educator Licensing and Standards Board as an educational speech-language pathologist; and

(3) either has a certificate of clinical competence from the American Speech and Hearing Association, has completed the equivalent educational requirements and work experience necessary for the certificate or has completed the academic program and is acquiring supervised work experience to qualify for the certificate.

(d) Medical assistance coverage for medically necessary services provided under other subdivisions in this section may not be denied solely on the basis that the same or similar services are covered under this subdivision.

(e) The commissioner shall develop and implement package rates, bundled rates, or per diem rates for special education services under which separately covered services are grouped together and billed as a unit in order to reduce administrative complexity.

(f) The commissioner shall develop a cost-based payment structure for payment of these services. Only costs reported through the designated Minnesota Department of Education data systems in distinct service categories qualify for inclusion in the cost-based payment structure. The commissioner shall reimburse claims submitted based on an interim rate, and shall settle at a final rate once the department has determined it. The commissioner shall notify the school district of the final rate. The school district has 60 days to appeal the final rate. To appeal the final rate, the school district shall file a written appeal request to the commissioner within 60 days of the date the final rate determination was mailed. The appeal request shall specify (1) the disputed items and (2) the name and address of the person to contact regarding the appeal.

(g) Effective July 1, 2000, medical assistance services provided under an individualized education program or an individual family service plan by local school districts shall not count against medical assistance authorization thresholds for that child.

(h) Nursing services as defined in section 148.171, subdivision 15, and provided as an individualized education program health-related service, are eligible for medical assistance payment if they are otherwise a covered service under the medical assistance program. Medical assistance covers the administration of prescription medications by a licensed nurse who is employed by or under contract with a school district when the administration of medications is identified in the child's individualized education program. The simple administration of medications alone is not covered under medical assistance when administered by a provider other than a school district or when it is not identified in the child's individualized education program.

(i) School social work services provided by a mental health professional, as defined in section 245I.04, subdivision 2, or mental health practitioner, as defined in section 245I.04, subdivision 4, under the supervision of a mental health professional, are eligible for medical assistance payment. A mental health practitioner performing school social work services under this section must provide services within the mental health practitioner's licensure scope of practice, if applicable, and within the mental health practitioner scope of practice under section 245I.04, subdivision 5.

(j) Notwithstanding Minnesota Rules, part 9505.0371, a special education evaluation, individualized education program, or individual family service plan may be used to determine medical necessity and eligibility for school social work services under paragraph (i) instead of a diagnostic assessment if the special education evaluation, individualized education program, or individual family service plan includes a sign, symptom, or condition ICD-10-CM code for the student.

(k) A school social worker or school providing mental health services under paragraph (i) is not required to be certified to provide children's therapeutic services and supports under section 256B.0943.

(l) Covered mental health services provided by a school social worker under paragraph (i) include but are not limited to:

(1) administering and reporting standardized measures;

- (2) care coordination;
- (3) children's mental health crisis assistance, planning, and response services;
- (4) children's mental health clinical care consultation;
- (5) dialectical behavioral therapy for adolescents;
- (6) direction of mental health behavioral aides;
- (7) family psychoeducation;
- (8) individual, family, and group psychotherapy;
- (9) mental health behavioral aide services;
- (10) skills training; and
- (11) treatment plan development and review.

EFFECTIVE DATE. This section is effective January 1, 2024, or upon federal approval, whichever is later. The commissioner shall notify the revisor of statutes when federal approval has been obtained.

Sec. 12. **APPROPRIATIONS.**

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. Aid for children with disabilities. (a) For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$	<u>1,674,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>1,888,000</u>	<u>.....</u>	<u>2025</u>

(b) If the appropriation for either year is insufficient, the appropriation for the other year is available.

Subd. 3. Court-placed special education revenue. For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$	<u>26,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>27,000</u>	<u>.....</u>	<u>2025</u>

Subd. 4. Paraprofessional training. For reimbursement of prior year expenses associated with paid orientation and professional development for paraprofessionals under Minnesota Statutes, section 125A.08:

\$	<u>0</u>	.....	<u>2024</u>
\$	<u>14,105,000</u>	.....	<u>2025</u>

(b) The 2025 appropriation includes \$0 for 2024 and \$14,105,000 for 2025.

Subd. 5. **Special education out-of-state tuition.** For special education out-of-state tuition under Minnesota Statutes, section 125A.79, subdivision 8:

\$	<u>250,000</u>	.....	<u>2024</u>
\$	<u>250,000</u>	.....	<u>2025</u>

Subd. 6. **Special education; regular.** (a) For special education aid under Minnesota Statutes, section 125A.75:

\$	<u>2,237,494,000</u>	.....	<u>2024</u>
\$	<u>2,456,695,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$229,860,000 for 2023 and \$2,007,634,000 for 2024.

(c) The 2025 appropriation includes \$282,617,000 for 2024 and \$2,174,078,000 for 2025.

Subd. 7. **Special education separate sites and programs.** (a) For aid for special education separate sites and programs under Minnesota Statutes, section 125A.81, subdivision 4:

\$	<u>4,378,000</u>	.....	<u>2024</u>
\$	<u>5,083,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$0 for 2023 and \$4,378,000 for 2024.

(c) The 2025 appropriation includes \$486,000 for 2024 and \$4,597,000 for 2025.

Subd. 8. **Travel for home-based services.** (a) For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	<u>334,000</u>	.....	<u>2024</u>
\$	<u>348,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$32,000 for 2023 and \$302,000 for 2024.

(c) The 2025 appropriation includes \$33,000 for 2024 and \$315,000 for 2025.

ARTICLE 6

FACILITIES

Section 1. Minnesota Statutes 2022, section 123B.595, subdivision 3, is amended to read:

Subd. 3. **Intermediate districts and other cooperative units.** (a) Upon approval through the adoption of a resolution by each member district school board of an intermediate district or other cooperative units unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59, and the approval of the commissioner of education, a school district may include in its

authority under this section a proportionate share of the long-term maintenance costs of the intermediate district ~~or~~, cooperative unit, or joint powers district. The cooperative unit or joint powers district may issue bonds to finance the project costs or levy for the costs; using long-term maintenance revenue transferred from member districts to make debt service payments or pay project costs or, for leased facilities, pay the portion of lease costs attributable to the amortized cost of long-term facilities maintenance projects completed by the landlord. Authority under this subdivision is in addition to the authority for individual district projects under subdivision 1.

(b) The resolution adopted under paragraph (a) may specify which member districts will share the project costs under this subdivision, except that debt service payments for bonds issued by a cooperative unit or joint powers district to finance long-term maintenance project costs must be the responsibility of all member districts.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 2. Minnesota Statutes 2022, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement,

installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed \$212 times the adjusted pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

- (1) the school district has been experiencing pupil enrollment growth in the preceding five years;
- (2) the purpose of the increased levy is in the long-term public interest;
- (3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 may include in its authority under this section the costs associated with leases of administrative and classroom space for ~~intermediate school district~~ programs of the intermediate school district or other cooperative unit under section 123A.24, subdivision 2, or joint powers district under section 471.59. This authority must not exceed \$65 times the adjusted pupil units of the member districts. This authority is in addition to any other authority authorized under this section. The intermediate school district, other cooperative unit, or joint powers district may specify which member districts will levy for lease costs under this paragraph.

~~(i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012 to 2023, a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it economically advantageous to enter into a lease agreement to finance improvements to a building and land for a group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e). The total levy authority under this paragraph shall not exceed \$632,000.~~

~~(j)~~ (i) Notwithstanding paragraph (a), a district may levy under this subdivision for the purpose of leasing administrative space if the district can demonstrate to the satisfaction of the commissioner that the lease cost for the administrative space is no greater than the lease cost for instructional space that the district would otherwise lease. The commissioner must deny this levy authority unless the district passes a resolution stating its intent to lease instructional space under this section if the commissioner does not grant authority under this paragraph. The resolution must also certify that

the lease cost for administrative space under this paragraph is no greater than the lease cost for the district's proposed instructional lease.

(j) Notwithstanding paragraph (a), a district may levy under this subdivision for the district's proportionate share of deferred maintenance expenditures for a district-owned building or site leased to a cooperative unit under section 123A.24, subdivision 2, or a joint powers district under section 471.59 for any instructional purposes or for school storage.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 3. Minnesota Statutes 2022, section 126C.40, subdivision 6, is amended to read:

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

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

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

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

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

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

(1) Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, Independent School District No. 709, Duluth, or Independent School District No. 535, Rochester, if the district's desegregation plan has been determined by the commissioner to be in compliance with Department of Education rules relating to equality of educational opportunity and where the acquisition of property under this subdivision is determined by the commissioner to contribute to the implementation of the desegregation plan; or

(2) other districts eligible for revenue under section 124D.862 if the facility acquired under this subdivision is to be primarily used for a joint program for interdistrict desegregation and the commissioner determines that the joint programs are being undertaken to implement the districts' desegregation plan.

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

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

(g) This subdivision is subject to review and comment under section 123B.71, subdivision 8.

Sec. 4. LEASE LEVY FOR TRANSPORTATION HUB FOR EASTERN CARVER COUNTY SCHOOL DISTRICT.

Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, Independent School District No. 112, Eastern Carver County Schools, may lease a transportation hub under Minnesota Statutes, section 126C.40, subdivision 1, if the district demonstrates to the satisfaction of the commissioner of education that the transportation hub will result in significant financial savings for the school district. Levy authority under this section must not exceed the total levy authority under Minnesota Statutes, section 126C.40, subdivision 1, paragraph (e).

EFFECTIVE DATE. This section is effective for taxes payable in 2024 and later.

Sec. 5. FUND TRANSFER; BURNSVILLE-EAGAN-SAVAGE SCHOOL DISTRICT.

(a) Notwithstanding Minnesota Statutes, section 123B.51, subdivision 4, paragraph (b), or any law to the contrary, any remaining net proceeds received by the district in connection with a lease of real property that is not needed for school purposes, or part of the property that is not needed for school purposes as permitted under Minnesota Statutes, section 123B.51, subdivision 4, paragraph (a), and which the school board of Independent School District No. 191, Burnsville-Eagan-Savage, specifically identified in the district's open facilities action plan, may be deposited in the district's general unrestricted fund following the deposit of such proceeds, as required under Minnesota Statutes, section 123B.51, subdivision 4, paragraph (b).

(b) Notwithstanding Minnesota Statutes, section 123B.51, subdivision 6, paragraphs (c) to (f), or any law to the contrary, any remaining proceeds of the sale or exchange of school buildings or real property of Independent School District No. 191, Burnsville-Eagan-Savage, specifically identified in the district's open facilities action plan may be deposited in the district's general unrestricted fund following application of such proceeds, as required under Minnesota Statutes, section 123B.51, subdivision 6, paragraph (b).

EFFECTIVE DATE. This section is effective upon compliance by Independent School District No. 191, Burnsville-Eagan-Savage, with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 6. LONG-TERM FACILITIES MAINTENANCE REVENUE ADJUSTMENT.

Subdivision 1. **Eligibility.** A school board that purchases a nonschool facility and converts that facility to a school building may document to the commissioner of education, in the form and manner specified by the commissioner, that the purchase and subsequent remodeling of the facility is less expensive than constructing a new facility for the same space and is eligible for an adjustment to its long-term facilities maintenance revenue according to subdivision 2.

Subd. 2. **Inclusion in plan and revenue.** Notwithstanding Minnesota Statutes, section 123B.595, or any other law to the contrary, an eligible school district under subdivision 1 may include in its

long-term facilities maintenance ten-year plan any heating, ventilation, and air conditioning projects necessary to improve air handling performance sufficient to satisfy the requirements for a certificate of occupancy for the space for its intended use as a school facility. The Department of Education must adjust an eligible school district's long-term facilities maintenance revenue to include these costs.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to a nonschool facility purchased between January 1, 2019, and June 30, 2023.

Sec. 7. **FUND TRANSFER; MOORHEAD AREA PUBLIC SCHOOLS.**

Notwithstanding Minnesota Statutes, section 123B.595, subdivisions 10 and 11, 123B.79, or 123B.80, on June 30, 2023, Independent School District No. 152, Moorhead Area Public Schools, may permanently transfer up to \$5,000,000 from the long term facilities maintenance reserve account in the general fund to the operating capital account in the general fund. Transferred funds must be used to pay for increased costs of constructing, furnishing, and equipping the new Moorhead High School facility.

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

Sec. 8. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Debt service equalization aid.** (a) For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$	<u>24,511,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>21,351,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$2,424,000 for 2023 and \$22,087,000 for 2024.

(c) The 2025 appropriation includes \$2,454,000 for 2024 and \$18,897,000 for 2025.

Subd. 3. **Equity in telecommunications access.** (a) For equity in telecommunications access:

\$	<u>3,750,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>3,750,000</u>	<u>.....</u>	<u>2025</u>

(b) If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2024 and 2025 shall be prorated.

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

Subd. 4. **Historic school building preservation grants.** (a) For grants to school districts and the Minnesota State Academies for the Deaf and the Blind for historic school building preservation:

\$	<u>400,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>400,000</u>	<u>.....</u>	<u>2025</u>

(b) To be eligible for a grant under this subdivision, a school district or the Minnesota State Academies for the Deaf and the Blind must apply for a historic school building preservation grant in the form and manner determined by the commissioner. A grant recipient is eligible for up to \$300,000 per eligible building. For purposes of this subdivision, "eligible building" means a building that is:

- (1) currently serving elementary or secondary students; and
- (2) listed on the National Register of Historic Places.

A grant recipient must use funds received under this subdivision to properly maintain and prevent deterioration of the eligible building.

- (c) Any balance in the first year does not cancel but is available in the second year.
- (d) The base for fiscal year 2026 and later is \$1,500,000.

Subd. 5. **Long-term facilities maintenance equalized aid.** (a) For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

<u>\$</u>	<u>108,045,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>107,894,000</u>	<u>.....</u>	<u>2025</u>

- (b) The 2024 appropriation includes \$10,821,000 for 2023 and \$97,224,000 for 2024.
- (c) The 2025 appropriation includes \$10,802,000 for 2024 and \$97,092,000 for 2025.

ARTICLE 7

NUTRITION AND LIBRARIES

Section 1. Minnesota Statutes 2022, section 124D.1158, as amended by Laws 2023, chapter 18, section 2, is amended to read:

124D.1158 SCHOOL BREAKFAST PROGRAM.

Subdivision 1. **Purpose; eligibility.** (a) The purpose of the school breakfast program is to provide affordable morning nutrition to children so that they can effectively learn.

(b) A school district, charter school, nonpublic school, or other participant in the federal school breakfast program may receive state breakfast aid.

(c) Schools shall encourage all children to eat a nutritious breakfast, either at home or at school, and shall work to eliminate barriers to breakfast participation at school such as inadequate facilities and transportation.

Subd. 3. **Program reimbursement.** Each school year, the state must reimburse each participating school either:

(1) 30 cents for each reduced-price breakfast, 55 cents for each fully paid breakfast served to students in grades 1 to 12, and \$1.30 for each fully paid breakfast served to a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 124D.151, early childhood special education student participating in a program authorized under section 124D.151, or a kindergarten student; or

(2) if the school participates in the free school meals program under section 124D.111, subdivision 1c, state aid as provided in section 124D.111, subdivision 1d.

Subd. 4. **No fees.** A school that receives school breakfast aid under this section must make breakfast available without charge to all participating students in grades 1 to 12 who qualify for free or reduced-price meals and to all prekindergarten students enrolled in an approved voluntary prekindergarten program under section 124D.151, early childhood special education students participating in a program authorized under section 124D.151, and all kindergarten students.

Sec. 2. **[124D.901] SCHOOL LIBRARIES AND MEDIA CENTERS.**

A school district or charter school library or school library media center provides equitable and free access to students, teachers, and administrators.

A school library or school library media center must have the following characteristics:

(1) ensures every student has equitable access to resources and is able to locate, access, and use resources that are organized and cataloged;

(2) has a collection development plan that includes but is not limited to materials selection and deselection, a challenged materials procedure, and an intellectual and academic freedom statement;

(3) is housed in a central location that provides an environment for expanded learning and supports a variety of student interests;

(4) has technology and Internet access; and

(5) is served by a licensed school library media specialist or licensed school librarian.

Sec. 3. Minnesota Statutes 2022, section 134.355, subdivision 1, is amended to read:

Subdivision 1. **Appropriations.** (a) Basic system support aid and regional library telecommunications aid provide the appropriations for the basic regional library system.

(b) For fiscal year 2026 and later, basic system support aid equals the aid entitlement amount for the previous fiscal year times one plus the percent increase in the basic formula allowance under section 126C.10, subdivision 2, from the previous school year to the current school year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2026 and later.

Sec. 4. Minnesota Statutes 2022, section 134.355, subdivision 5, is amended to read:

Subd. 5. **Base aid distribution.** ~~Five~~ Fifteen percent of the available aid funds shall be paid to each system as base aid for basic system services.

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2024 and later.

Sec. 5. Minnesota Statutes 2022, section 134.355, subdivision 6, is amended to read:

Subd. 6. **Adjusted net tax capacity per capita distribution.** ~~Twenty-five~~ Fifteen percent of the available aid funds shall be distributed to regional public library systems based upon the adjusted net tax capacity per capita for each member county or participating portion of a county as calculated for the ~~second~~ third year preceding the fiscal year for which aid is provided. Each system's entitlement shall be calculated as follows:

~~(a)~~ (1) multiply the adjusted net tax capacity per capita for each county or participating portion of a county by .0082~~;~~;

~~(b)~~ (2) add sufficient aid funds that are available under this subdivision to raise the amount of the county or participating portion of a county with the lowest value calculated according to ~~paragraph (a)~~ clause (1) to the amount of the county or participating portion of a county with the next highest value calculated according to ~~paragraph (a)~~ clause (1). Multiply the amount of the additional aid funds by the population of the county or participating portion of a county~~;~~;

~~(c)~~ (3) continue the process described in ~~paragraph (b)~~ clause (2) by adding sufficient aid funds that are available under this subdivision to the amount of a county or participating portion of a county with the next highest value calculated in ~~paragraph (a)~~ clause (1) to raise it and the amount of counties and participating portions of counties with lower values calculated in ~~paragraph (a)~~ clause (1) up to the amount of the county or participating portion of a county with the next highest value, until reaching an amount where funds available under this subdivision are no longer sufficient to raise the amount of a county or participating portion of a county and the amount of counties and participating portions of counties with lower values up to the amount of the next highest county or participating portion of a county~~;~~ and

~~(d)~~ (4) if the point is reached using the process in ~~paragraphs (b) and (c)~~ clauses (2) and (3) at which the remaining aid funds under this subdivision are not adequate for raising the amount of a county or participating portion of a county and all counties and participating portions of counties with amounts of lower value to the amount of the county or participating portion of a county with the next highest value, those funds are to be divided on a per capita basis for all counties or participating portions of counties that received aid funds under the calculation in ~~paragraphs (b) and (c)~~ clauses (2) and (3).

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2024 and later.

Sec. 6. Minnesota Statutes 2022, section 134.355, subdivision 7, is amended to read:

Subd. 7. **Population determination.** A regional public library system's population shall be determined according to must be calculated using the most recent estimate available under section 477A.011, subdivision 3, at the time the aid amounts are calculated, which must be by April 1 in the year the calculation is made.

EFFECTIVE DATE. This section is effective for state aid for fiscal year 2024 and later.

Sec. 7. [134.356] SCHOOL LIBRARY AID.

Subdivision 1. **School library aid.** For fiscal year 2024 and later, school library aid for a district or charter school equals the greater of \$15 times the district's adjusted pupil units for the school year or \$50,000.

Subd. 2. **Uses of school library aid.** School library aid must be reserved and used for directly funding the costs of the following purposes within a library:

- (1) the salaries and benefits of a school library media specialist;
- (2) electronic, computer, and audiovisual equipment;
- (3) information technology infrastructure and digital tools;
- (4) electronic and material resources; or
- (5) furniture, equipment, or supplies.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 8. Laws 2023, chapter 18, section 4, subdivision 2, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, including the amounts for the free school meals program:

	190,863,000		
\$	<u>190,897,000</u>	.....	2024
	197,902,000		
\$	<u>197,936,000</u>	.....	2025

Sec. 9. Laws 2023, chapter 18, section 4, subdivision 3, is amended to read:

Subd. 3. **School breakfast.** For school breakfast aid under Minnesota Statutes, section 124D.1158:

	25,731,000		
\$	<u>25,912,000</u>	.....	2024
	26,538,000		
\$	<u>26,719,000</u>	.....	2025

Sec. 10. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	<u>659,000</u>	.....	2024
\$	<u>659,000</u>	.....	2025

Subd. 3. **Summer school food service replacement.** For summer school food service replacement aid under Minnesota Statutes, section 124D.119:

\$	<u>150,000</u>	.....	<u>2024</u>
\$	<u>150,000</u>	.....	<u>2025</u>

Subd. 4. **Basic system support.** (a) For basic system support aid under Minnesota Statutes, section 134.355:

\$	<u>17,570,000</u>	.....	<u>2024</u>
\$	<u>17,570,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$1,357,000 for 2023 and \$16,213,000 for 2024.

(c) The 2025 appropriation includes \$1,801,000 for 2024 and \$15,769,000 for 2025.

Subd. 5. **Electronic library for Minnesota.** For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

\$	<u>900,000</u>	.....	<u>2024</u>
\$	<u>900,000</u>	.....	<u>2025</u>

Subd. 6. **Licensed library media specialists.** (a) For aid to multicounty, multitype library systems to increase the number of licensed library media specialists:

\$	<u>1,000,000</u>	.....	<u>2024</u>
\$	<u>0</u>	.....	<u>2025</u>

(b) The aid awarded under this subdivision must be used for activities associated with increasing the number of licensed library media specialists, including but not limited to conducting a census of licensed library media specialists currently working in Minnesota schools, conducting a needs-based assessment to identify gaps in licensed library media specialist services, providing professional development opportunities for licensed library media specialists, and providing tuition support to candidates seeking to attain school library media specialist licensure.

(c) This is a onetime appropriation.

Subd. 7. **Multicounty, multitype library systems.** (a) For aid under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$	<u>2,000,000</u>	.....	<u>2024</u>
\$	<u>2,000,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$130,000 for 2023 and \$1,870,000 for 2024.

(c) The 2025 appropriation includes \$207,000 for 2024 and \$1,793,000 for 2025.

Subd. 8. **Regional library telecommunications.** (a) For regional library telecommunications aid under Minnesota Statutes, section 134.355:

\$	<u>2,300,000</u>	<u>2024</u>
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\$ 2,300,000 2025

(b) The 2024 appropriation includes \$230,000 for 2023 and \$2,070,000 for 2024.

(c) The 2025 appropriation includes \$230,000 for 2024 and \$2,070,000 for 2025.

Subd. 9. **School library aid.** (a) For school library aid under Minnesota Statutes, section 134.356:

\$ 28,066,000 2024

\$ 31,207,000 2025

(b) The 2024 appropriation includes \$0 for 2023 and \$28,066,000 for 2024.

(c) The 2025 appropriation includes \$3,119,000 for 2024 and \$28,088,000 for 2025.

ARTICLE 8

EARLY EDUCATION

Section 1. Minnesota Statutes 2022, section 119A.52, is amended to read:

119A.52 DISTRIBUTION OF APPROPRIATION.

(a) The commissioner of education must distribute money appropriated for that purpose to federally designated Head Start programs to expand services and to serve additional low-income children. ~~Migrant and Indian reservation programs must be initially allocated money based on the programs' share of federal funds.~~ which may include costs associated with program operations, infrastructure, or reconfiguration to serve children from birth to age five in center-based services. The distribution must occur in the following order: (1) 10.72 percent of the total Head Start appropriation must be initially allocated to federally designated Tribal Head Start programs; (2) the Tribal Head Start portion of the appropriation must be initially allocated to Tribal Head Start programs based on the programs' share of federal funds; and (3) migrant programs must be initially allocated funding based on the programs' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A Head Start program must be funded at a per child rate equal to its contracted, federally funded base level at the start of the fiscal year. For all agencies without a federal Early Head Start rate, the state average federal cost per child for Early Head Start applies. In allocating funds under this paragraph, the commissioner of education must assure that each Head Start program in existence in 1993 is allocated no less funding in any fiscal year than was allocated to that program in fiscal year 1993. Before paying money to the programs, the commissioner must notify each program of its initial allocation and how the money must be used. Each program must present a plan under section 119A.535. For any program that cannot utilize its full allocation at the beginning of the fiscal year, the commissioner must reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible programs.

(b) The commissioner must develop procedures to make payments to programs based upon the number of children reported to be enrolled during the required time period of program operations. Enrollment is defined by federal Head Start regulations. The procedures must include a reporting

schedule, corrective action plan requirements, and financial consequences to be imposed on programs that do not meet full enrollment after the period of corrective action. Programs reporting chronic underenrollment, as defined by the commissioner, will have their subsequent program year allocation reduced proportionately. Funds made available by prorating payments and allocations to programs with reported underenrollment will be made available to the extent funds exist to fully enrolled Head Start programs through a form and manner prescribed by the department.

(c) Programs with approved innovative initiatives that target services to high-risk populations, including homeless families and families living in homeless shelters and transitional housing, are exempt from the procedures in paragraph (b). This exemption does not apply to entire programs. The exemption applies only to approved innovative initiatives that target services to high-risk populations, including homeless families and families living in homeless shelters, transitional housing, and permanent supportive housing.

Sec. 2. Minnesota Statutes 2022, section 121A.19, is amended to read:

121A.19 DEVELOPMENTAL SCREENING AID.

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~\$75~~ \$98 for a child screened at age three; (2) ~~\$50~~ \$65 for a child screened at age four; (3) ~~\$40~~ \$52 for a child screened at age five or six prior to kindergarten; and (4) ~~\$30~~ \$39 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

Sec. 3. Minnesota Statutes 2022, section 124D.151, subdivision 6, is amended to read:

Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (e).

(b) In reviewing applications under subdivision 5, the commissioner must limit the total number of participants in the voluntary prekindergarten and school readiness plus programs under Laws 2017, First Special Session chapter 5, article 8, section 9, to not more than 7,160 participants ~~for fiscal years 2019, 2020, 2021, 2022, and 2023, and 3,160 participants for fiscal years 2024 and later~~ per fiscal year.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 4. Minnesota Statutes 2022, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:

(1) have an eligible child; and

(2) have income equal to or less than ~~185~~ 200 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or Child and Adult Care Food Program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212.

(b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

~~(1) at least three but not yet five years of age on September 1 of the current school year;~~

~~(2) a sibling from birth to age five of a child who has been awarded a scholarship under this section provided the sibling attends the same program as long as funds are available;~~

~~(3) the child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; or~~

~~(4) homeless, in foster care, or in need of child protective services.~~

(c) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

(d) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

(e) A child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district, and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

Sec. 5. Minnesota Statutes 2022, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs. The commissioner must give highest priority to applications from children who:

(1) have a parent under age 21 who is pursuing a high school diploma or a course of study for a high school equivalency test;

(2) are in foster care ~~or otherwise in need of protection or services; or;~~

(3) have been referred as in need of child protection services;

(4) have an incarcerated parent;

(5) have a parent in a substance use treatment program;

(6) have a parent in a mental health treatment program;

(7) have experienced domestic violence;

(8) have family income less than or equal to 185 percent of federal poverty level income in the current calendar year; or

~~(8)~~ (9) have experienced homelessness in the last 24 months, as defined under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

The commissioner may prioritize applications on additional factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

(b) The commissioner shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.02.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ten months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child who receives a scholarship who has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program or within 90 days after the child's third birthday if awarded a scholarship under the age of three.

(f) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled

under paragraph (c) according to the metered payment system or another schedule established by the commissioner.

Sec. 6. Minnesota Statutes 2022, section 126C.10, subdivision 2d, is amended to read:

Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the formula allowance for that year and (2) the difference between the adjusted pupil units for the preceding year and the adjusted pupil units for the current year.

~~(b) Notwithstanding paragraph (a), for fiscal year 2024 only, prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be excluded from the calculation of declining enrollment revenue.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 7. **VOLUNTARY PREKINDERGARTEN AND SCHOOL READINESS PLUS LEVY ADJUSTMENT.**

Subdivision 1. **Levy calculation adjustment.** Each year, the Department of Education must calculate each school district's levy, with and without a school district's portion of the 4,000 voluntary prekindergarten and school readiness plus participants that are included in the school district's levy calculations, and determine the difference for each school district. The difference must be provided to each school district in state aid.

Subd. 2. **Levy certification.** Each year, the Department of Education must calculate each school district's certified levies for the year, excluding 4,000 voluntary prekindergarten and school readiness plus participants.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 8. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$	<u>4,350,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>4,375,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$349,000 for 2023 and \$4,001,000 for 2024.

(c) The 2025 appropriation includes \$445,000 for 2024 and \$3,930,000 for 2025.

Subd. 3. **Early childhood family education aid.** (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	<u>37,497,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>40,743,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$3,518,000 for 2023 and \$33,979,000 for 2024.

(c) The 2025 appropriation includes \$3,775,000 for 2024 and \$36,968,000 for 2025.

Subd. 4. **Early childhood programs at Tribal contract schools.** (a) For early childhood family education programs at Tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

\$	<u>68,000</u>	.....	<u>2024</u>
\$	<u>68,000</u>	.....	<u>2025</u>

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

Subd. 5. **Early childhood teacher shortage.** (a) For grants to Minnesota institutions of higher education to address the early childhood education teacher shortage:

\$	<u>490,000</u>	.....	<u>2024</u>
\$	<u>490,000</u>	.....	<u>2025</u>

(b) Grant funds may be used to provide tuition and other supports to students.

(c) Up to five percent of the grant amount is available for grant administration and monitoring.

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

(e) The base for fiscal year 2026 and later is \$700,000.

Subd. 6. **Early learning scholarships.** (a) For the early learning scholarship program under Minnesota Statutes, section 124D.165:

\$	<u>205,968,000</u>	.....	<u>2024</u>
\$	<u>205,969,000</u>	.....	<u>2025</u>

(b) This appropriation is subject to the requirements under Minnesota Statutes, section 124D.165, subdivision 6.

(c) The base for fiscal year 2026 and later is \$105,974,000.

Subd. 7. **Educate parents partnership.** (a) For the educate parents partnership under Minnesota Statutes, section 124D.129:

\$	<u>49,000</u>	.....	<u>2024</u>
\$	<u>49,000</u>	.....	<u>2025</u>

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

Subd. 8. **Head Start program.** (a) For Head Start programs under Minnesota Statutes, section 119A.52:

\$	<u>35,100,000</u>	.....	<u>2024</u>
\$	<u>35,100,000</u>	.....	<u>2025</u>

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

Subd. 9. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section 124D.135:

<u>\$</u>	<u>391,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>309,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$41,000 for 2023 and \$350,000 for 2024.

(c) The 2025 appropriation includes \$38,000 for 2024 and \$271,000 for 2025.

Subd. 10. **Kindergarten entrance assessment initiative and intervention program.** (a) For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

<u>\$</u>	<u>281,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>281,000</u>	<u>.....</u>	<u>2025</u>

(b) The base for fiscal year 2026 is \$0.

Subd. 11. **Learning with Music program.** (a) For a grant to the MacPhail Center for Music to expand the Learning with Music program:

<u>\$</u>	<u>250,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>250,000</u>	<u>.....</u>	<u>2025</u>

(b) The MacPhail Center for Music must use the grant funds received under this subdivision to:

(1) expand direct programming to four early childhood center locations in each year of the grant, with a focus on meeting the needs of children experiencing economic hardship in the metropolitan area; and

(2) create and deliver professional development training opportunities to early childhood educators statewide, both online and in person, that are based on current successful elements of the Learning with Music program.

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

(d) The base for fiscal year 2026 is \$0.

Subd. 12. **ParentChild+ program.** For a grant to the ParentChild+ program:

<u>\$</u>	<u>1,800,000</u>	<u>.....</u>	<u>2024</u>
<u>\$</u>	<u>1,800,000</u>	<u>.....</u>	<u>2025</u>

(b) The grant must be used for an evidence-based and research-validated early childhood literacy and school readiness program for children ages 16 months to four years at its existing suburban program location. The program must include urban and rural program locations for fiscal years 2024 and 2025.

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

Subd. 13. **Quality rating and improvement system.** (a) For transfer to the commissioner of human services for the purposes of expanding the quality rating and improvement system under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for providers participating in the quality rating and improvement system:

\$	<u>1,750,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>1,750,000</u>	<u>.....</u>	<u>2025</u>

(b) The amounts in paragraph (a) must be in addition to any federal funding under the child care and development block grant authorized under Public Law 101-508 in that year for the system under Minnesota Statutes, section 124D.142.

Subd. 14. **Reach Out and Read Minnesota.** (a) For a grant to Reach Out and Read Minnesota to establish a statewide plan that encourages early childhood development through a network of health care clinics:

\$	<u>250,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>250,000</u>	<u>.....</u>	<u>2025</u>

(b) The grant recipient must develop and implement a plan that includes:

(1) integrating children's books and parent education into well-child visits;

(2) creating literacy-rich environments at health care clinics by providing books to clinics for visits outside of Reach Out and Read Minnesota parameters, for waiting room use, or for volunteer readers to model read-aloud techniques for parents where possible;

(3) working with public health clinics, federally qualified health centers, Tribal sites, community health centers, and clinics that belong to health care systems, as well as independent clinics in underserved areas; and

(4) training medical professionals on discussing the importance of early literacy with parents of infants, toddlers, and preschoolers.

(c) The grant recipient must fully implement the plan on a statewide basis by 2030.

Subd. 15. **School readiness.** (a) For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

\$	<u>33,683,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>33,683,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$3,368,000 for 2023 and \$30,315,000 for 2024.

(c) The 2025 appropriation includes \$3,368,000 for 2024 and \$30,315,000 for 2025.

ARTICLE 9

COMMUNITY EDUCATION AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2022, section 124D.20, subdivision 3, is amended to read:

Subd. 3. **General community education revenue.** The general community education revenue for a district equals ~~\$5.23 for fiscal years 2005 and 2006 and~~ \$5.42 for fiscal year 2007 through fiscal year 2024 and \$7.00 for fiscal year 2025 and later, times the greater of 1,335 or the population of the district. The population of the district is determined according to section 275.14.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 2. Minnesota Statutes 2022, section 124D.20, subdivision 5, is amended to read:

Subd. 5. **Total community education levy.** To obtain total community education revenue, a district may levy the amount raised by a maximum tax rate of 0.94 percent through fiscal year 2024, 0.409 percent in fiscal year 2025, 0.3687 percent in fiscal year 2026, and 0.35 percent in fiscal year 2027 and later, times the adjusted net tax capacity of the district. If the amount of the total community education levy would exceed the total community education revenue, the total community education levy shall be determined according to subdivision 6.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 3. Minnesota Statutes 2022, section 124D.2211, is amended to read:

124D.2211 AFTER-SCHOOL COMMUNITY LEARNING PROGRAMS.

Subdivision 1. **Establishment.** A competitive statewide after-school community learning grant program is established to provide grants to ~~community or nonprofit organizations, political subdivisions, for-profit or nonprofit child care centers, or school-based programs that serve~~ support eligible organizations to provide culturally affirming and enriching after-school and summer learning programs for school-age youth after school or during nonschool hours. Grants must be used to offer a broad array of academic enrichment activities that promote positive after-school and summer learning activities, including art, music, community engagement, literacy, science, technology, engineering, math, health, and recreation programs. The commissioner shall develop criteria for after-school community learning programs that promote partnerships and active collaboration with the schools that participating students attend. The commissioner may award grants under this section to community or nonprofit organizations, culturally specific organizations, American Indian organizations, Tribal Nations, political subdivisions, public libraries, or school-based programs that serve youth after school, during the summer, or during nonschool hours.

Subd. 2. **~~Program outcomes Objectives.~~** The ~~expected outcomes~~ objectives of the after-school community learning programs are to ~~increase~~:

- (1) ~~school connectedness of participants;~~
- (2) ~~academic achievement of participating students in one or more core academic areas;~~
- (3) ~~the capacity of participants to become productive adults; and~~

~~(4) prevent truancy from school and prevent juvenile crime.~~

(1) increase access to comprehensive and culturally affirming after-school and summer learning and enrichment opportunities that meet the academic, social, and emotional needs of historically underserved students;

(2) promote engagement in learning and connections to school and community; and

(3) encourage school attendance and improve academic performance.

Subd. 3. **Grants.** (a) An applicant shall must submit an after-school community learning program proposal to the commissioner. The submitted plan proposal must include:

~~(1) collaboration with and leverage of existing community resources that have demonstrated effectiveness;~~

~~(2) outreach to children and youth; and~~

~~(3) involvement of local governments, including park and recreation boards or schools, unless no government agency is appropriate.~~

~~Proposals will be reviewed and approved by the commissioner.~~

(1) an assessment of the needs and available resources for the after-school community learning program and a description of how the proposed program will address the needs identified, including how students and families were engaged in the process;

(2) a description of the partnership between a school and another eligible entity;

(3) an explanation of how the proposal will support the objectives identified in subdivision 2, including the use of best practices;

(4) a plan to implement effective after-school and summer learning practices and provide staff access to professional development opportunities; and

(5) a description of the data they will use to evaluate the impact of the program.

(b) The commissioner must review proposals and award grants to programs that:

(1) primarily serve historically underserved students; and

(2) provide opportunities for academic enrichment and a broad array of additional services and activities to meet program objectives.

(c) To the extent practicable, the commissioner must award grants equitably among the geographic areas of Minnesota, including rural, suburban, and urban communities.

Subd. 4. **Technical assistance and continuous improvement.** (a) The commissioner must monitor and evaluate the performance of grant recipients to assess the effectiveness of after-school community learning programs in meeting the objectives identified in subdivision 2.

(b) The commissioner must provide technical assistance, capacity building, and professional development to grant recipients, including guidance on effective practices for after-school and summer learning programs.

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

Sec. 4. Minnesota Statutes 2022, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

(2) the greater of 1.00 or the lesser of:

(i) 1.03; or

(ii) the average growth in state total contact hours over the prior ten program years.

Three percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2024 and later.

Sec. 5. Minnesota Statutes 2022, section 124D.531, subdivision 4, is amended to read:

Subd. 4. **Adult basic education program aid limit.** (a) Notwithstanding subdivisions 2 and 3, the total adult basic education aid for a program per prior year contact hour must not exceed ~~\$22~~ \$30 per prior year contact hour computed under subdivision 3, clause (2).

(b) The aid for a program under subdivision 3, clause (2), adjusted for changes in program membership, must not exceed the aid for that program under subdivision 3, clause (2), for the first preceding fiscal year by more than the greater of 11 percent or \$10,000.

(c) Adult basic education aid is payable to a program for unreimbursed costs occurring in the program year as defined in section 124D.52, subdivision 3.

(d) Any adult basic education aid that is not paid to a program because of the program aid limitation under paragraph (a) must be added to the state total adult basic education aid for the next fiscal year under subdivision 1. Any adult basic education aid that is not paid to a program because of the program aid limitations under paragraph (b) must be reallocated among programs by adjusting the rate per contact hour under subdivision 3, clause (2).

Sec. 6. Minnesota Statutes 2022, section 124D.55, is amended to read:

124D.55 COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY TEST FEES.

(a) The commissioner shall pay 60 percent of the fee that is charged to an eligible individual for the full battery of the commissioner-selected high school equivalency tests, but not more than \$40 for an eligible individual.

(b) Notwithstanding paragraph (a), for fiscal years ~~2020 and 2021~~ 2023 through 2027 only, subject to the availability of funds, the commissioner shall pay 100 percent of the fee charged to an eligible individual for the full battery of the commissioner-selected high school equivalency tests, but not more than the cost of one full battery of tests per year for any individual.

Sec. 7. Minnesota Statutes 2022, section 124D.56, is amended to read:

124D.56 COMMUNITY EDUCATION PROGRAM REVENUE; ADULTS WITH DISABILITIES.

Subdivision 1. **Revenue amount.** A district that is eligible according to section 124D.20, subdivision 2, may receive revenue for a program for adults with disabilities. Revenue for the program for adults with disabilities for a district ~~or a group of districts~~ equals the lesser of:

(1) the actual expenditures for approved programs and budgets; or

(2) \$60,000 the greater of (i) \$0.67 times the population of the school district as determined according to section 275.14, or (ii) the district's adults with disabilities revenue for fiscal year 2023. If the district does not levy the entire amount permitted, the district's adults with disabilities aid is reduced in proportion to the actual amount levied.

Subd. 2. **Aid.** Program aid for adults with disabilities equals the ~~lesser of:~~

~~(1) one-half of the actual expenditures for approved programs and budgets; or~~

~~(2) \$30,000 difference between the district's adults with disabilities revenue and the district's adults with disabilities levy.~~

Subd. 3. **Levy.** A district may levy for a program for adults with disabilities in an amount up to the amount designated in subdivision 2. In the case of a program offered by a group of districts, the levy amount must be apportioned among the districts according to the agreement submitted to the department. not to exceed the greater of:

(1) the district's revenue under subdivision 1; or

(2) the product of a tax rate not to exceed .006 percent in fiscal year 2025, .0053 percent in fiscal year 2026, and .005 percent in fiscal year 2027 and later, times the district's adjusted net tax capacity for the year prior to the year the levy is certified.

Subd. 4. **Outside revenue.** A district may receive money from public or private sources to supplement revenue for the program for adults with disabilities. Aid may not be reduced as a result of receiving money from these sources.

Subd. 5. **Use of revenue.** Revenue for the program for adults with disabilities may be used only to provide programs for adults with disabilities.

Subd. 6. **Cooperation encouraged.** A school district offering programming for adults with disabilities is encouraged to provide programming in cooperation with other school districts and other public and private organizations providing services to adults with disabilities.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2025 and later.

Sec. 8. Minnesota Statutes 2022, section 124D.99, subdivision 2, is amended to read:

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

(b) ~~"Tier 1 grant"~~ "Neighborhood partnership grant" means a sustaining grant for the ongoing operation, stability, and expansion of existing education partnership program locations serving a defined geographic area within a single municipality.

(c) ~~"Tier 2 grant"~~ "Regional neighborhood partnership grant" means an implementation grant for ~~expanding activity in~~ the ongoing operation, stability, and expansion of activity of existing education partnership program locations serving a defined geographic area encompassing an entire municipality or part of or all of multiple municipalities.

Sec. 9. Minnesota Statutes 2022, section 124D.99, subdivision 3, is amended to read:

Subd. 3. **Administration; design.** (a) The commissioner shall establish program requirements, an application process and timeline for each ~~tier of grants~~ grant specified in subdivision 4, criteria for evaluation of applications, and a grant awards process. The commissioner's process must minimize administrative costs, minimize burdens for applicants and grant recipients, and provide a framework that permits flexibility in program design and implementation among grant recipients.

(b) To the extent practicable, the commissioner shall design the program to align with programs implemented or proposed by organizations in Minnesota that:

(1) identify and increase the capacity of organizations that are focused on achieving data-driven, locally controlled positive outcomes for children and youth throughout an entire neighborhood or geographic area through programs such as Strive Together, Promise Neighborhood, and the Education Partnerships Coalition members;

(2) build a continuum of educational family and community supports with academically rigorous schools at the center;

(3) maximize program efficiencies by integrating programmatic activities and eliminating administrative barriers;

(4) develop local infrastructure needed to sustain and scale ~~up~~ proven and effective solutions beyond the initial neighborhood or geographic area;

(5) utilize appropriate outcome measures based on unique community needs and interests and apply rigorous evaluation on a periodic basis to be used to both monitor outcomes and allow for continuous improvements to systems;

(6) collect and utilize data to improve student outcomes;

(7) share disaggregated performance data with the community to set community-level outcomes;

(8) employ continuous improvement processes;

(9) have a Tribal entity, community foundation, higher education institution, or community-based organization as an anchor entity managing the partnership;

(10) convene a cross-sector leadership group and have a documented accountability structure; and

(11) demonstrate use of nonstate funds, from multiple sources, including in-kind contributions.

(c) A grant recipient's supportive services programming must address:

(1) kindergarten readiness and youth development;

(2) grade 3 reading proficiency;

(3) middle school mathematics;

(4) high school graduation;

(5) postsecondary educational enrollment;

(6) postsecondary education completion or attainment;

(7) physical and mental health;

(8) development of career skills and readiness;

(9) parental engagement and development;

(10) community engagement and programmatic alignment; and

(11) reduction of remedial education.

(d) The commissioner, in consultation with grant recipients, must:

(1) develop and revise core indicators of progress toward outcomes specifying impacts ~~for each tier~~ identified under subdivision 4;

(2) establish a reporting system for grant recipients to measure program outcomes using data sources and program goals; and

(3) evaluate effectiveness based on the core indicators established by each partnership ~~for each tier~~.

Sec. 10. Minnesota Statutes 2022, section 124D.99, subdivision 5, is amended to read:

Subd. 5. **Grants.** The commissioner shall award ~~Tier 1 and Tier 2~~ grants to qualifying recipients that can demonstrate a nonstate source of funds, including in-kind contributions.

Sec. 11. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Adult basic education aid.** (a) For adult basic education aid under Minnesota Statutes, section 124D.531:

\$	<u>51,763,000</u>	.....	<u>2024</u>
\$	<u>51,758,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$5,179,000 for 2023 and \$46,584,000 for 2024.

(c) The 2025 appropriation includes \$5,175,000 for 2024 and \$46,583,000 for 2025.

Subd. 3. **Adults with disabilities program aid.** (a) For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	<u>710,000</u>	.....	<u>2024</u>
\$	<u>2,881,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$71,000 for 2023 and \$639,000 for 2024.

(c) The 2025 appropriation includes \$71,000 for 2024 and \$2,171,000 for 2025.

Subd. 4. **After school community learning grant program.** (a) For grants for after school community learning programs in accordance with Minnesota Statutes, section 124D.2211:

\$	<u>40,000,000</u>	.....	<u>2024</u>
\$	<u>0</u>	.....	<u>2025</u>

(b) Of this amount, a portion may be used for a contract with Ignite Afterschool to build out a state-wide system of support for continuous improvement.

(c) Up to \$2,250,000 is available for grant administration, monitoring, providing technical assistance, and program evaluation.

(d) This is a onetime appropriation and is available until June 30, 2027.

Subd. 5. **Community education aid.** (a) For community education aid under Minnesota Statutes, section 124D.20:

\$	<u>98,000</u>	.....	<u>2024</u>
\$	<u>8,684,000</u>	.....	<u>2025</u>

(b) The 2024 appropriation includes \$14,000 for 2023 and \$84,000 for 2024.

(c) The 2025 appropriation includes \$9,000 for 2024 and \$8,675,000 for 2025.

Subd. 6. **Deaf, deafblind, and hard-of-hearing adults.** For programs for deaf, deafblind, and hard-of-hearing adults under Minnesota Statutes, section 124D.57:

\$	<u>70,000</u>	.....	<u>2024</u>
\$	<u>70,000</u>	.....	<u>2025</u>

Subd. 7. **High school equivalency tests.** (a) For payment of the costs of the commissioner-selected high school equivalency tests under Minnesota Statutes, section 124D.55:

\$	<u>615,000</u>	.....	<u>2024</u>
\$	<u>125,000</u>	.....	<u>2025</u>

(b) Of the amounts in paragraph (a), \$490,000 in fiscal year 2024 is available until June 30, 2027.

Subd. 8. **Minnesota Alliance of Boys and Girls Clubs.** (a) For a grant to the Minnesota Alliance of Boys and Girls Clubs to support the establishment and expansion of Boys and Girls Clubs in Minnesota beyond existing service areas to support after-school and summer programming that address learning loss:

\$	<u>2,500,000</u>	.....	<u>2024</u>
\$	<u>2,500,000</u>	.....	<u>2025</u>

(b) The grant recipient must take into consideration multiple factors, including need, feasibility, and community engagement when determining where to establish and expand Boys and Girls Clubs programming. Need may be analyzed using available data from the department. Feasibility must be determined by proximity to supporting organizations, staffing capabilities, and access to adequate facilities. The grant recipient must take into consideration community engagement and interest in programming as important elements for the desired sustainability of programming beyond the project's funding period.

(c) To receive a grant under this section, the Minnesota Alliance of Boys and Girls Clubs must receive a 25 percent match from nonstate funds.

(d) The base in fiscal year 2026 is \$0.

Subd. 9. **Neighborhood partnership grants.** (a) For neighborhood partnership grants under Minnesota Statutes, section 124D.99:

\$	<u>2,600,000</u>	.....	<u>2024</u>
\$	<u>2,600,000</u>	.....	<u>2025</u>

(b) Of the amounts in paragraph (a), \$1,300,000 each year is for the Northside Achievement Zone and \$1,300,000 each year is for the St. Paul Promise Neighborhood.

Subd. 10. **Regional neighborhood partnership grants.** (a) For regional neighborhood partnership grants under Minnesota Statutes, section 124D.99:

\$	<u>2,100,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>2,100,000</u>	<u>.....</u>	<u>2025</u>

(b) Of the amounts in paragraph (a), \$300,000 each year is for the following programs:

- (1) Northfield Healthy Community Initiative in Northfield;
- (2) Red Wing Youth Outreach Program in Red Wing;
- (3) United Way of Central Minnesota in St. Cloud;
- (4) Austin Aspires in Austin;
- (5) Rochester Area Foundation in Rochester;
- (6) Greater Twin Cities United Way for Generation Next; and
- (7) Children First and Partnership for Success in St. Louis Park.

Subd. 11. **School-age care aid.** (a) For school-age care aid under Minnesota Statutes, section 124D.22:

\$	<u>1,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>1,000</u>	<u>.....</u>	<u>2025</u>

(b) The 2024 appropriation includes \$0 for 2023 and \$1,000 for 2024.

(c) The 2025 appropriation includes \$0 for 2024 and \$1,000 for 2025.

ARTICLE 10

STATE AGENCIES

Section 1. [121A.20] LICENSED SCHOOL NURSE.

Subdivision 1. **Purpose and duties.** (a) The Department of Education must employ a school health services specialist to:

(1) provide technical assistance to school districts and charter schools for the education-related health needs of students;

(2) serve as the primary source of information and support for schools in addressing emergency readiness, public health, and the needs of children and youth with acute and chronic health conditions and related disorders; and

(3) serve as the primary liaison to the Department of Health and other state agencies to coordinate school-based, health-related services for students.

(b) The school health services specialist's duties include:

(1) increasing professional awareness and competencies of school nurses and other specialized instructional support personnel, using the competencies defined in the most recent edition of the document jointly prepared by the American Nurses Association and the National Association of School Nurses identified as "School Nursing; Scope and Standards of Practice" to meet the educational needs of students with acute or chronic health conditions or students identified with risk characteristics associated with health and mental health;

(2) developing implementation guidance to assist general education and special education teachers in (i) recognizing health-related educational needs of children and youth, and (ii) improving students' attendance and full participation in instruction and other school activities;

(3) developing implementation guidance to assist teachers, specialized instructional support personnel, and school administrators in prevention of and intervention with health-harming behavior and mental health; and

(4) increasing the availability of online and asynchronous professional development programs and materials for school staff.

Subd. 2. **Definition.** For purposes of this section, "health services specialist" means a professional registered nurse who:

(1) is licensed as a public health nurse in Minnesota;

(2) is licensed as a school nurse in Minnesota;

(3) has a minimum of three years of experience in school nursing services or as a public health nurse serving schools;

(4) has experience in managing a districtwide health policy, overseeing a budget, and supervising personnel; and

(5) has a graduate degree in nursing, public health, education, or a related field.

Subd. 3. **Requirements for position.** The Department of Education's school health services specialist must be highly trained in school nursing, which includes knowledge about child growth and development; public health; health education; and special education with a focus on the impact of health on learning, comprehensive assessment of learning-related health using interventions that are evidence-based, and documentation and evaluation of child health knowledge, skills, status, and education implications. The specialist must have knowledge of section 504 plans, health insurance and third-party reimbursement, health privacy, and emergency preparedness. The specialist must also have skills in interdisciplinary collaboration, policy development, parent involvement, health teaching and learning, and staff development.

Sec. 2. Minnesota Statutes 2022, section 121A.582, subdivision 1, is amended to read:

Subdivision 1. **Reasonable force standard.** (a) A teacher or school principal, in exercising the person's lawful authority, may use reasonable force when it is necessary under the circumstances to correct or restrain a student ~~or~~ to prevent imminent bodily harm or death to the student or to another.

(b) A school employee, school bus driver, or other agent of a district, in exercising the person's lawful authority, may use reasonable force when it is necessary under the circumstances to restrain a student ~~or~~ to prevent bodily harm or death to the student or to another.

(c) Paragraphs (a) and (b) do not authorize conduct prohibited under section 125A.0942.

(d) Districts must report data on their use of any reasonable force used on a student with a disability to correct or restrain the student to prevent imminent bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c), as outlined in section 125A.0942, subdivision 3, paragraph (b).

(e) Beginning with the 2024-2025 school year, districts must report annually by July 15, in a form and manner determined by the commissioner, data from the prior school year about any reasonable force used on a general education student to correct or restrain the student to prevent imminent bodily harm or death to the student or another that is consistent with the definition of physical holding under section 125A.0941, paragraph (c).

Sec. 3. Minnesota Statutes 2022, section 124D.13, is amended by adding a subdivision to read:

Subd. 12a. **Support staff.** (a) The department must employ two full-time equivalent staff to serve as resources for programs described in this section. The staff persons must provide operational support and guidance to programs, including but not limited to providing professional development and education support, assisting with marketing and outreach, and facilitating collaborations with public and private organizations serving families.

(b) Each staff person described in this subdivision must hold a valid license as a teacher of parent and family education.

Sec. 4. Minnesota Statutes 2022, section 125A.71, subdivision 1, is amended to read:

Subdivision 1. **Rental income; appropriation.** ~~Rental income, excluding rent for land and living residences,~~ must be deposited in the state treasury and credited to a revolving fund of the academies. Money in the revolving fund for rental income is annually appropriated to the academies for staff development purposes. Payment from the revolving fund for rental income may be made only according to vouchers authorized by the administrator of the academies.

Sec. 5. **[127A.21] OFFICE OF THE INSPECTOR GENERAL.**

Subdivision 1. **Establishment of Office of the Inspector General; powers; duties.** The commissioner must establish within the department an Office of the Inspector General. The Office of the Inspector General is charged with protecting the integrity of the department and the state by detecting and preventing fraud, waste, and abuse in department programs. The Office of the Inspector General must conduct independent and objective investigations to promote the integrity of the department's programs and operations. When fraud or other misuse of public funds is detected, the Office of the Inspector General must report it to the appropriate law enforcement entity and collaborate and cooperate with law enforcement to assist in the investigation and any subsequent civil and criminal prosecution.

Subd. 2. **Data practices; hiring; reporting.** The Office of the Inspector General has access to all program data, regardless of classification under chapter 13, held by the department, school districts or charter schools, grantees, and any other recipient of funds from the department. The commissioner, or the commissioner's designee, must hire an inspector general to lead the Office of the Inspector General. The inspector general must hire a deputy inspector general and, at the discretion of the inspector general, sufficient assistant inspectors general to carry out the duties of the office. In a form and manner determined by the inspector general, the Office of the Inspector General must develop a public platform for the public to report instances of potential fraud, waste, or abuse of public funds administered by the department.

Sec. 6. Laws 2021, First Special Session chapter 13, article 11, section 4, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

\$	30,837,000	.....	2022
	<u>26,287,000</u>		
\$	<u>25,187,000</u>	.....	2023

Of these amounts:

- (1) \$319,000 each year is for the Board of School Administrators;
 - (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;
 - (3) \$250,000 each year is for the School Finance Division to enhance financial data analysis;
 - (4) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended;
 - (5) \$123,000 each year is for a dyslexia specialist;
 - (6) \$480,000 each year is for the Department of Education's mainframe update;
 - (7) \$4,500,000 in fiscal year 2022 only is for legal fees and costs associated with litigation; and
 - (8) \$340,000 in fiscal years 2022 and 2023 only are for voluntary prekindergarten programs.
- (b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.
- (c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.
- (d) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.21. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanisms specified in that agreement.

(e) To account for the base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), and section 3, paragraph (a), the base for fiscal year 2024 and later is \$25,965,000.

(f) On the effective date of this act, \$1,500,000 from the fiscal year 2022 appropriation for legal fees and costs associated with litigation is canceled to the general fund.

Sec. 7. **GRANT AUTHORITY.**

(a) The commissioner of education may transfer funding for grant administration and monitoring within the Department of Education as the commissioner determines necessary with the advance approval of the commissioner of management and budget. All transfers under this section must be intrafund.

(b) Unless a different amount is specified by law, the commissioner of education may retain up to four percent of amounts appropriated for grants for the purpose of grant administration and monitoring.

Sec. 8. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated. Any balance in the first year does not cancel but is available in the second year.

Subd. 2. **Department.** (a) For the Department of Education:

\$	<u>43,363,000</u>	.....	<u>2024</u>
\$	<u>38,185,000</u>	.....	<u>2025</u>

Of these amounts:

(1) \$405,000 each year is for the Board of School Administrators;

(2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;

(3) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;

(4) \$480,000 each year is for the Department of Education's mainframe update;

(5) \$7,500,000 in fiscal year 2024 only is for legal fees and costs associated with litigation;

(6) \$595,000 in fiscal year 2024 and \$2,609,000 in fiscal year 2025 are for modernizing district data submissions. The base amount for the allocation under this clause is \$2,359,000 in fiscal year 2026 and later; and

(7) \$2,000,000 each year is for the Office of the Inspector General established under section 127A.21.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.21. Any ongoing information technology costs may be incorporated into the service level agreement and may be paid to the Department of Information Technology Services by the Department of Education under the rates and mechanisms specified in that agreement.

(e) The base for fiscal year 2026 is \$37,931,000. The base for fiscal year 2027 and later is \$37,927,000.

Sec. 9. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.

(a) The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

\$	<u>17,445,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>17,189,000</u>	<u>.....</u>	<u>2025</u>

Of these amounts:

(1) \$125,000 in fiscal year 2024 only is for an audiology booth and related testing equipment; and

(2) \$445,000 in fiscal year 2024 and \$185,000 in fiscal year 2025 are for a mental health day treatment program. These funds are available until June 30, 2027. The base amount for the allocation under this clause is \$185,000 in fiscal year 2026 and later.

(b) The base for fiscal year 2026 is \$17,436,000. The base for fiscal year 2027 and later is \$17,193,000.

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

Sec. 10. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.

(a) The sums indicated in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

\$	<u>8,369,000</u>	<u>.....</u>	<u>2024</u>
\$	<u>8,435,000</u>	<u>.....</u>	<u>2025</u>

Of these amounts, \$300,000 in fiscal year 2024 only is for furniture replacement in the agency's dormitory and classrooms, including costs associated with moving and disposal.

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

Sec. 11. APPROPRIATIONS; PROFESSIONAL EDUCATOR LICENSING AND STANDARDS BOARD.

Subdivision 1. Professional Educator Licensing and Standards Board. (a) The sums indicated in this section are appropriated from the general fund to the Professional Educator Licensing and Standards Board for the fiscal years designated:

\$	<u>3,417,000</u>	.....	<u>2024</u>
\$	<u>3,561,000</u>	.....	<u>2025</u>

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

(c) This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.21. Any ongoing information technology costs may be incorporated into an interagency agreement and may be paid to the Department of Information Technology Services by the Professional Educator Licensing and Standards Board under the mechanism specified in that agreement.

Subd. 2. Licensure by portfolio. (a) For licensure by portfolio:

\$	<u>34,000</u>	.....	<u>2024</u>
\$	<u>34,000</u>	.....	<u>2025</u>

(b) This appropriation is from the education licensure portfolio account in the special revenue fund.

ARTICLE 11

FORECAST

A. GENERAL EDUCATION

Section 1. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 2, is amended to read:

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$	<u>7,569,266,000</u>	.....	<u>2022</u>
	<u>7,804,527,000</u>		
\$	<u>7,538,983,000</u>	.....	<u>2023</u>

The 2022 appropriation includes \$717,326,000 for 2021 and \$6,851,940,000 for 2022.

The 2023 appropriation includes \$734,520,000 for 2022 and ~~\$7,070,007,000~~ \$6,804,463,000 for 2023.

Sec. 2. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 3, is amended to read:

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$	12,000	.....	2022
	13,000		
\$	<u>16,000</u>	.....	2023

Sec. 3. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 4, is amended to read:

Subd. 4. **Abatement aid.** For abatement aid under Minnesota Statutes, section 127A.49:

\$	2,897,000	.....	2022
	3,558,000		
\$	<u>1,434,000</u>	.....	2023

The 2022 appropriation includes \$269,000 for 2021 and \$2,628,000 for 2022.

The 2023 appropriation includes \$291,000 for 2022 and ~~\$3,267,000~~ \$1,143,000 for 2023.

Sec. 4. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 5, is amended to read:

Subd. 5. **Consolidation transition aid.** For districts consolidating under Minnesota Statutes, section 123A.485:

\$	309,000	.....	2022
	373,000		
\$	<u>95,000</u>	.....	2023

The 2022 appropriation includes \$30,000 for 2021 and \$279,000 for 2022.

The 2023 appropriation includes \$31,000 for 2022 and ~~\$342,000~~ \$64,000 for 2023.

Sec. 5. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 6, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

\$	16,991,000	.....	2022
	17,450,000		
\$	<u>19,003,000</u>	.....	2023

The 2022 appropriation includes \$1,903,000 for 2021 and \$15,088,000 for 2022.

The 2023 appropriation includes \$1,676,000 for 2022 and ~~\$15,774,000~~ \$17,327,000 for 2023.

Sec. 6. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 7, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

\$	19,770,000	.....	2022
	19,906,000		
\$	<u>21,027,000</u>	.....	2023

The 2022 appropriation includes \$1,910,000 for 2021 and \$17,860,000 for 2022.

The 2023 appropriation includes \$1,984,000 for 2022 and ~~\$17,922,000~~ \$19,043,000 for 2023.

Sec. 7. Laws 2021, First Special Session chapter 13, article 1, section 10, subdivision 9, is amended to read:

Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	2,668,000	.....	2022
	2,279,000		
\$	<u>1,914,000</u>	.....	2023

The 2022 appropriation includes \$323,000 for 2021 and \$2,345,000 for 2022.

The 2023 appropriation includes \$260,000 for 2022 and ~~\$2,019,000~~ \$1,654,000 for 2023.

B. EDUCATION EXCELLENCE

Sec. 8. Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 2, is amended to read:

Subd. 2. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

\$	84,057,000	.....	2022
	83,431,000		
\$	<u>81,579,000</u>	.....	2023

The 2022 appropriation includes \$8,868,000 for 2021 and \$75,189,000 for 2022.

The 2023 appropriation includes \$8,353,000 for 2022 and ~~\$75,078,000~~ \$73,226,000 for 2023.

Sec. 9. Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 3, is amended to read:

Subd. 3. **American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$	11,351,000	.....	2022
	11,775,000		
\$	<u>11,575,000</u>	.....	2023

The 2022 appropriation includes \$1,102,000 for 2021 and \$10,249,000 for 2022.

The 2023 appropriation includes \$1,138,000 for 2022 and ~~\$10,637,000~~ \$10,437,000 for 2023.

Sec. 10. Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 4, is amended to read:

Subd. 4. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124E.22:

\$	93,547,000	.....	2022
	99,819,000		
\$	<u>90,864,000</u>	.....	2023

The 2022 appropriation includes \$8,617,000 for 2021 and \$84,930,000 for 2022.

The 2023 appropriation includes \$9,436,000 for 2022 and ~~\$90,383,000~~ \$81,428,000 for 2023.

Sec. 11. Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 12, is amended to read:

Subd. 12. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

\$	12,310,000	.....	2022
	14,823,000		
\$	<u>13,785,000</u>	.....	2023

Sec. 12. Laws 2021, First Special Session chapter 13, article 2, section 4, subdivision 27, is amended to read:

Subd. 27. **Tribal contract school aid.** For Tribal contract school aid under Minnesota Statutes, section 124D.83:

\$	2,743,000	.....	2022
	3,160,000		
\$	<u>2,581,000</u>	.....	2023

The 2022 appropriation includes \$240,000 for 2021 and \$2,503,000 for 2022.

The 2023 appropriation includes \$278,000 for 2022 and ~~\$2,882,000~~ \$2,303,000 for 2023.

C. TEACHERS

Sec. 13. Laws 2021, First Special Session chapter 13, article 3, section 7, subdivision 7, is amended to read:

Subd. 7. **Alternative teacher compensation aid.** (a) For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$	88,896,000	.....	2022
	88,898,000		
\$	<u>88,308,000</u>	.....	2023

(b) The 2022 appropriation includes \$8,877,000 for 2021 and \$80,019,000 for 2022.

(c) The 2023 appropriation includes \$8,891,000 for 2022 and ~~\$80,007,000~~ \$79,417,000 for 2023.

D. SPECIAL EDUCATION

Sec. 14. Laws 2021, First Special Session chapter 13, article 5, section 3, subdivision 2, is amended to read:

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$	1,822,998,000	.....	2022
	1,945,533,000		
\$	<u>1,859,205,000</u>	.....	2023

The 2022 appropriation includes \$215,125,000 for 2021 and \$1,607,873,000 for 2022.

The 2023 appropriation includes \$226,342,000 for 2022 and ~~\$1,719,191,000~~ \$1,632,863,000 for 2023.

Sec. 15. Laws 2021, First Special Session chapter 13, article 5, section 3, subdivision 3, is amended to read:

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$	1,818,000	.....	2022
	2,010,000		
\$	<u>1,484,000</u>	.....	2023

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 16. Laws 2021, First Special Session chapter 13, article 5, section 3, subdivision 4, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	465,000	.....	2022
	512,000		
\$	<u>337,000</u>	.....	2023

The 2022 appropriation includes \$23,000 for 2021 and \$442,000 for 2022.

The 2023 appropriation includes \$49,000 for 2022 and ~~\$463,000~~ \$288,000 for 2023.

E. FACILITIES

Sec. 17. Laws 2021, First Special Session chapter 13, article 7, section 2, subdivision 2, is amended to read:

Subd. 2. **Debt service equalization aid.** For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

\$	25,001,000	.....	2022
	24,286,000		
\$	<u>24,315,000</u>	.....	2023

The 2022 appropriation includes \$2,588,000 for 2021 and \$22,413,000 for 2022.

The 2023 appropriation includes \$2,490,000 for 2022 and ~~\$21,796,000~~ \$21,825,000 for 2023.

Sec. 18. Laws 2021, First Special Session chapter 13, article 7, section 2, subdivision 3, is amended to read:

Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

\$	108,582,000	.....	2022
	111,077,000		
\$	<u>108,269,000</u>	.....	2023

The 2022 appropriation includes \$10,660,000 for 2021 and \$97,922,000 for 2022.

The 2023 appropriation includes \$10,880,000 for 2022 and ~~\$100,197,000~~ \$97,389,000 for 2023.

F. NUTRITION

Sec. 19. Laws 2021, First Special Session chapter 13, article 8, section 3, subdivision 2, is amended to read:

Subd. 2. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$	16,661,000	.....	2022
	16,954,000		
\$	<u>15,984,000</u>	.....	2023

Sec. 20. Laws 2021, First Special Session chapter 13, article 8, section 3, subdivision 3, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	11,848,000	.....	2022
	12,200,000		
\$	<u>10,802,000</u>	.....	2023

Sec. 21. Laws 2021, First Special Session chapter 13, article 8, section 3, subdivision 4, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	656,000	.....	2022
	658,000		
\$	<u>659,000</u>	.....	2023

G. EARLY EDUCATION

Sec. 22. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 5, is amended to read:

Subd. 5. **Early childhood family education aid.** (a) For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	35,003,000	.....	2022
	36,478,000		
\$	<u>35,180,000</u>	.....	2023

(b) The 2022 appropriation includes \$3,341,000 for 2021 and \$31,662,000 for 2022.

(c) The 2023 appropriation includes \$3,518,000 for 2022 and ~~\$32,960,000~~ \$31,662,000 for 2023.

Sec. 23. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 6, is amended to read:

Subd. 6. **Developmental screening aid.** (a) For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$	3,582,000	.....	2022
	3,476,000		
\$	<u>3,503,000</u>	.....	2023

(b) The 2022 appropriation includes \$360,000 for 2021 and \$3,222,000 for 2022.

(c) The 2023 appropriation includes \$357,000 for 2022 and ~~\$3,119,000~~ \$3,146,000 for 2023.

Sec. 24. Laws 2021, First Special Session chapter 13, article 9, section 4, subdivision 12, is amended to read:

Subd. 12. **Home visiting aid.** (a) For home visiting aid under Minnesota Statutes, section 124D.135:

\$	462,000	.....	2022
	444,000		
\$	<u>415,000</u>	.....	2023

(b) The 2022 appropriation includes \$47,000 for 2021 and \$415,000 for 2022.

(c) The 2023 appropriation includes \$46,000 for 2022 and ~~\$398,000~~ \$369,000 for 2023.

H. COMMUNITY EDUCATION AND LIFELONG LEARNING

Sec. 25. Laws 2021, First Special Session chapter 13, article 10, section 1, subdivision 2, is amended to read:

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

\$	180,000	.....	2022
	155,000		
\$	<u>150,000</u>	.....	2023

The 2022 appropriation includes \$22,000 for 2021 and \$158,000 for 2022.

The 2023 appropriation includes \$17,000 for 2022 and ~~\$138,000~~ \$133,000 for 2023.

Sec. 26. Laws 2021, First Special Session chapter 13, article 10, section 1, subdivision 8, is amended to read:

Subd. 8. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

\$	53,191,000	.....	2022
	54,768,000		
\$	<u>51,948,000</u>	.....	2023

The 2022 appropriation includes \$5,177,000 for 2021 and \$48,014,000 for 2022.

The 2023 appropriation includes \$5,334,000 for 2022 and ~~\$49,434,000~~ \$46,614,000 for 2023."

Amend the title accordingly

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

Senator Latz from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 2909: A bill for an act relating to state government; amending certain judiciary, public safety, corrections, human rights, firearm, and 911 Emergency Communication System statutory policy provisions; providing for reports; authorizing rulemaking; appropriating money for judiciary, courts, civil legal services, Guardian ad Litem Board, Uniform Laws Commission, Board on Judicial Standards, Board of Public Defense, human rights, sentencing guidelines, public safety, emergency management, criminal apprehension, fire marshal, firefighters, Office of Justice programs, Peace Officer Standards and Training Board, Private Detective Board, corrections, incarceration and release, probation, juveniles, and Ombudsperson for Corrections; amending Minnesota Statutes 2022, sections 13.072, subdivision 1; 244.03; 244.05, subdivisions 1b, 2, 5; 297I.06, subdivision 1;

299A.38; 299A.41, subdivision 3; 299A.52; 299N.02, subdivision 3; 326.32, subdivision 10; 326.3381, subdivision 3; 363A.09, subdivisions 1, 2, by adding a subdivision; 403.02, subdivisions 7, 9a, 11b, 16a, 17, 17c, 18, 19, 19a, 20, 20a, 21, by adding subdivisions; 403.025; 403.03, subdivision 2; 403.05; 403.06; 403.07; 403.08; 403.09, subdivision 2; 403.10, subdivisions 2, 3; 403.11; 403.113; 403.15, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; 611.23; 611A.211, subdivision 1; 611A.31, subdivisions 2, 3, by adding a subdivision; 611A.32; 624.712, by adding a subdivision; 624.713, subdivision 1; 624.7131, subdivisions 4, 5, 7, 9, 11; 624.7132, subdivisions 4, 5, 8, 12, 15; proposing coding for new law in Minnesota Statutes, chapters 244; 299A; 299C; 624; 626; repealing Minnesota Statutes 2022, sections 299C.80, subdivision 7; 403.02, subdivision 13; 403.09, subdivision 3; 624.7131, subdivision 10; 624.7132, subdivisions 6, 14.

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 "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. The figure "2023" used in this article means that the appropriations listed under it are available for the fiscal year ending June 30, 2023. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025. Appropriations for fiscal year 2023 are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2024</u>	<u>2025</u>

Sec. 2. **SUPREME COURT**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>70,971,000</u>	<u>\$</u>	<u>77,372,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Supreme Court Operations</u>		<u>46,689,000</u>		<u>49,300,000</u>
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(a) Contingent Account

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

(b) Justices' Compensation

Justices' compensation is increased by nine percent in the first year and six percent in the second year.

(c) Extreme Risk Protection Orders

\$91,000 the first year and \$182,000 the second year are to implement the provisions of Senate File No. 1117. If this provision or a substantially similar one is not enacted in the 2023 legislative session, this appropriation reverts to the general fund.

<u>Subd. 3. Civil Legal Services</u>	<u>24,282,000</u>	<u>28,072,000</u>
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The general fund base is \$29,899,000 in fiscal year 2026 and thereafter.

Legal Services to Low-Income Clients in Family Law Matters

\$1,017,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services program described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

<u>Sec. 3. COURT OF APPEALS</u>	<u>\$ 14,606,000</u>	<u>\$ 15,410,000</u>
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Judges' Compensation

Judges' compensation is increased by nine percent in the first year and six percent in the second year.

<u>Sec. 4. DISTRICT COURTS</u>	<u>\$ 377,862,000</u>	<u>\$ 384,027,000</u>
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(a) Judges' Compensation

Judges' compensation is increased by nine percent in the first year and six percent in the second year.

(b) Court Case Backlog

\$6,545,000 the first year is to fund the judicial branch's court case backlog.

(c) Mandated Psychological Services

\$1,996,000 each year is for mandated psychological services.

(d) New Treatment Courts

\$422,000 each year is to fund four new treatment courts.

(e) Courtroom Technology Enhancements

\$7,400,000 the first year is for courtroom technology enhancements.

(f) Law Clerk Salary

\$2,033,000 each year is to increase district court law clerks' starting salaries. Notwithstanding Minnesota Statutes, section 16A.285, the agency must not transfer this appropriation.

(g) Interpreter Pay

\$200,000 each year is to fund the increase in the hourly fee paid to contract interpreters.

Sec. 5. <u>GUARDIAN AD LITEM BOARD</u>	<u>\$</u>	<u>24,358,000</u>	<u>\$</u>	<u>25,620,000</u>
Sec. 6. <u>TAX COURT</u>	<u>\$</u>	<u>2,133,000</u>	<u>\$</u>	<u>2,268,000</u>
Sec. 7. <u>UNIFORM LAWS COMMISSION</u>	<u>\$</u>	<u>115,000</u>	<u>\$</u>	<u>115,000</u>
Sec. 8. <u>BOARD ON JUDICIAL STANDARDS</u>	<u>\$</u>	<u>655,000</u>	<u>\$</u>	<u>645,000</u>

(a) Availability of Appropriation

If the appropriation for either year is insufficient, the appropriation for the other fiscal year is available.

(b) Major Disciplinary Actions

\$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any unencumbered and unspent balances remain available for these expenditures until June 30, 2027.

Sec. 9. <u>BOARD OF PUBLIC DEFENSE</u>	<u>\$</u>	<u>154,134,000</u>	<u>\$</u>	<u>164,360,000</u>
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This appropriation is contingent on House File No. 90, or a substantially similar bill funding the Board of Public Defense for the 2025-2026 fiscal biennium, not being enacted in the 2023 legislative session.

Sec. 10. <u>SENTENCING GUIDELINES</u>	<u>\$</u>	<u>1,549,000</u>	<u>\$</u>	<u>1,488,000</u>
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(a) Analysis of Sentencing-Related Data

\$125,000 the first year and \$124,000 the second year are to expand analysis of sentencing-related data.

(b) Small Agency Resource Team (SmART)

\$50,000 each year is for the commission's accounting, budgeting, and human resources to be provided by the Department of Administration's small agency resource team.

(c) Court Information System Integration

\$340,000 the first year and \$348,000 the second year are to fully integrate the Sentencing Guidelines information systems with the Minnesota Criminal Information System (MNCIS). The base for this is \$78,000 in fiscal year 2026 and thereafter.

(d) Comprehensive Review of the Guidelines

\$243,000 the first year and \$147,000 the second year are to begin a comprehensive review of the Sentencing Guidelines. This is a onetime appropriation.

Sec. 11. PUBLIC SAFETY

Subdivision 1. <u>Total Appropriation</u>	\$	<u>330,879,000</u>	\$	<u>299,248,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>234,825,000</u>	<u>209,665,000</u>
<u>Special Revenue</u>	<u>18,074,000</u>	<u>18,327,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>103,000</u>	<u>103,000</u>
<u>Environmental</u>	<u>119,000</u>	<u>127,000</u>
<u>Trunk Highway</u>	<u>2,429,000</u>	<u>2,429,000</u>
<u>911 Fund</u>	<u>75,329,000</u>	<u>68,597,000</u>

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

Subd. 2. <u>Emergency Management</u>	<u>5,511,000</u>	<u>5,597,000</u>
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Appropriations by Fund

<u>General</u>	<u>5,392,000</u>	<u>5,470,000</u>
<u>Environmental</u>	<u>119,000</u>	<u>127,000</u>

(a) Supplemental Nonprofit Security Grants

\$225,000 each year is for supplemental nonprofit security grants under this paragraph.

Nonprofit organizations whose applications for funding through the Federal Emergency Management Agency's nonprofit security grant program have been approved by the Division of Homeland Security and Emergency Management are eligible for grants under this paragraph. No additional application shall be required for grants under this paragraph, and an application for a grant

from the federal program is also an application for funding from the state supplemental program.

Eligible organizations may receive grants of up to \$75,000, except that the total received by any individual from both the federal nonprofit security grant program and the state supplemental nonprofit security grant program shall not exceed \$75,000. Grants shall be awarded in an order consistent with the ranking given to applicants for the federal nonprofit security grant program. No grants under the state supplemental nonprofit security grant program shall be awarded until the announcement of the recipients and the amount of the grants awarded under the federal nonprofit security grant program.

The commissioner may use up to one percent of the appropriation received under this paragraph to pay costs incurred by the department in administering the supplemental nonprofit security grant program. This is a onetime appropriation.

(b) Emergency Preparedness Staff

\$250,000 each year is for two additional emergency preparedness staff members.

(c) School Safety Center

\$150,000 each year is to fund one new school safety specialist at the Minnesota School Safety Center.

(d) Local Government Emergency Management

\$1,500,000 each year is to award grants in equal amounts to the emergency management organization of the 87 counties, 11 federally recognized Tribes, and four cities of the first class for reimbursement of planning and preparedness activities, including capital purchases, that are eligible under federal emergency management grant guidelines. Local emergency management organizations

must make a request to HSEM for these grants. Current local funding for emergency management and preparedness activities may not be supplanted by these additional state funds. Of this amount, up to one percent may be used for the administrative costs of the agency. Funds appropriated for this purpose do not cancel and are available until expended. Unspent money may be redistributed to eligible local emergency management organizations.

By March 15, 2025, the commissioner of public safety must submit a report on the grant awards to the chairs and ranking minority members of the legislative committees with jurisdiction over emergency management and preparedness activities. At a minimum, the report must identify grant recipients and give detailed information on how the grantees used the money received.

This is a onetime appropriation.

Subd. 3. <u>Criminal Apprehension</u>		<u>112,699,000</u>	<u>105,547,000</u>
	<u>Appropriations by Fund</u>		
<u>General</u>	<u>110,263,000</u>	<u>103,111,000</u>	
<u>State Government</u>			
<u>Special Revenue</u>	<u>7,000</u>	<u>7,000</u>	
<u>Trunk Highway</u>	<u>2,429,000</u>	<u>2,429,000</u>	

(a) DWI Lab Analysis; Trunk Highway Fund

Notwithstanding Minnesota Statutes, section 161.20, subdivision 3, \$2,429,000 each year is from the trunk highway fund for staff and operating costs for laboratory analysis related to driving-while-impaired cases.

(b) Use of Force Investigations Unit

\$4,419,000 each year is to fund the Use of Force Investigations Unit.

(c) Violent Crime Reduction Strategy; Violent Crime Support Unit (VCSU)

\$2,000,000 each year is for Violent Crime Support Unit forensic staff and equipment.

(d) Violent Crime Reduction Strategy; Criminal Information and Operations (CIOS)

\$2,000,000 each year is for analytical and operational support.

(e) Violent Crime Reduction Strategy; Violent Crime Reduction Strategy Initiative (VCRSI)

\$2,000,000 the first year and \$1,600,000 the second year are to fund partnerships among local, state, and federal agencies. The VCRSI shall work with civilian criminal intelligence analysts and forensic science laboratory personnel to strategically identify those involved in acts of violence or other threats to public safety.

(f) Firearm Transfers; Permitting Modified

\$70,000 the first year is to implement Senate File No. 1116. If this provision or a substantially similar one is not enacted in the 2023 legislative session, this appropriation reverts to the general fund.

(g) Human Trafficking Response Task Force

\$2,200,000 each year is for staff and operating costs to support the Bureau of Criminal Apprehension-led Minnesota Human Trafficking Investigator's Task Force.

(h) FBI Compliance, Critical IT Infrastructure, and Cybersecurity Upgrades

\$9,910,000 the first year and \$5,097,000 the second year are for cybersecurity investments, critical infrastructure upgrades, and Federal Bureau of Investigation audit compliance. Of this amount, \$6,643,000 the

first year and \$1,830,000 the second year are onetime and is available until June 30, 2026. The base in fiscal year 2026 and thereafter is \$3,267,000.

(i) State Fraud Unit

\$870,000 each year is for staff and operating costs to create the State Fraud Unit to centralize the state's response to activities of fraud with an estimated impact of \$100,000 or more.

(j) Decrease Forensic Evidence Turnaround

\$3,000,000 the first year and \$2,500,000 the second year are to decrease turnaround times for forensic processing of evidence in criminal investigations for state and local law enforcement partners.

(k) Expungement-Related Costs

\$3,737,000 the first year and \$190,000 the second year are for costs associated with the changes to expungement law made in this act.

(l) Report on Fusion Center Activities

\$115,000 each year is for the report required under Minnesota Statutes, section 299C.055. This is a onetime appropriation.

Subd. 4. Fire Marshal

17,013,000

17,272,000

Appropriations by Fund

<u>General</u>	<u>5,184,000</u>	<u>5,190,000</u>
<u>Special Revenue</u>	<u>11,829,000</u>	<u>12,082,000</u>

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

(a) Inspections

\$300,000 each year is for inspection of nursing homes and boarding care facilities.

(b) Hazardous Materials and Emergency Response Teams

\$1,695,000 the first year and \$1,595,000 the second year are from the fire safety account in the special revenue fund for hazardous materials and emergency response teams. The base for these purposes is \$1,695,000 in the first year of future biennia and \$1,595,000 in the second year of future biennia.

(c) Bomb Squad Reimbursements

\$300,000 each year is for reimbursements to local governments for bomb squad services.

(d) Nonresponsible Party Reimbursements

\$750,000 each year is for the nonresponsible party hazardous material and bomb squad incident reimbursements.

(e) Hometown Heroes Assistance Program

\$4,000,000 each year is for grants to the Minnesota Firefighter Initiative to fund the hometown heroes assistance program established in Minnesota Statutes, section 299A.477.

<u>Subd. 5. Firefighter Training and Education Board</u>	<u>7,175,000</u>	<u>7,175,000</u>
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	<u>Appropriations by Fund</u>	
<u>General</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>Special Revenue</u>	<u>6,175,000</u>	<u>6,175,000</u>

The special revenue fund appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

(a) Firefighter Training and Education

\$4,500,000 each year from the special revenue fund and \$1,000,000 each year from the general fund is for firefighter training and education. The general fund base for this activity is \$0 in fiscal year 2026 and thereafter.

(b) Task Force 1

\$1,125,000 each year is for the Minnesota Task Force 1.

(c) Task Force 2

\$200,000 each year is for Minnesota Task Force 2.

(d) Air Rescue

\$350,000 each year is for the Minnesota Air Rescue Team.

(e) Firefighter Training and Education

\$1,000,000 each year is for firefighter training and education. This is a onetime appropriation.

(f) Unappropriated Revenue

Any additional unappropriated money collected in fiscal year 2023 is appropriated to the commissioner of public safety for the purposes of Minnesota Statutes, section 299F.012. The commissioner may transfer appropriations and base amounts between activities in this subdivision.

Subd. 6. Alcohol and Gambling Enforcement

4,102,000

3,857,000

Appropriations by Fund

<u>General</u>	<u>4,032,000</u>	<u>3,787,000</u>
<u>Special Revenue</u>	<u>70,000</u>	<u>70,000</u>

(a) \$70,000 each year is from the lawful gambling regulation account in the special revenue fund.

(b) \$600,000 the first year and \$100,000 the second year are for enforcement information technology improvements.

Subd. 7. Office of Justice Programs

86,505,000

86,603,000

Appropriations by Fund

<u>General</u>	<u>86,409,000</u>	<u>86,507,000</u>
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<u>State Government</u>		
<u>Special Revenue</u>	<u>96,000</u>	<u>96,000</u>

(a) Federal Victims of Crime Funding Gap

\$11,000,000 each year is to fund services for victims of domestic violence, sexual assault, child abuse, and other crimes. This is a onetime appropriation.

(b) Additional Staff

\$667,000 each year is for additional Office of Justice Program administrative and oversight staff.

(c) Domestic and Sexual Violence Housing

\$1,250,000 each year is to establish: a Domestic Violence Housing First grant program to provide resources for survivors of violence to access safe and stable housing and for staff to provide mobile advocacy and expertise in housing resources in their community, and a Minnesota Domestic and Sexual Violence Transitional Housing program to develop and support medium- to long-term transitional housing for survivors of domestic and sexual violence with supportive services. This is a onetime appropriation.

(d) Office for Missing and Murdered African American Women

\$790,000 each year is to establish and maintain the Minnesota Office for Missing and Murdered African American Women.

(e) Office of Missing and Murdered Indigenous Relatives (MMIR)

\$274,000 each year is for increased staff and operating costs of the Office and MMIR Advisory Board.

(f) Reward Account

\$110,000 the first year is for deposit into the reward account in the special revenue fund created in Minnesota Statutes, section 299A.86.

(g) Minnesota Youth Justice Office

\$5,000,000 each year is for staff and data analysis and evaluation, increased funding for youth intervention programs, disparities reduction and delinquency prevention programming, and to establish a Statewide Crossover/Dual Status Youth grant program, justice involved youth mental health grant program, gang prevention grant program, and community based alternatives to incarceration grant program. This is a onetime appropriation.

(h) Community Crime Prevention Grants

\$5,000,000 each year is for Community Crime Prevention Program grants, authorized under Minnesota Statutes, section 299A.296. This is a onetime appropriation.

(i) Resources for Victims of Crime

\$1,000,000 each year is for general crime victim grants to meet the needs of victims of crime not covered by domestic violence, sexual assault, or child abuse services. This is a onetime appropriation.

(j) Minnesota Heals

\$2,800,000 each year is for the Minnesota Heals grant program. This is a onetime appropriation.

(k) Youth Intervention Grants

\$5,000,000 each year is for youth intervention programs under Minnesota Statutes, section 299A.73. This is a onetime appropriation.

(l) Sexual Assault Exam Costs

\$4,000,000 each year is to reimburse qualified health care providers for the expenses associated with medical examinations administered to victims of criminal sexual conduct as required under Minnesota Statutes, section 609.35.

(m) Pathways to Policing

\$400,000 each year is for reimbursement grants to state and local law enforcement agencies that operate pathway to policing programs. Applicants for reimbursement grants may receive up to 50 percent of the cost of compensating and training program participants. Reimbursement grants shall be proportionally allocated based on the number of grant applications approved by the commissioner. This is a onetime appropriation.

(n) Direct Assistance to Crime Victim Survivors

\$5,000,000 each year is for crime victim services for the Office of Justice Programs to provide grants for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support the direct needs of organizations serving victims of crime by providing: direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. The office shall prioritize culturally specific programs, or organizations led and staffed by persons of color that primarily serve communities of color, when allocating funds.

(o) Racially Diverse Youth

\$250,000 each year is for grants to organizations to address racial disparity of youth using shelter services in the Rochester and St. Cloud regional areas. Of this amount, \$125,000 each year is to address this in the Rochester area and \$125,000 each year is to address this in the St. Cloud area. A grant recipient shall establish and operate a pilot program connected to shelter services to engage in community intervention outreach, mobile case management, family reunification, aftercare, and follow up when family members are released from shelter services. A pilot program must specifically address the high number of racially diverse youth that enter shelters in the regions. This is a onetime appropriation.

(p) Violence Prevention Project Research Center

\$500,000 each year is to fund a violence prevention project research center that operates as a nonprofit, nonpartisan research center dedicated to reducing violence in society and using data and analysis to improve criminal justice-related policy and practice in Minnesota. The research center must place an emphasis on issues related to gun violence. This is a onetime appropriation.

(q) Prosecutorial Training Grants

\$100,000 each year is for grants to the Minnesota County Attorneys Association to be used for prosecutorial and law enforcement training, including trial school training and train-the-trainer courses. This is a onetime appropriation.

(r) Law Enforcement Mental Health and Wellness Training Grant

\$75,000 each year is for a grant to an accredited, nonprofit graduate school that trains mental health professionals.

The grantee must use the grant to develop and implement a law enforcement mental health and wellness training program to train licensed counselors to understand the nuances, culture, and stressors of the law enforcement profession so that they can provide effective and successful treatment to officers in distress. The grantee must collaborate with law enforcement officers and mental health professionals who are familiar with the psychological, cultural, and professional issues of their field to develop and implement the program.

The grantee may provide the program online.

The grantee must seek to recruit additional participants from outside the 11-county metropolitan area.

The grantee must create a resource directory to provide law enforcement agencies with names of counselors who complete the program and other resources to support law enforcement professionals with overall wellness. The grantee shall collaborate with the Department of Public Safety and law enforcement organizations to promote the directory. This is a onetime appropriation.

(s) Public Safety Innovation Board

\$55,000 each year is for the Public Safety Innovation Board described in Minnesota Statutes, section 299A.625. This is a onetime appropriation.

(t) First Responders' Mental Health

\$500,000 each year is for a grant to a nonprofit organization that provides nonmedical mental health support for present and former law enforcement officers and first responders facing employment-related mental health issues, utilizing interactive group activity and other methods. This is a onetime appropriation.

(u) Administration Costs

Up to 2.5 percent of the grant funds appropriated in this subdivision may be used by the commissioner to administer the grant program.

<u>Subd. 8. Emergency Communication Networks</u>	<u>90,274,000</u>	<u>68,597,000</u>
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Appropriations by Fund

<u>General</u>	<u>14,945,000</u>	<u>-0-</u>
<u>911 Fund</u>	<u>75,329,000</u>	<u>68,597,000</u>

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services unless otherwise indicated.

(a) Public Safety Answering Points

\$28,011,000 the first year and \$28,011,000 the second year shall be distributed as provided under Minnesota Statutes, section 403.113, subdivision 2.

(b) Transition to Next Generation 911

\$7,000,000 the first year is to support Public Safety Answering Points' transition to Next Generation 911. Funds may be used for planning, cybersecurity, GIS data collection and maintenance, 911 call processing equipment, and new Public Safety Answering Point technology to improve service delivery. Funds shall be distributed by October 1, 2023, as provided in Minnesota Statutes, section 403.113, subdivision 2. Funds are available until June 30, 2025, and any unspent funds must be returned to the 911 emergency telecommunications service account. This is a onetime appropriation.

Each eligible entity receiving these funds must provide a detailed report on how the funds were used to the commissioner of public safety by August 1, 2025.

(c) ARMER State Backbone Operating Costs

\$10,116,000 the first year and \$10,384,000 the second year are transferred to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(d) Statewide Emergency Communications Board

\$1,000,000 each year is to the Statewide Emergency Communications Board. Funds may be used for operating costs, to provide competitive grants to local units of government to fund enhancements to a communication system, technology, or support activity that directly provides the ability to deliver the 911 call between the entry point to the 911 system and the first responder, and to further the strategic goals set forth by the SECB Statewide Communication Interoperability Plan.

(e) Statewide Public Safety Radio Communication System Equipment Grants

\$9,945,000 the first year from the general fund is for grants to local government units, federally recognized Tribal entities, and state agencies participating in the statewide Allied Radio Matrix for Emergency Response (ARMER) public safety radio communication system established under Minnesota Statutes, section 403.36, subdivision 1e. The grants must be used to purchase or upgrade portable radios, mobile radios, and related equipment that is interoperable with the ARMER system. Each local government unit may receive only one grant. The grant is contingent upon a match of at least five percent from nonstate funds. The director of the Department of Public Safety Emergency Communication Networks division, in consultation with the Statewide Emergency Communications Board, must administer the grant program. This appropriation is available until June 30, 2026.

Subd. 9. Public Safety Administration7,600,0004,600,000**(a) Public Safety Officer Survivor Benefits**

\$1,500,000 each year is for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available.

(b) Soft Body Armor Reimbursements

\$1,000,000 each year is for increases in the base appropriation for soft body armor reimbursements under Minnesota Statutes, section 299A.38. This is a onetime appropriation.

(c) Body Camera Grants

\$4,500,000 the first year and \$1,500,000 the second year are for grants to local units of government to purchase and maintain portable recording devices for use by licensed peace officers employed by the applicant. Each grant is contingent upon a local match of at least 25 percent from nonstate funds. The board must give priority to applicants that do not have a portable recording system program and to applicants with law enforcement departments that employ fewer than 50 licensed peace officers. Up to 2.5 percent of the appropriation is available to be used for administrative costs incurred by the commissioner in carrying out the provisions of this paragraph. This is a onetime appropriation.

(d) First Responder Wellness Office

\$600,000 each year is to establish and administer an office to provide leadership and resources for improving the mental health of emergency and first responders statewide.

Sec. 12. PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD

<u>\$</u>	<u>12,863,000</u>	<u>\$</u>	<u>12,717,000</u>
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(a) Peace Officer Training Reimbursements

\$2,949,000 each year is for reimbursements to local governments for peace officer training costs.

(b) Additional Staff

\$592,000 the first year and \$593,000 the second year are for additional staff and equipment. The base for this appropriation is \$576,000 in fiscal year 2026 and thereafter.

(c) Additional Office Space

\$228,000 the first year and \$30,000 the second year are for additional office space.

(d) Compliance Reviews and Investigations

\$435,000 each year is to hire investigators and additional staff to perform compliance reviews and investigate alleged code of conduct violations, and to obtain or improve equipment for that purpose. This is a onetime appropriation.

Sec. 13. PRIVATE DETECTIVE BOARD

<u>\$</u>	<u>476,000</u>	<u>\$</u>	<u>411,000</u>
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\$178,000 the first year and \$103,000 the second year are for equipment and an additional staff member.

Sec. 14. HUMAN RIGHTS

<u>\$</u>	<u>8,191,000</u>	<u>\$</u>	<u>8,575,000</u>
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(a) Civil Rights Enforcement

\$1,500,000 each year is for increased civil rights enforcement. The base for this appropriation is \$2,000,000 in fiscal year 2026 and thereafter.

(b) Mediator Payments

\$20,000 each year is to fund payments to mediators. This appropriation is onetime and is available until June 30, 2027.

(c) Data Gathering and Reporting

\$538,000 the first year and \$396,000 the second year are to gather, analyze, and report on discrimination and hate incidents throughout Minnesota.

Sec. 15. **CORRECTIONS**

Subdivision 1. Total Appropriation

<u>\$</u>	<u>818,323,000</u>	<u>\$</u>	<u>850,310,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Incarceration and Prerelease Services

<u>534,052,000</u>	<u>566,040,000</u>
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(a) ARMER Radio System

\$1,500,000 each year is to upgrade and maintain the ARMER radio system within correctional facilities. This is a onetime appropriation.

(b) State Corrections Safety and Security

\$2,055,000 the first year and \$2,772,000 the second year are for state corrections safety and security investments. The base for this appropriation is \$3,560,000 in fiscal year 2026 and thereafter.

(c) Health Services

\$2,348,000 the first year and \$3,723,000 the second year are for the health services division. Of this amount:

(1) \$1,072,000 the first year and \$2,542,000 the second year are for 24-hour nursing support to five state correctional facilities;

(2) \$247,000 each year is for behavioral health care at Minnesota Correctional Facility-Shakopee;

(3) \$247,000 each year is for dental care equipment, software, and information technology support;

(4) \$225,000 the first year and \$375,000 the second year are to establish a disease management unit;

(5) \$75,000 the first year is for a feasibility study of creating a private sector nursing home for difficult-to-place inmates with significant health care needs; and

(6) \$482,000 the first year and \$312,000 the second year are for investments in telemedicine. The base for this purpose is \$227,000 in fiscal year 2026 and thereafter.

(d) Virtual Court Coordination

\$500,000 each year is for virtual court coordination and modernization.

(e) Educational Programming and Support Services

\$6,806,000 the first year and \$7,631,000 the second year are for educational programming and support services. Of this amount:

(1) \$2,320,000 the first year and \$3,145,000 the second year are for increased education staffing. The base for this purpose is \$2,901,000 in fiscal year 2026 and thereafter;

(2) \$280,000 each year is for increased classroom space. The base for this purpose is \$285,000 in fiscal year 2026 and thereafter;

(3) \$918,000 each year is for information technology education components. The base for this purpose is \$779,000 in fiscal year 2026 and thereafter;

(4) \$650,000 each year is to expand vocational training. The base for this purpose is \$50,000 in fiscal year 2026 and thereafter;

(5) \$200,000 each year is to support Pell partnerships in Minnesota correctional facilities;

(6) \$310,000 each year to expand cognitive processing therapy at Minnesota Correctional Facility-Faribault, Minnesota Correctional Facility-Lino Lakes, and Minnesota Correctional Facility-Red Wing minimum security units;

(7) \$128,000 each year is for educational supplies; and

(8) \$2,000,000 each year is to expand work release, including educational work release. This is a onetime appropriation.

(f) Successful Re-Entry

\$1,000,000 each year is for successful re-entry initiatives.

(g) Evidence-based Correctional Practices Unit

\$1,000,000 each year is to establish and maintain a unit to direct and oversee the use of evidence-based correctional practices across the department.

(h) Family Support Unit

\$446,000 each year is to create a family support unit to develop strategies and policies to support incarcerated individuals and their families.

(i) Inmate Phone Calls

\$2,000,000 each year is to support communications infrastructure for incarcerated individuals to maintain contact with family members and supportive contacts. This is a onetime appropriation.

(j) Compensation for Program Participation

\$1,000,000 each year is to increase compensation for incarcerated persons who participate in prison programming assignments, including work, education, and treatment. This is a onetime appropriation.

(k) Interstate Compact for Adult Supervision; Transfer Expense Reimbursement

\$250,000 each year is for reimbursements under Minnesota Statutes, section 243.1609.

(l) Model Discharge Plans

\$80,000 each year is to comply with the model discharge plan requirements under Minnesota Statutes, section 641.155. This is a onetime appropriation.

(m) Task Force on Aiding and Abetting Felony Murder

\$25,000 the first year is for costs associated with the revival of the task force on aiding and abetting felony murder.

Subd. 3. Community Supervision and Postrelease Services

209,106,000

203,085,000

(a) Community Corrections Act

\$142,971,000 each year is for community supervision services. This appropriation shall be distributed according to the community corrections aid funding formula in Minnesota Statutes, section 401.10.

(b) Tribal Nation Supervision

\$2,750,000 each year is for grants to Tribal Nations to provide supervision in tandem with the department.

(c) Treatment and Support Grants

\$10,000,000 each year is to provide grants to counties and local providers to implement treatment programs, support programs, and innovative supervision practices to reduce the risk of recidivism. The base for this activity is \$8,560,000 in fiscal year 2026 and thereafter.

(d) Community Supervision Advisory Committee

\$75,000 the first year is to fund the community supervision advisory committee under Minnesota Statutes, section 401.17.

(e) Successful Re-Entry

\$266,000 each year is for successful re-entry initiatives.

(f) Community-Based Sex Offender Treatment

\$2,415,000 each year is for additional community-based sex offender treatment.

(g) Housing Initiatives

\$2,130,000 each year is for housing initiatives to support stable housing of incarcerated individuals upon release. The base for this purpose in fiscal year 2026 and thereafter is \$1,685,000. Of this amount:

(1) \$1,000,000 each year is for housing stabilization prerelease services and program evaluation. The base for this purpose in fiscal year 2026 and thereafter is \$760,000;

(2) \$500,000 each year is for rental assistance for incarcerated individuals approaching release, on supervised release, or on probation who are at risk of homelessness;

(3) \$405,000 each year is for culturally responsive trauma-informed transitional housing. The base for this purpose in fiscal year 2026 and thereafter is \$200,000; and

(4) \$225,000 each year is for housing coordination activities.

(h) Pathways from Prison to Employment

\$1,460,000 the first year and \$1,775,000 the second year are to establish an economic opportunity and public safety unit to support job training and connect incarcerated individuals with public and private employers, trade associations, and community colleges to provide stable employment upon release. Of this amount:

(1) \$488,000 the first year and \$625,000 the second year are to establish an Economic Opportunity and Public Safety (EOPS) unit to develop and strengthen relationships in the community and between the state and employers;

(2) \$472,000 the first year and \$650,000 the second year are for the EMPLOY program to increase employment readiness; and

(3) \$500,000 each year is for community-based contracted programming and services for prerelease and postrelease employment and vocational services.

(i) Juvenile Treatment Homes

\$5,000,000 the first year is for a grant to Ramsey County to establish, with input from community stakeholders, including impacted youth and families, up to seven intensive trauma-informed therapeutic treatment homes in Ramsey County that are culturally specific, community-based, and can be secured. These residential spaces must provide intensive treatment and intentional healing for youth as ordered by the court as part of the disposition of a case in juvenile court.

(j) Violence Prevention and Wellness Support

\$2,500,000 the first year is for a grant to Ramsey County to award grants to develop

new and further enhance existing community-based organizational support through violence prevention and community wellness grants. Grantees must use the money to:

(1) create family support groups and resources to support families during the time a young person is placed out-of-home following a juvenile delinquency disposition and support the family through the period of post placement reentry;

(2) create community-based respite options for conflict or crisis de-escalation to prevent incarceration or further systems involvement for families; and

(3) establish additional meaningful employment opportunities for systems-involved youth.

(k) Alternatives to Incarceration; Mower County

\$80,000 each year is for Mower County to facilitate access to community treatment options under the alternatives to incarceration program.

Subd. 4. Organizational, Regulatory, and Administrative Services

75,165,000

81,185,000

(a) Public Safety Data Infrastructure

\$22,500,000 each year is for the development and management of statewide public safety information sharing infrastructure and foundation technologies. The department shall consult with county correctional supervision providers, the Judicial Branch, the Minnesota Sheriff's Association, the Minnesota Chiefs of Police Association, and the Bureau of Criminal Apprehension, among other public safety stakeholders, in the development, design, and implementation of a statewide public safety information sharing infrastructure. This is a onetime appropriation.

(b) Recruitment and Retention

\$4,803,000 the first year and \$7,323,000 the second year are for recruitment and retention initiatives. The base for this purpose is \$4,173,000 in fiscal year 2026 and thereafter.

Of this amount, \$2,300,000 each year is to create a pilot staff wellness program for trauma recovery, resiliency, and well-being and for the staff support and wellness unit. The base for this purpose in fiscal year 2026 and thereafter is \$300,000.

(c) Accountability and Transparency

\$1,200,000 each year is for Accountability and Transparency Initiatives. Of this amount, \$191,000 the first year and \$362,000 the second year are for additional financial services staff.

(d) Supervised Release Board

\$40,000 each year is to establish a supervised release board as described in Minnesota Statutes, section 244.049.

(e) State Corrections Safety and Security

\$190,000 each year is for a continuity of operations plan coordinator and continuity of operations software.

(f) Clemency Review Commission

\$986,000 each year is for the clemency review commission described in Minnesota Statutes, section 638.09.

Sec. 16. OMBUDSPERSON FOR CORRECTIONS \$ 1,105,000 \$ 1,099,000

Sec. 17. COMPETENCY RESTORATION BOARD \$ 11,350,000 \$ 10,900,000

Sec. 18. PUBLIC SAFETY OFFICER SURVIVOR BENEFITS DEFICIENCY; FISCAL YEAR 2023 APPROPRIATION.

\$1,000,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of public safety to be used for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. This is a onetime appropriation.

Sec. 19. INTENSIVE COMPREHENSIVE PEACE OFFICER EDUCATION AND TRAINING PROGRAM; OUTREACH; FISCAL YEAR 2023 APPROPRIATION.

\$5,000,000 in fiscal year 2023 is appropriated to the commissioner of public safety from the general fund to implement the intensive comprehensive peace officer education and training program described in Minnesota Statutes, section 626.8516, and conduct outreach to qualified candidates under that section. The commissioner shall use the funds to target and recruit candidates or groups of candidates who meet the program's eligibility requirements with an emphasis placed on reaching candidates from groups that are currently underrepresented in law enforcement and who represent the state's increasingly diverse population. The commissioner shall conduct outreach directly to statewide and national peace officer affinity groups that represent groups that are currently underrepresented in law enforcement. The commissioner shall contract with an agency with proven experience and success in targeting and recruiting candidates for specific professions.

Sec. 20. DEPARTMENT OF CORRECTIONS DEFICIENCY; FISCAL YEAR 2023 APPROPRIATION.

\$12,643,000 in fiscal year 2023 is appropriated from the general fund to the commissioner of corrections for operational expenses. This is a onetime appropriation.

Sec. 21. VIOLENT CRIME INVESTIGATION TEAMS; SPECIAL REVENUE ACCOUNT; APPROPRIATION.

(a) The violent crime investigation team account is created in the special revenue fund consisting of money deposited, donated, allotted, transferred, or otherwise provided to the account. Of the amount in the account, up to \$2,800,000 in each of fiscal years 2024, 2025, 2026, 2027, and 2028 are appropriated to the commissioner of public safety for violent crime investigation teams, organized under Minnesota Statutes, section 299A.642, to increase their capacity to conduct forensic and investigatory work to expedite clearance rates.

(b) The commissioner shall allocate the funds to the violent crime investigation teams that have the most acute need for supplemental resources based on the rate of violent crime in the team's jurisdiction and the need to improve clearance rates for violent crime investigations. The commissioner must consult with and consider recommendations from the Violent Crime Coordinating Council created under Minnesota Statutes, section 299A.642, prior to awarding grants from this fund.

(c) As a condition of receiving funds from this account, the lead local unit of government of a violent crime investigation team must enter a joint powers agreement with the commissioner of public safety under which the commissioner shall provide an investigator from the Bureau of Criminal Apprehension to be a member of the team.

Sec. 22. VIOLENT CRIME INVESTIGATION TEAM ACCOUNT; TRANSFER.

\$14,000,000 in fiscal year 2024 is transferred from the general fund to the violent crime investigation team account in the special revenue fund. The base for this appropriation is \$0 in fiscal year 2025 and thereafter.

Sec. 23. COMMUNITY CRIME AND VIOLENCE PREVENTION GRANTS; SPECIAL REVENUE ACCOUNT; APPROPRIATION.

(a) The community crime and violence prevention account is created in the special revenue fund consisting of money deposited, donated, allotted, transferred, or otherwise provided to the account. Of the amount in the account, up to \$2,800,000 in each of fiscal years 2024, 2025, 2026, 2027, and 2028 are appropriated to the commissioner of public safety for grants administered by the Office of Justice Programs to be awarded to community violence prevention and intervention programs.

(b) Grants may be awarded to community-based nonprofit organizations, local governments, or the governing bodies of federally recognized Indian Tribes. Applicants that are nonprofit organizations must demonstrate the support of the local government or Indian Tribe where the nonprofit will be offering services. Support may be demonstrated by partnerships with the local government or Indian Tribe, or letters or other affirmations of support.

(c) Grant recipients must operate crime or violence prevention programs with an established record of providing direct services to community members. Programs must be culturally competent and identify specific outcomes that can be tracked and measured to demonstrate the impact the program has on community crime and violence. Crime or violence prevention programs may include but are not limited to:

(1) victim services programs, including but not limited to programs that provide services to victims and families that have experienced gun violence;

(2) re-entry programs that provide support and reintegration services to recently incarcerated individuals;

(3) homelessness assistance programs;

(4) restorative justice programs;

(5) programs that intervene in volatile situations to mediate disputes before they become violent; and

(6) juvenile diversion programs.

(d) As part of the narrative and statistical progress reports provided to the Office of Justice Programs, grant recipients must report on the specific outcomes identified pursuant to paragraph (c).

(e) The Office of Justice Programs may use up to 2.5 percent of the annual appropriation to administer the grants.

Sec. 24. COMMUNITY CRIME AND VIOLENCE PREVENTION ACCOUNT; TRANSFER.

\$14,000,000 in fiscal year 2024 is transferred from the general fund to the community crime and violence prevention account in the special revenue fund. The base for this appropriation is \$0 in fiscal year 2025 and thereafter.

Sec. 25. CRISIS RESPONSE AND CRIMINAL INVESTIGATION GRANTS; SPECIAL REVENUE ACCOUNT; APPROPRIATION.

(a) The crisis response and criminal investigation account is created in the special revenue fund consisting of money deposited, donated, allotted, transferred, or otherwise provided to the account. Of the amount in the account, up to \$2,800,000 in each of fiscal years 2024, 2025, 2026, 2027, and 2028 are appropriated to the commissioner of public safety for grants administered by the Office of Justice Programs to be awarded to local law enforcement agencies or local governments to improve responses to situations involving individuals experiencing a mental health crisis and to improve criminal investigations.

(b) Of the amount appropriated in fiscal year 2024, \$1,120,000 is for grants to local law enforcement agencies to acquire, upgrade, or replace technology or equipment used to investigate crimes or process evidence and \$1,680,000 is for the grants described in paragraph (c).

(c) \$2,800,000 in fiscal years 2025, 2026, 2027, and 2028 is for grants to local law enforcement agencies and local governments to maintain or expand crisis response teams in which social workers or mental health providers are sent as first responders when calls for service indicate that an individual is having a mental health crisis.

(d) The Office of Justice Programs may use up to 2.5 percent of the annual appropriation to administer the grants.

Sec. 26. CRISIS RESPONSE AND CRIMINAL INVESTIGATION ACCOUNT; TRANSFER.

\$14,000,000 in fiscal year 2024 is transferred from the general fund to the crisis response and criminal investigation account in the special revenue fund. The base for this appropriation is \$0 in fiscal year 2025 and thereafter.

ARTICLE 2

JUDICIARY

Section 1. Minnesota Statutes 2022, section 13.072, subdivision 1, is amended to read:

Subdivision 1. **Opinion; when required.** (a) Upon request of a government entity, the commissioner may give a written opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under this chapter or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a government entity, the commissioner may give a written opinion regarding the person's rights as a subject of government data or right to have access to government data.

(b) Upon request of a body subject to chapter 13D, the commissioner may give a written opinion on any question relating to the body's duties under chapter 13D. Upon request of a person who disagrees with the manner in which members of a governing body perform their duties under chapter 13D, the commissioner may give a written opinion on compliance with chapter 13D. ~~A governing body or person requesting an opinion under this paragraph must pay the commissioner a fee of \$200. Money received by the commissioner under this paragraph is appropriated to the commissioner for the purposes of this section.~~

(c) If the commissioner determines that no opinion will be issued, the commissioner shall give the government entity or body subject to chapter 13D or person requesting the opinion notice of the decision not to issue the opinion within five business days of receipt of the request. Notice must be in writing. For notice by mail, the decision not to issue an opinion is effective when placed with the United States Postal Service or with the central mail system of the state of Minnesota. If this notice is not given, the commissioner shall issue an opinion within ~~20~~ 50 days of receipt of the request.

~~(d) For good cause and upon written notice to the person requesting the opinion, the commissioner may extend this deadline for one additional 30-day period. The notice must state the reason for extending the deadline.~~ The government entity or the members of a body subject to chapter 13D must be provided a reasonable opportunity to explain the reasons for its decision regarding the data or how they perform their duties under chapter 13D. The commissioner or the government entity or body subject to chapter 13D may choose to give notice to the subject of the data concerning the dispute regarding the data or compliance with chapter 13D.

(e) This section does not apply to a determination made by the commissioner of health under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

(f) A written, numbered, and published opinion issued by the attorney general shall take precedence over an opinion issued by the commissioner under this section.

Sec. 2. Minnesota Statutes 2022, section 357.021, subdivision 2, is amended to read:

Subd. 2. **Fee amounts.** The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$285, except in marriage dissolution actions the fee is \$315.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$285, except in marriage dissolution actions the fee is \$315. This subdivision does not apply to the filing of an Application for Discharge of Judgment. Section 548.181 applies to an Application for Discharge of Judgment.

The party requesting a trial by jury shall pay \$100.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the

entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$14, ~~and \$8 for an uncertified copy.~~

(3) Issuing a subpoena, \$16 for each name.

(4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, \$75.

(5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$55.

(6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$40.

(7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(8) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopathic physicians, chiropractors, veterinarians, or optometrists, \$5.

(10) For the filing of each partial, final, or annual account in all trusteeships, \$55.

(11) For the deposit of a will, \$27.

(12) For recording notary commission, \$20.

(13) Filing a motion or response to a motion for modification of child support, a fee of \$50.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of \$75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents. No fee may be charged to view or download a publicly available instrument from a civil or criminal proceeding or for an uncertified copy of that instrument.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 3. Minnesota Statutes 2022, section 611.23, is amended to read:

611.23 OFFICE OF STATE PUBLIC DEFENDER; APPOINTMENT; SALARY.

The state public defender is responsible to the State Board of Public Defense. The state public defender shall supervise the operation, activities, policies, and procedures of the statewide public defender system. When requested by a district public defender or appointed counsel, the state public defender may assist the district public defender, appointed counsel, or an organization designated in section 611.216 in the performance of duties, including trial representation in matters involving legal conflicts of interest or other special circumstances, and assistance with legal research and brief preparation. The state public defender shall be appointed by the State Board of Public Defense for a term of four years, except as otherwise provided in this section, and until a successor is appointed and qualified. The state public defender shall be a full-time qualified attorney, licensed to practice law in this state, serve in the unclassified service of the state, and be removed only for cause by the appointing authority. Vacancies in the office shall be filled by the appointing authority for the unexpired term. The salary of the state public defender shall be fixed by the State Board of Public Defense ~~but must not exceed the salary of a district court judge~~. Terms of the state public defender shall commence on July 1. The state public defender shall devote full time to the performance of duties and shall not engage in the general practice of law.

ARTICLE 3

PUBLIC SAFETY

Section 1. Minnesota Statutes 2022, section 13.825, subdivision 3, is amended to read:

Subd. 3. **Retention of data.** (a) Portable recording system data that are not active or inactive criminal investigative data and are not described in paragraph (b) or (c) must be maintained for at least 90 days and destroyed according to the agency's records retention schedule approved pursuant to section 138.17.

(b) Portable recording system data must be maintained for at least one year and destroyed according to the agency's records retention schedule approved pursuant to section 138.17 if:

(1) the data document (i) the discharge of a firearm by a peace officer in the course of duty if a notice is required under section 626.553, subdivision 2, or (ii) the use of force by a peace officer that results in substantial bodily harm; or

(2) a formal complaint is made against a peace officer related to the incident.

(c) Portable recording system data that document a peace officer's use of deadly force must be maintained indefinitely.

(d) If a subject of the data submits a written request to the law enforcement agency to retain the recording beyond the applicable retention period for possible evidentiary or exculpatory use related to the circumstances under which the data were collected, the law enforcement agency shall retain the recording for an additional time period requested by the subject of up to 180 days and notify the requester that the recording will then be destroyed unless a new request is made under this paragraph.

~~(e)~~ (e) Notwithstanding paragraph (b) ~~or~~, (c), or (d), a government entity may retain a recording for as long as reasonably necessary for possible evidentiary or exculpatory use related to the incident with respect to which the data were collected.

Sec. 2. Minnesota Statutes 2022, section 13A.02, subdivision 1, is amended to read:

Subdivision 1. **Access by government.** Except as authorized by this chapter, no government authority may have access to, or obtain copies of, or the information contained in, the financial records of any customer from a financial institution unless the financial records are reasonably described and:

- (1) the customer has authorized the disclosure;
- (2) the financial records are disclosed in response to a search warrant;
- (3) the financial records are disclosed in response to a judicial or administrative subpoena;

(4) the financial records are disclosed to law enforcement, a lead investigative agency as defined in section 626.5572, subdivision 13, or prosecuting authority that is investigating financial exploitation of a vulnerable adult in response to a judicial subpoena or administrative subpoena under section 388.23; or

(5) the financial records are disclosed pursuant to section 609.527 or 609.535 or other statute or rule.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 3. Minnesota Statutes 2022, section 13A.02, subdivision 2, is amended to read:

Subd. 2. **Release prohibited.** No financial institution, or officer, employee, or agent of a financial institution, may provide to any government authority access to, or copies of, or the information contained in, the financial records of any customer except in accordance with the provisions of this chapter.

Nothing in this chapter shall require a financial institution to inquire or determine that those seeking disclosure have duly complied with the requirements of this chapter, provided only that the customer authorization, search warrant, subpoena, or written certification pursuant to section 609.527, subdivision 8; 609.535, subdivision 6; 626.557; or other statute or rule, served on or delivered to a financial institution shows compliance on its face.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 4. Minnesota Statutes 2022, section 144.6586, subdivision 2, is amended to read:

Subd. 2. **Contents of notice.** The commissioners of health and public safety, in consultation with sexual assault victim advocates and health care professionals, shall develop the notice required by subdivision 1. The notice must inform the victim, at a minimum, of:

(1) the obligation under section 609.35 of the ~~county where the criminal sexual conduct occurred~~ state to pay for the examination performed for the purpose of gathering evidence, that payment is not contingent on the victim reporting the criminal sexual conduct to law enforcement, and that the victim may incur expenses for treatment of injuries;

(2) the victim's rights if the crime is reported to law enforcement, including the victim's right to apply for reparations under sections 611A.51 to 611A.68, information on how to apply for reparations, and information on how to obtain an order for protection or a harassment restraining order; and

(3) the opportunity under section 611A.27 to obtain status information about an unrestricted sexual assault examination kit, as defined in section 299C.106, subdivision 1, paragraph (h).

Sec. 5. Minnesota Statutes 2022, section 145.4712, is amended to read:

145.4712 EMERGENCY CARE TO SEXUAL ASSAULT VICTIMS.

Subdivision 1. **Emergency care to female sexual assault victims.** (a) It shall be the standard of care for all hospitals and other health care providers that provide emergency care to, at a minimum:

(1) provide each female sexual assault victim with medically and factually accurate and unbiased written and oral information about emergency contraception from the American College of Obstetricians and Gynecologists and distributed to all hospitals by the Department of Health;

(2) orally inform each female sexual assault victim of the option of being provided with emergency contraception at the hospital or other health care facility; and

(3) immediately provide emergency contraception to each sexual assault victim who requests it provided it is not medically contraindicated and is ordered by a legal prescriber. Emergency contraception shall be administered in accordance with current medical protocols regarding timing and dosage necessary to complete the treatment.

(b) A hospital or health care provider may administer a pregnancy test. If the pregnancy test is positive, the hospital or health care provider does not have to comply with the provisions in paragraph (a).

Subd. 2. **Emergency care to male and female sexual assault victims.** It shall be the standard of care for all hospitals and health care providers that provide emergency care to, at a minimum:

(1) provide each sexual assault victim with factually accurate and unbiased written and oral medical information about prophylactic antibiotics for treatment of sexually transmitted ~~diseases~~ infections;

(2) orally inform each sexual assault victim of the option of being provided prophylactic antibiotics for treatment of sexually transmitted ~~diseases~~ infections at the hospital or other health care facility; and

(3) immediately provide prophylactic antibiotics for treatment of sexually transmitted ~~diseases~~ infections to each sexual assault victim who requests it, provided it is not medically contraindicated and is ordered by a legal prescriber.

Sec. 6. Minnesota Statutes 2022, section 152.01, is amended by adding a subdivision to read:

Subd. 25. **Fentanyl.** As used in sections 152.021 to 152.025, "fentanyl" includes fentanyl, carfentanil, and any fentanyl analogs and fentanyl-related substances listed in section 152.02, subdivisions 2 and 3.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2022, section 152.021, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 17 grams or more containing cocaine or methamphetamine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more, or 40 dosage units or more, containing heroin or fentanyl;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, fentanyl, or methamphetamine;

(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units; or

(6) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2022, section 152.021, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves two aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more, or 100 dosage units or more, containing heroin or fentanyl;

(4) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug other than cocaine, heroin, fentanyl, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or

(6) the person unlawfully possesses one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 500 or more marijuana plants.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2022, section 152.022, subdivision 1, is amended to read:

Subdivision 1. **Sale crimes.** A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin or fentanyl;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more, or 12 dosage units or more, containing heroin or fentanyl;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(5) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols;

(6) the person unlawfully sells any amount of a Schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(7) the person unlawfully sells any of the following in a school zone, a park zone, a public housing zone, or a drug treatment facility:

(i) any amount of a Schedule I or II narcotic drug, lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine;

(ii) one or more mixtures containing methamphetamine or amphetamine; or

(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2022, section 152.022, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of 25 grams or more containing cocaine or methamphetamine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing cocaine or methamphetamine and:

(i) the person or an accomplice possesses on their person or within immediate reach, or uses, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or

(ii) the offense involves three aggravating factors;

(3) the person unlawfully possesses one or more mixtures of a total weight of six grams or more, or 50 dosage units or more, containing heroin or fentanyl;

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine, heroin, fentanyl, or methamphetamine;

(5) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(6) the person unlawfully possesses one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols, or possesses 100 or more marijuana plants.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2022, section 152.023, subdivision 2, is amended to read:

Subd. 2. **Possession crimes.** (a) A person is guilty of controlled substance crime in the third degree if:

(1) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than heroin or fentanyl;

(2) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of: (i) a total weight of three grams or more containing heroin; or (ii) a total weight of five grams or more, or 25 dosage units or more, containing fentanyl;

(3) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD), 3,4-methylenedioxy amphetamine, or 3,4-methylenedioxymethamphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility;

(5) on one or more occasions within a 90-day period the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, a public housing zone, or a drug treatment facility.

(b) For the purposes of this subdivision, the weight of fluid used in a water pipe may not be considered in measuring the weight of a mixture except in cases where the mixture contains four or more fluid ounces of fluid.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2022, section 214.10, subdivision 10, is amended to read:

Subd. 10. **Board of Peace Officers Standards and Training; receipt of complaint.** Notwithstanding the provisions of subdivision 1 to the contrary, when the executive director or any member of the Board of Peace Officer Standards and Training produces or receives a written statement or complaint that alleges a violation of a statute or rule that the board is empowered to enforce, the executive director shall designate the appropriate law enforcement agency to investigate the complaint and ~~shall~~ may order it to conduct an inquiry into the complaint's allegations. The investigating agency must complete the inquiry and submit a written summary of it to the executive director within 30 days of the order for inquiry.

Sec. 13. Minnesota Statutes 2022, section 297I.06, subdivision 1, is amended to read:

Subdivision 1. **Insurance policies surcharge.** (a) Except as otherwise provided in subdivision 2, each licensed insurer engaged in writing policies of homeowner's insurance authorized in section 60A.06, subdivision 1, clause (1)(c), or commercial fire policies or commercial nonliability policies shall collect a surcharge as provided in this paragraph. ~~Through June 30, 2013,~~ The surcharge is equal to 0.65 percent of the gross premiums and assessments, less return premiums, on direct business received by the company, or by its agents for it, for homeowner's insurance policies, commercial fire policies, and commercial nonliability insurance policies in this state. ~~Beginning July 1, 2013,~~ the surcharge is 0.5 percent.

(b) The surcharge amount collected under paragraph (a) or subdivision 2, paragraph (b), may not be considered premium for any other purpose. The surcharge amount under paragraph (a) must be separately stated on either a billing or policy declaration or document containing similar information sent to an insured.

(c) Amounts collected by the commissioner under this section must be deposited in the fire safety account established pursuant to subdivision 3.

Sec. 14. Minnesota Statutes 2022, section 299A.38, is amended to read:

299A.38 SOFT BODY ARMOR REIMBURSEMENT.

Subdivision 1. **Definitions.** As used in this section:

(a) "Commissioner" means the commissioner of public safety.

(b) "Firefighter" means a volunteer, paid on-call, part-time, or career firefighter serving a general population within the boundaries of the state.

~~(b)~~ (c) "Peace officer" means a person who is licensed under section 626.84, subdivision 1, paragraph (c).

(d) "Public safety officer" means a peace officer, firefighter, or qualified emergency medical service provider.

(e) "Qualified emergency medical service provider" means a person certified under section 144E.28 who is actively employed by a Minnesota licensed ambulance service.

(e) (f) "Vest" means bullet-resistant soft body armor that is flexible, concealable, and custom fitted to the ~~peace~~ public safety officer to provide ballistic and trauma protection.

Subd. 2. **State and local reimbursement.** ~~Peace~~ Public safety officers and heads of ~~local law enforcement agencies and entities~~ who buy vests for the use of ~~peace~~ public safety officer employees may apply to the commissioner for reimbursement of funds spent to buy vests. On approving an application for reimbursement, the commissioner shall pay the applicant an amount equal to the lesser of one-half of the vest's purchase price or \$600, as adjusted according to subdivision 2a. The ~~political subdivision agency or entity~~ that employs the ~~peace~~ public safety officer shall pay at least the lesser of one-half of the vest's purchase price or \$600, as adjusted according to subdivision 2a. The ~~political subdivision employer~~ may not deduct or pay its share of the vest's cost from any clothing, maintenance, or similar allowance otherwise provided to the ~~peace~~ public safety officer by the ~~law enforcement agency employer~~.

Subd. 2a. **Adjustment of reimbursement amount.** On October 1, 2006, the commissioner of public safety shall adjust the \$600 reimbursement amounts specified in subdivision 2, and in each subsequent year, on October 1, the commissioner shall adjust the reimbursement amount applicable immediately preceding that October 1 date. The adjusted rate must reflect the annual percentage change in the Consumer Price Index for all urban consumers, published by the federal Bureau of Labor Statistics, occurring in the one-year period ending on the preceding June 1.

Subd. 3. **Eligibility requirements.** (a) Only vests that either meet or exceed the requirements of standard 0101.03 of the National Institute of Justice or that meet or exceed the requirements of that standard, except wet armor conditioning, are eligible for reimbursement.

(b) Eligibility for reimbursement is limited to vests bought after December 31, 1986, by or for ~~peace~~ public safety officers (1) who did not own a vest meeting the requirements of paragraph (a) before the purchase, or (2) who owned a vest that was at least five years old.

(c) The requirement set forth in paragraph (b), clauses (1) and (2), shall not apply to any ~~peace~~ public safety officer who purchases a vest constructed from a zylon-based material, provided that the ~~peace~~ public safety officer provides proof of purchase or possession of the vest prior to July 1, 2005.

Subd. 4. **Rules.** The commissioner may adopt rules under chapter 14 to administer this section.

Subd. 5. **Limitation of liability.** A state agency, political subdivision of the state, ~~or~~ state or local government employee, or other entity that provides reimbursement for purchase of a vest under this section is not liable to a ~~peace~~ public safety officer or the ~~peace~~ public safety officer's heirs for negligence in the death of or injury to the ~~peace~~ public safety officer because the vest was defective or deficient.

Subd. 6. **Right to benefits unaffected.** A ~~peace~~ public safety officer who is reimbursed for the purchase of a vest under this section and who suffers injury or death because the officer failed to wear the vest, or because the officer wore a vest that was defective or deficient, may not lose or be denied a benefit or right, including a benefit under section 299A.44, to which the officer, or the officer's heirs, is otherwise entitled.

Sec. 15. Minnesota Statutes 2022, section 299A.41, subdivision 3, is amended to read:

Subd. 3. **Killed in the line of duty.** (a) "Killed in the line of duty" does not include deaths from natural causes, except as provided in this subdivision. In the case of a public safety officer, killed in the line of duty includes the death of a public safety officer caused by accidental means while the public safety officer is acting in the course and scope of duties as a public safety officer.

(b) Killed in the line of duty also means if a public safety officer dies as the direct and proximate result of a heart attack, stroke, or vascular rupture, that officer shall be presumed to have died as the direct and proximate result of a personal injury sustained in the line of duty if:

(1) that officer, while on duty:

(i) engaged in a situation, and that engagement involved nonroutine stressful or strenuous physical law enforcement, fire suppression, rescue, hazardous material response, emergency medical services, prison security, disaster relief, or other emergency response activity; or

(ii) participated in a training exercise, and that participation involved nonroutine stressful or strenuous physical activity;

(2) that officer died as a result of a heart attack, stroke, or vascular rupture suffered:

(i) while engaging or participating under clause (1);

(ii) while still on duty after engaging or participating under clause (1); or

(iii) not later than 24 hours after engaging or participating under clause (1); ~~and~~

(3) that officer died as a result of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer; and

(4) the presumption is not overcome by competent medical evidence to the contrary.

(c) Killed in the line of duty also means if a public safety officer dies as a result of suicide when:

(1) a licensed mental health provider previously diagnosed the officer with post-traumatic stress disorder; and

(2) the officer's mental health provider determined the post-traumatic stress disorder resulted from the officer's work as a public safety officer.

As used in this paragraph, "public safety officer" includes only the individuals described in subdivision 4, clauses (1) to (4) and (6) to (9).

EFFECTIVE DATE. This section is effective retroactively from January 1, 2017.

Sec. 16. Minnesota Statutes 2022, section 299A.41, is amended by adding a subdivision to read:

Subd. 3a. Post-traumatic stress disorder. "Post-traumatic stress disorder" means the condition as described in the most recently published edition of the Diagnostic and Statistical Manual of Mental Disorders by the American Psychiatric Association.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2017.

Sec. 17. Minnesota Statutes 2022, section 299A.41, subdivision 4, is amended to read:

Subd. 4. **Public safety officer.** Except as provided in subdivision 3, paragraph (c), "public safety officer" includes:

- (1) a peace officer defined in section 626.84, subdivision 1, paragraph (c) or (d);
- (2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;
- (3) an individual employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in any of the following duties:
 - (i) firefighting;
 - (ii) emergency motor vehicle operation;
 - (iii) investigation into the cause and origin of fires;
 - (iv) the provision of emergency medical services; or
 - (v) hazardous material responder;
- (4) a legally enrolled member of a volunteer fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;
- (5) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;
- (6) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;
- (7) a driver or attendant with a licensed basic or advanced life-support transportation service who is engaged in providing emergency care;
- (8) a first responder who is certified by the emergency medical services regulatory board to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service recognized by a local political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance; and
- (9) a person, other than a state trooper, employed by the commissioner of public safety and assigned to the State Patrol, whose primary employment duty is either Capitol security or the enforcement of commercial motor vehicle laws and regulations.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2017.

Sec. 18. Minnesota Statutes 2022, section 299A.52, is amended to read:

299A.52 RESPONSIBLE PERSON PARTY.

Subdivision 1. **Response liability.** A responsible person party, as described in section 115B.03, is liable for the reasonable and necessary costs, including legal and administrative costs, of response to a hazardous materials incident or explosives sweep as defined in section 299C.063 incurred by a ~~regional~~ hazardous materials response team or local unit of government. For the purposes of this section, "hazardous substance" as used in section 115B.03 means "hazardous material" as defined in section 299A.49.

Subd. 2. **Expense recovery.** The commissioner shall assess the responsible person party for ~~the regional state bomb disposal unit or hazardous materials response team~~ costs of response. The commissioner may bring an action for recovery of unpaid costs, reasonable attorney fees, and any additional court costs. Any funds received by the commissioner under this subdivision are appropriated to the commissioner to pay for costs for which the funds were received. Any remaining funds at the end of the biennium shall be transferred to the ~~Fire Safety Account~~ general fund.

Subd. 3. **Attempted avoidance of liability.** For purposes of sections 299A.48 to 299A.52 and 299K.095, a responsible person party may not avoid liability by conveying any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.

Sec. 19. **[299A.53] NONRESPONSIBLE PARTY FUND.**

In the event that there is no identified responsible party as defined in section 115B.03, a special account, to be known as the nonresponsible party fund, shall be created in the state treasury. The legislature intends that all money in the nonresponsible party fund be appropriated to the commissioner of public safety to reimburse all reasonable and necessary costs, including legal and administrative costs, of response to a hazardous materials incident or explosives sweep as defined in section 299C.063 when there is no identified responsible party as described in section 299A.52. Any remaining funds at the end of the biennium shall be transferred to the general fund.

Sec. 20. **[299A.625] PUBLIC SAFETY INNOVATION BOARD.**

Subdivision 1. **Establishment.** The Public Safety Innovation Board is established in the Office of Justice Programs within the Department of Public Safety. The board has the powers and duties described in this section.

Subd. 2. **Membership.** (a) The Public Safety Innovation Board is composed of the following members:

(1) three individuals with experience conducting research in the areas of crime, policing, or sociology while employed by an academic or nonprofit entity, appointed by the governor;

(2) five individuals appointed by the governor of whom:

(i) one shall be a victim of a crime or an advocate for victims of crime;

(ii) one shall be a person impacted by the criminal justice system or an advocate for defendants in criminal cases; and

(iii) one shall have a background in social work;

(3) four members representing the community-specific boards established under sections 3.922 and 15.0145, with one appointment made by each board; and

(4) three members representing law enforcement, with one appointment by the Minnesota Sheriffs' Association, one by the Minnesota Chiefs of Police Association, and one by the Minnesota Police and Peace Officers Association.

(b) The members of the board shall elect one member to serve as chair.

Subd. 3. **Terms; removal; vacancy.** (a) Members are appointed to serve three-year terms following the initial staggered-term lot determination and may be reappointed.

(b) Initial appointment of members must take place by August 1, 2023. The initial term of members appointed under paragraph (a) shall be determined by lot by the secretary of state and shall be as follows:

(1) five members shall serve one-year terms;

(2) five members shall serve two-year terms; and

(3) five members shall serve three-year terms.

(c) A member may be removed by the appointing authority at any time for cause, after notice and hearing.

(d) If a vacancy occurs, the appointing authority shall appoint a new qualifying member within 90 days.

(e) Compensation of board members is governed by section 15.0575.

Subd. 4. **Powers and duties.** The board shall improve public safety by increasing the efficiency, effectiveness, and capacity of public safety providers and has the following powers and duties:

(1) monitoring trends in crime within Minnesota;

(2) reviewing research on criminal justice and public safety;

(3) providing information on criminal trends and research to the commissioner, municipalities, and the legislature;

(4) providing advice on awarding grants;

(5) providing advice on evaluating grant applications to assure compliance with evidence-based practices;

(6) providing advice on assuring an efficient and expeditious distribution of grant funds; and

(7) working with the Minnesota Statistical Analysis Center to identify appropriate outcomes to track on an annual basis for both programs receiving grants and local communities for the purpose of monitoring trends in public safety and the impact of specific programmatic models.

Subd. 5. **Meetings.** The board shall meet at least monthly. Meetings of the board are subject to chapter 13D.

Subd. 6. **Report.** Each year by January 15, the board shall report to the legislative committees and divisions with jurisdiction over public safety on the work of the board conducted pursuant to subdivision 4.

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

Sec. 21. Minnesota Statutes 2022, section 299A.642, subdivision 15, is amended to read:

Subd. 15. **Required reports.** By February 1 of each year, the commissioner of public safety shall submit the following reports to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding:

(1) a report containing a summary of all audits conducted on multijurisdictional entities under subdivision 4;

(2) a report on the results of audits conducted on data submitted to the criminal gang investigative data system under section 299C.091; ~~and~~

(3) a report on the activities and goals of the coordinating council; and

(4) a report on how the funds in the violent crime investigation team account were distributed and how those funds were used by violent crime investigation teams.

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

Sec. 22. Minnesota Statutes 2022, section 299A.73, is amended by adding a subdivision to read:

Subd. 3a. **Report.** On or before March 31 of each year, the Minnesota Youth Intervention Programs Association shall report to the chairs and ranking minority members of the committees and divisions with jurisdiction over public safety policy and finance on the implementation, use, and administration of the grant program created under this section. The report shall include information sent by agencies administering youth intervention programs to the Minnesota Youth Intervention Programs Association and the Office of Justice Programs. At a minimum, the report must identify:

(1) the grant recipients;

(2) the geographic location of the grant recipients;

(3) the total number of individuals served by all grant recipients, disaggregated by race, ethnicity, and gender;

(4) the total number of individuals served by all grant recipients who successfully completed programming, disaggregated by age, race, ethnicity, and gender;

(5) the total amount of money awarded in grants and the total amount remaining to be awarded from each appropriation;

(6) the amount of money granted to each recipient;

(7) grantee workplan objectives;

(8) how the grant was used based on grantee quarterly narrative reports and financial reports; and

(9) summarized relevant youth intervention program outcome survey data measuring the developmental assets of participants, based on Search Institute's Developmental Assets Framework.

Sec. 23. [299A.86] REWARD ACCOUNT FOR INFORMATION ON MISSING AND MURDERED INDIGENOUS RELATIVES.

Subdivision 1. **Account created.** An account for rewards for information on missing and murdered Indigenous relatives is created in the special revenue fund. Money deposited into the account is appropriated to the commissioner of public safety to pay rewards and for other purposes as authorized under this section.

Subd. 2. **Reward.** The director of the Office for Missing and Murdered Indigenous Relatives, in consultation with the reward advisory group established under subdivision 3:

(1) shall determine the eligibility criteria and procedures for granting rewards under this section; and

(2) is authorized to pay a reward to any person who provides relevant information relating to a missing and murdered Indigenous relative investigation.

Subd. 3. **Reward advisory group.** (a) The director of the Office for Missing and Murdered Indigenous Relatives, in consultation with the stakeholder groups described in section 299A.85, subdivision 5, shall appoint an advisory group to make recommendations on paying rewards under this section. The advisory group shall consist of the following individuals:

(1) a representative from the Office for Missing and Murdered Indigenous Relatives;

(2) a representative from a Tribal, statewide, or local organization that provides legal services to Indigenous women and girls;

(3) a representative from a Tribal, statewide, or local organization that provides advocacy or counseling for Indigenous women and girls who have been victims of violence;

(4) a representative from a Tribal, statewide, or local organization that provides services to Indigenous women and girls;

(5) a Tribal peace officer who works for or resides on a federally recognized American Indian reservation in Minnesota; and

(6) a representative from the Minnesota Human Trafficking Task Force.

(b) Members serve a term of four years. The advisory group shall meet as necessary but at a minimum twice per year to carry out its duties. The group shall elect a chair from among its members. The chair shall serve a term of two years. The director shall provide necessary office space and administrative support to the group. Members of the group serve without compensation but shall receive expense reimbursement as provided in section 15.059.

(c) The representative from the Office for Missing and Murdered Indigenous Relatives may fully participate in the advisory group's activities but may not vote on issues before the group.

Subd. 4. **Advertising.** The director of the Office for Missing and Murdered Indigenous Relatives, in consultation with the reward advisory group, may spend up to four percent of available funds on an advertising or public relations campaign to increase public awareness on the availability of rewards under this section.

Subd. 5. **Grants; donations.** The director of the Office for Missing and Murdered Indigenous Relatives, in consultation with the reward advisory group, may apply for and accept grants and donations from the public and from public and private entities to implement this section. The commissioner of public safety shall deposit any grants or donations received under this subdivision into the account established under subdivision 1.

Subd. 6. **Definition.** As used in this section, "missing and murdered Indigenous relatives" means missing and murdered Indigenous people from or descended from one of the United States' federally recognized American Indian Tribes.

Sec. 24. [299A.90] OFFICE FOR MISSING AND MURDERED BLACK WOMEN AND GIRLS.

Subdivision 1. **Establishment.** The commissioner shall establish and maintain an office dedicated to preventing and ending the targeting of Black women and girls within the Minnesota Office of Justice Programs.

Subd. 2. **Director; staff.** (a) The commissioner must appoint a director who is a person closely connected to the Black community and who is highly knowledgeable about criminal investigations. The commissioner is encouraged to consider candidates for appointment who are recommended by members of the Black community.

(b) The director may select, appoint, and compensate out of available funds assistants and employees as necessary to discharge the office's responsibilities.

(c) The director and full-time staff shall be members of the Minnesota State Retirement Association.

Subd. 3. **Duties.** (a) The office has the following duties:

(1) advocate in the legislature for legislation that will facilitate the accomplishment of mandates identified in the report of the Task Force on Missing and Murdered African American Women;

(2) advocate for state agencies to take actions to facilitate the accomplishment of mandates identified in the report of the Task Force on Missing and Murdered African American Women;

(3) develop recommendations for legislative and agency actions to address injustice in the criminal justice system's response to cases of missing and murdered Black women and girls;

(4) facilitate research to refine the mandates in the report of the Task Force on Missing and Murdered African American Women and to assess the potential efficacy, feasibility, and impact of the recommendations;

(5) collect data on missing person and homicide cases involving Black women and girls, including the total number of cases, the rate at which the cases are solved, the length of time the cases remain open, and a comparison to similar cases involving different demographic groups;

(6) collect data on Amber Alerts, including the total number of Amber Alerts issued, the total number of Amber Alerts that involve Black girls, and the outcome of cases involving Amber Alerts disaggregated by the child's race and sex;

(7) collect data on reports of missing Black girls, including the number classified as voluntary runaways, and a comparison to similar cases involving different demographic groups;

(8) analyze and assess the intersection between cases involving missing and murdered Black women and girls and labor trafficking and sex trafficking;

(9) develop recommendations for legislative, agency, and community actions to address the intersection between cases involving missing and murdered Black women and girls and labor trafficking and sex trafficking;

(10) analyze and assess the intersection between cases involving murdered Black women and girls and domestic violence, including prior instances of domestic violence within the family or relationship, whether an offender had prior convictions for domestic assault or related offenses, and whether the offender used a firearm in the murder or any prior instances of domestic assault;

(11) develop recommendations for legislative, agency, and community actions to address the intersection between cases involving murdered Black women and girls and domestic violence;

(12) develop tools and processes to evaluate the implementation and impact of the efforts of the office;

(13) track and collect Minnesota data on missing and murdered Black women and girls, and provide statistics upon public or legislative inquiry;

(14) facilitate technical assistance for local and Tribal law enforcement agencies during active cases involving missing and murdered Black women and girls;

(15) conduct case reviews and report on the results of case reviews for the following types of cases involving missing and murdered Black women and girls: cold cases for missing Black women and girls and death investigation review for cases of Black women and girls ruled as suicide or overdose under suspicious circumstances;

(16) conduct case reviews of the prosecution and sentencing for cases where a perpetrator committed a violent or exploitative crime against a Black woman or girl. These case reviews must identify those cases where the perpetrator is a repeat offender;

(17) prepare draft legislation as necessary to allow the office access to the data necessary for the office to conduct the reviews required in this section and advocate for passage of that legislation;

(18) review sentencing guidelines for crimes related to missing and murdered Black women and girls, recommend changes if needed, and advocate for consistent implementation of the guidelines across Minnesota courts;

(19) develop and maintain communication with relevant divisions in the Department of Public Safety, including but not limited to the Bureau of Criminal Apprehension, regarding any cases involving missing and murdered Black women and girls and on procedures for investigating cases involving missing and murdered Black women and girls;

(20) consult with the Council for Minnesotans of African Heritage established in section 15.0145; and

(21) coordinate, as relevant, with federal efforts, and efforts in neighboring states and Canada.

(b) As used in this subdivision:

(1) "labor trafficking" has the meaning given in section 609.281, subdivision 5; and

(2) "sex trafficking" has the meaning given in section 609.321, subdivision 7a.

Subd. 4. **Coordination with other organizations.** In fulfilling its duties, the office may coordinate, as useful, with stakeholder groups that were represented on the Task Force on Missing and Murdered African American Women and state agencies that are responsible for the systems that play a role in investigating, prosecuting, and adjudicating cases involving violence committed against Black women and girls; those who have a role in supporting or advocating for missing or murdered Black women and girls and the people who seek justice for them; and those who represent the interests of Black people. This includes the following entities: Minnesota Chiefs of Police Association; Minnesota Sheriffs' Association; Bureau of Criminal Apprehension; Minnesota Police and Peace Officers Association; Tribal law enforcement; Minnesota County Attorneys Association; United States Attorney's Office; juvenile courts; Minnesota Coroners' and Medical Examiners' Association; United States Coast Guard; state agencies, including the Departments of Health, Human Services, Education, Corrections, and Public Safety; service providers who offer legal services, advocacy, and other services to Black women and girls; Black women and girls who are survivors; and organizations and leadership from urban and statewide Black communities.

Subd. 5. **Reports.** The office must report on measurable outcomes achieved to meet its statutory duties, along with specific objectives and outcome measures proposed for the following year. The report must include data and statistics on missing and murdered Black women and girls in Minnesota, including names, dates of disappearance, and dates of death, to the extent the data is publicly available. The office must submit the report by January 15 each year to the chairs and ranking minority members of the legislative committees with primary jurisdiction over public safety.

Subd. 6. **Acceptance of gifts and receipt of grants.** (a) A missing and murdered Black women and girls account is established in the special revenue fund. Money in the account, including interest earned, is appropriated to the office for the purposes of carrying out the office's duties, including but not limited to issuing grants to community-based organizations.

(b) Notwithstanding sections 16A.013 to 16A.016, the office may accept funds contributed by individuals and may apply for and receive grants from public and private entities. The funds accepted or received under this subdivision must be deposited in the missing and murdered Black women and girls account created under paragraph (a).

Subd. 7. **Grants to organizations.** (a) The commissioner in consultation with the office shall issue grants to community-based organizations that provide services designed to prevent or end the targeting of Black women or girls, or to provide assistance to victims of offenses that targeted Black women or girls.

(b) Grant recipients must use money to:

(1) provide services designed to reduce or prevent crimes or other negative behaviors that target Black women or girls;

(2) provide training to the community about how to handle situations and crimes involving the targeting of Black women and girls, including but not limited to training for law enforcement officers, county attorneys, city attorneys, judges, and other criminal justice partners; or

(3) provide services to Black women and girls who are victims of crimes or other offenses, or to the family members of missing and murdered Black women and girls.

(c) Applicants must apply in a form and manner established by the commissioner in consultation with the office.

(d) Grant recipients must provide an annual report to the office that includes:

(1) the services provided by the grant recipient;

(2) the number of individuals served in the previous year; and

(3) any other information required by the office.

(e) On or before February 1 of each year, the office shall report to the legislative committees and divisions with jurisdiction over public safety on the work of grant recipients, including a description of the number of entities awarded grants, the amount of those grants, and the number of individuals served by the grantees.

(f) The office shall enter into agreements with the Office of Justice Programs for the administration of grants issued under this subdivision.

Subd. 8. **Access to data.** Notwithstanding section 13.384 or 13.85, the director has access to corrections and detention data and medical data maintained by an agency and classified as private data on individuals or confidential data on individuals to the extent the data is necessary for the office to perform its duties under this section.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 25. **[299C.055] LEGISLATIVE REPORT ON FUSION CENTER ACTIVITIES.**

(a) The superintendent must prepare an annual report for the public and the legislature on the Minnesota Fusion Center (MNFC) that includes general information about the MNFC; the types of activities it monitors; the scale of information it collects; the local, state, and federal agencies with which it shares information; and the quantifiable benefits it produces. None of the reporting requirements in this section supersede chapter 13 or any other state or federal law. The superintendent must report on activities for the preceding calendar year unless another time period is specified. The report must include the following information, to the extent allowed by other law:

(1) the MNFC's operating budget for the current biennium, number of staff, and staff duties;

(2) the number of publications generated and an overview of the type of information provided in the publications, including products such as law enforcement briefs, partner briefs, risk assessments, threat assessments, and operational reports;

(3) a summary of audit findings for the MNFC and what corrective actions were taken pursuant to audits;

(4) the number of data requests received by the MNFC and a general description of those requests;

(5) the types of surveillance and data analysis technologies utilized by the MNFC, such as artificial intelligence or social media analysis tools;

(6) a description of the commercial and governmental databases utilized by the MNFC to the extent permitted by law;

(7) the number of suspicious activity reports (SARs) received and processed by the MNFC;

(8) the number of SARs received and processed by the MNFC that were converted into Bureau of Criminal Apprehension case files, that were referred to the Federal Bureau of Investigation, or that were referred to local law enforcement agencies;

(9) the number of SARs received and processed by the MNFC that involve an individual on the Terrorist Screening Center watchlist;

(10) the number of requests for information (RFIs) that the MNFC received from law enforcement agencies and the number of responses to federal requests for RFIs;

(11) the names of the federal agencies the MNFC received data from or shared data with;

(12) the names of the agencies that submitted SARs;

(13) a summary description of the MNFC's activities with the Joint Terrorism Task Force; and

(14) the number of investigations aided by the MNFC's use of SARs and RFIs.

(b) The report shall be provided to the chairs and ranking minority members of the committees of the house of representatives and senate with jurisdiction over data practices and public safety issues, and shall be posted on the MNFC website by February 15 each year beginning on February 15, 2024.

Sec. 26. [299C.061] STATE FRAUD UNIT.

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

(1) "Fraud" includes any violation of sections 609.466, 609.611, 609.651, 609.7475, or 609.821.

(2) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph (c).

(3) "State agency" has the meaning given in section 13.02, subdivision 17.

(4) "Superintendent" means the superintendent of the Bureau of Criminal Apprehension.

(5) "Unit" means the State Fraud Unit housed at the Bureau of Criminal Apprehension.

Subd. 2. **State Fraud Unit.** The superintendent shall form a State Fraud Unit within the Bureau of Criminal Apprehension to conduct investigations into fraud involving state-funded programs or services subject to availability of funds.

Subd. 3. **Mandatory referral; duty to investigate.** A state agency shall refer all suspected fraudulent activity under the provisions noted within subdivision 1, clause (1), equaling \$100,000 or more, to the unit for evaluation and investigation or appropriate referral. Upon receipt of this referral, the unit shall review and, where appropriate, conduct criminal investigations into such allegations. The unit has sole discretion as to which allegations are investigated further, referred back to the reporting agency for appropriate regulatory investigation, or referred to another law enforcement agency with appropriate jurisdiction.

Subd. 4. **Discretionary referral.** (a) A state agency may refer suspected fraudulent activity related to any state-funded programs or services equaling less than \$100,000 to the unit for investigation. Upon referral, the unit shall:

(1) accept the referral and, where appropriate, conduct criminal investigations into the allegations and make appropriate referrals for criminal prosecution; or

(2) redirect the referral to another appropriate law enforcement agency or civil investigative authority, offering assistance where appropriate.

Subd. 5. **State agency reporting.** By January 15 of each year, each state agency must report all suspected fraudulent activities equaling \$10,000 or more to the unit to be summarized in the report under subdivision 6.

Subd. 6. **State Fraud Unit annual report.** By February 1 of each odd-numbered year, the superintendent shall report to the commissioner, the governor, and the chairs and ranking minority members of the legislative committees with jurisdiction over public safety finance and policy the following information about the unit:

(1) the number of investigations initiated;

(2) the number of allegations investigated;

(3) the outcomes or current status of each investigation;

(4) the charging decisions made by the prosecuting authority of incidents investigated by the unit;

(5) the number of plea agreements reached in incidents investigated by the unit;

(6) the number of reports received under subdivision 5; and

(7) any other information relevant to the unit's mission.

EFFECTIVE DATE. Referrals to the unit under subdivisions 3 and 4 may begin on January 1, 2024.

Sec. 27. Minnesota Statutes 2022, section 299C.106, subdivision 3, is amended to read:

Subd. 3. **Submission and storage of sexual assault examination kits.** (a) Within 60 days of receiving an unrestricted sexual assault examination kit, a law enforcement agency shall submit the kit for testing to a forensic laboratory. The testing laboratory shall return unrestricted sexual assault examination kits to the submitting agency for storage after testing is complete. The submitting agency must store unrestricted sexual assault examination kits indefinitely.

(b) Within 60 days of a hospital preparing a restricted sexual assault examination kit or a law enforcement agency receiving a restricted sexual assault examination kit from a hospital, the hospital or the agency shall submit the kit to ~~the Bureau of Criminal Apprehension~~ a forensic laboratory. The ~~bureau~~ laboratory shall store all restricted sexual assault examination kits collected by hospitals or law enforcement agencies in the state. The ~~bureau~~ laboratory shall retain a restricted sexual assault examination kit for at least 30 months from the date the ~~bureau~~ laboratory receives the kit.

(c) The receiving forensic laboratory must test the sexual assault examination kit within 90 days of receipt from a hospital or law enforcement agency. Upon completion of testing, the forensic laboratory will update the kit-tracking database to indicate that testing is complete. The forensic laboratory must notify the submitting agency when any kit testing does not meet the 90-day deadline and provide an estimated time frame for testing completion.

Sec. 28. Minnesota Statutes 2022, section 299C.53, subdivision 3, is amended to read:

Subd. 3. **Missing and endangered persons.** The Bureau of Criminal Apprehension must operate a missing person alert program. If the Bureau of Criminal Apprehension receives a report from a law enforcement agency indicating that a person is missing and endangered, the superintendent must originate an alert. The superintendent may assist the law enforcement agency in conducting the preliminary investigation, offer resources, and assist the agency in helping implement the investigation policy with particular attention to the need for immediate action. The law enforcement agency shall promptly notify all appropriate law enforcement agencies in the state and is required to issue a missing person alert utilizing the Crime Alert Network as prescribed in section 299A.61 and, if deemed appropriate, law enforcement agencies in adjacent states or jurisdictions of any information that may aid in the prompt location and safe return of a missing and endangered person. The superintendent shall provide guidance on issuing alerts using this system and provide the system

for law enforcement agencies to issue these alerts. The Bureau of Criminal Apprehension may provide assistance to agencies in issuing missing person alerts as required by this section.

Sec. 29. Minnesota Statutes 2022, section 299N.02, subdivision 3, is amended to read:

Subd. 3. **Powers and duties.** (a) The board shall:

(1) review fire service training needs and make recommendations on training to Minnesota fire service organizations;

(2) establish standards for educational programs for the fire service and develop procedures for continuing oversight of the programs;

(3) establish qualifications for fire service training instructors in programs established under clause (2);

(4) maintain a list of instructors that have met the qualifications established under clause (3), subject to application procedures and requirements established by the board; and

(5) license full-time firefighters and volunteer firefighters under this chapter.

(b) The board may:

(1) hire or contract for technical or professional services according to section 15.061;

(2) pay expenses necessary to carry out its duties;

(3) apply for, receive, and accept grants, gifts, devises, and endowments that any entity may make to the board for the purposes of this chapter and may use any money given to it consistent with the terms and conditions under which the money was received and for the purposes stated;

(4) accept funding from the fire safety account and allocate funding to Minnesota fire departments in the form of reimbursements that are consistent with the board's recommendations and the Department of Public Safety firefighter training;

(5) accept funding from the general fund and allocate funding to Minnesota Board of Firefighter Training and Education for reimbursements that are consistent with the board's recommendations and the Department of Public Safety firefighter training;

~~(5)~~ (6) set guidelines regarding how the allocated reimbursement funds must be disbursed;

~~(6)~~ (7) set and make available to the fire service standards governing the use of funds reimbursed under this section;

~~(7)~~ (8) make recommendations to the legislature to improve the quality of firefighter training;

~~(8)~~ (9) collect and provide data, subject to section 13.03;

~~(9)~~ (10) conduct studies and surveys and make reports; and

~~(10)~~ (11) conduct other activities necessary to carry out its duties.

Sec. 30. Minnesota Statutes 2022, section 326.32, subdivision 10, is amended to read:

Subd. 10. **License holder.** "License holder" means any individual, partnership as defined in section 323A.0101, clause (8), or corporation licensed to perform the duties of a private detective or a protective agent.

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

Sec. 31. Minnesota Statutes 2022, section 326.3381, subdivision 3, is amended to read:

Subd. 3. **Disqualification.** (a) No person is qualified to hold a license who has:

(1) been convicted of (i) a felony by the courts of this or any other state or of the United States; (ii) acts which, if done in Minnesota, would be criminal sexual conduct; assault; theft; larceny; burglary; robbery; unlawful entry; extortion; defamation; buying or receiving stolen property; using, possessing, manufacturing, or carrying weapons unlawfully; using, possessing, or carrying burglary tools unlawfully; escape; possession, production, sale, or distribution of narcotics unlawfully; or (iii) in any other country of acts which, if done in Minnesota, would be a felony or would be any of the other offenses provided in this clause and for which a full pardon or similar relief has not been granted;

(2) made any false statement in an application for a license or any document required to be submitted to the board; or

(3) failed to demonstrate to the board good character, honesty, and integrity.

(b) Upon application for a license, the applicant shall submit, as part of the application, a full set of fingerprints and the applicant's written consent that their fingerprints shall be submitted to the Bureau of Criminal Apprehension (BCA) and the Federal Bureau of Investigation (FBI) to determine whether that person has a criminal record. The BCA shall promptly forward the fingerprints to the FBI and request that the FBI conduct a criminal history check of each prospective licensee. The Minnesota Board of Private Detective and Protective Agents Services shall determine if the FBI report indicates that the prospective licensee or licensee was convicted of a disqualifying offense. The submission to the FBI shall be coordinated through the BCA. The results of the criminal record check shall be provided to the board who will determine if the applicant is disqualified from holding a license under this subdivision.

Sec. 32. Minnesota Statutes 2022, section 363A.06, subdivision 1, is amended to read:

Subdivision 1. **Formulation of policies.** (a) The commissioner shall formulate policies to effectuate the purposes of this chapter and shall do the following:

(1) exercise leadership under the direction of the governor in the development of human rights policies and programs, and make recommendations to the governor and the legislature for their consideration and implementation;

(2) establish and maintain a principal office in St. Paul, and any other necessary branch offices at any location within the state;

(3) meet and function at any place within the state;

(4) employ attorneys, clerks, and other employees and agents as the commissioner may deem necessary and prescribe their duties;

(5) to the extent permitted by federal law and regulation, utilize the records of the Department of Employment and Economic Development of the state when necessary to effectuate the purposes of this chapter;

(6) obtain upon request and utilize the services of all state governmental departments and agencies;

(7) adopt suitable rules for effectuating the purposes of this chapter;

(8) issue complaints, receive and investigate charges alleging unfair discriminatory practices, and determine whether or not probable cause exists for hearing;

(9) subpoena witnesses, administer oaths, take testimony, and require the production for examination of any books or papers relative to any matter under investigation or in question as the commissioner deems appropriate to carry out the purposes of this chapter;

(10) attempt, by means of education, conference, conciliation, and persuasion to eliminate unfair discriminatory practices as being contrary to the public policy of the state;

(11) develop and conduct programs of formal and informal education designed to eliminate discrimination and intergroup conflict by use of educational techniques and programs the commissioner deems necessary;

(12) make a written report of the activities of the commissioner to the governor each year;

(13) accept gifts, bequests, grants, or other payments public and private to help finance the activities of the department;

(14) create such local and statewide advisory committees as will in the commissioner's judgment aid in effectuating the purposes of the Department of Human Rights;

(15) develop such programs as will aid in determining the compliance throughout the state with the provisions of this chapter, and in the furtherance of such duties, conduct research and study discriminatory practices based upon race, color, creed, religion, national origin, sex, age, disability, marital status, status with regard to public assistance, familial status, sexual orientation, or other factors and develop accurate data on the nature and extent of discrimination and other matters as they may affect housing, employment, public accommodations, schools, and other areas of public life;

(16) develop and disseminate technical assistance to persons subject to the provisions of this chapter, and to agencies and officers of governmental and private agencies;

(17) provide staff services to such advisory committees as may be created in aid of the functions of the Department of Human Rights;

(18) make grants in aid to the extent that appropriations are made available for that purpose in aid of carrying out duties and responsibilities; ~~and~~

(19) cooperate and consult with the commissioner of labor and industry regarding the investigation of violations of, and resolution of complaints regarding section 363A.08, subdivision 7; and

(20) solicit, receive, and compile information from community organizations, school districts and charter schools, and individuals regarding incidents committed in whole or in substantial part because of the victim's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, and compile data in the aggregate on the nature and extent of such incidents and include summary data as defined by section 13.02, subdivision 19, on this information in the report required under clause (12), disaggregated by the type of incident and the actual or perceived characteristic for which the person was targeted. The commissioner shall provide information on the department's website about when and how a victim can report criminal conduct to a law enforcement agency. Data collected and maintained under this clause are private data on individuals as defined in section 13.02, subdivision 12.

In performing these duties, the commissioner shall give priority to those duties in clauses (8), (9), and (10) and to the duties in section 363A.36.

(b) All gifts, bequests, grants, or other payments, public and private, accepted under paragraph (a), clause (13), must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner of human rights to help finance activities of the department.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 33. Minnesota Statutes 2022, section 609.2231, subdivision 4, is amended to read:

Subd. 4. **Assaults motivated by bias.** (a) Whoever assaults another in whole or in substantial part because of the victim's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, ~~age, or national origin~~ or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever violates the provisions of paragraph (a) within five years of a previous conviction under paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 34. Minnesota Statutes 2022, section 609.2233, is amended to read:

609.2233 FELONY ASSAULT MOTIVATED BY BIAS; INCREASED STATUTORY MAXIMUM SENTENCE.

A person who violates section 609.221, 609.222, or 609.223 in whole or in substantial part because of the victim's or another person's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, age, or national origin or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, is subject to a statutory maximum penalty of 25 percent longer than the maximum penalty otherwise applicable.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 35. Minnesota Statutes 2022, section 609.35, is amended to read:

609.35 COSTS OF MEDICAL EXAMINATION.

(a) Costs incurred by a ~~county, city, or private~~ hospital or other emergency medical facility or by a ~~private~~ physician, sexual assault nurse examiner, forensic nurse, or other licensed health care provider for the examination of a victim of criminal sexual conduct ~~when the examination is performed for the purpose of gathering evidence that occurred in the state~~ shall be paid by the ~~county in which the criminal sexual conduct occurred~~ state. These costs include, but are not limited to, the full cost of the rape kit medical forensic examination, associated tests and treatments relating to the complainant's sexually transmitted disease status infection, and pregnancy status, including emergency contraception. A hospital, emergency medical facility, or health care provider shall submit the costs for examination and any associated tests and treatment to the Office of Justice Programs for payment. Upon receipt of the costs, the commissioner shall provide payment to the facility or health care provider. Reimbursement for an examination and any associated test and treatments shall not exceed \$1,400. Beginning on January 1, 2024, the maximum amount of an award shall be adjusted annually by the inflation rate.

(b) Nothing in this section shall be construed to limit the duties, responsibilities, or liabilities of any insurer, whether public or private. ~~However, a county~~ The hospital or other licensed health care provider performing the examination may seek insurance reimbursement from the victim's insurer only if authorized by the victim. This authorization may only be sought after the examination is performed. When seeking this authorization, the ~~county~~ hospital or other licensed health care provider shall inform the victim that if the victim does not authorize this, the ~~county~~ state is required by law to pay for the examination and that the victim is in no way liable for these costs or obligated to authorize the reimbursement.

(c) The applicability of this section does not depend upon whether the victim reports the offense to law enforcement or the existence or status of any investigation or prosecution.

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to any examination that occurs on or after that date.

Sec. 36. Minnesota Statutes 2022, section 609.52, subdivision 3, is amended to read:

Subd. 3. **Sentence.** Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the property is a firearm, or the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), (16), or (19), or section 609.2335, subdivision 1, clause (1) or (2), item (i); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$5,000, or if the property stolen was an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in Schedule I or II pursuant to section 152.02 with the exception of marijuana; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if any of the following circumstances exist:

(a) the value of the property or services stolen is more than \$1,000 but not more than \$5,000; or

(b) the property stolen was a controlled substance listed in Schedule III, IV, or V pursuant to section 152.02; or

(c) the value of the property or services stolen is more than \$500 but not more than \$1,000 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.182; 609.24; 609.245; 609.522; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(d) the value of the property or services stolen is not more than \$1,000, and any of the following circumstances exist:

(i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(iii) the property is taken from a burning, abandoned, or vacant building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(v) the property stolen is a motor vehicle; or

(4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than \$500 but not more than \$1,000; or

(5) in all other cases where the value of the property or services stolen is \$500 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), (13), and (19), the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 37. **[609.522] ORGANIZED RETAIL THEFT.**

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

(b) "Article surveillance system" means any electronic device or other security device that is designed to detect or prevent the unauthorized removal of retail merchandise from a retailer.

(c) "Organized retail theft enterprise" means an ongoing criminal enterprise having retail theft as one of its goals in which two or more individuals participate. The term does not require that the same individuals participate in each offense.

(d) "Retailer" means a person or entity that sells retail merchandise.

(e) "Retail merchandise" means all forms of tangible property, without limitation, held out for sale by a retailer.

(f) "Value" means the retail market value at the time of the theft or, if the retail market value cannot be ascertained, the cost of replacement of the property within a reasonable time after the theft.

Subd. 2. **Organized retail theft.** (a) Whoever, while acting as a participant in an organized retail theft enterprise, steals or fraudulently obtains retail merchandise from a retailer commits organized retail theft and may be sentenced as provided in subdivision 3 if the actor:

(1)(i) resells or intends to resell the retail merchandise;

(ii) advertises or displays any item of the retail merchandise for sale;

(iii) returns any item of the retail merchandise to a retailer for anything of value; or

(iv) steals retail merchandise within five years of a conviction under this section; and

(2) has, while acting as a participant in an organized retail theft enterprise, committed an act described in clause (1) or in paragraph (b), or a combination of the two, on at least two occasions in the preceding six months.

(b) Whoever, while acting as a participant in an organized retail theft enterprise, receives, purchases, or possesses retail merchandise knowing or having reason to know the retail merchandise was stolen from a retailer and with the intent to resell that merchandise may be sentenced as provided in subdivision 3 if the person has, while acting as a participant in an organized retail theft enterprise, committed an act described in this paragraph or an act described in paragraph (a), clause (1), or a combination of the two, on at least two occasions in the preceding six months.

Subd. 3. **Sentence.** Whoever commits organized retail theft may be sentenced as follows:

(1) to imprisonment for not more than 15 years or to payment of a fine of not more than \$35,000, or both, if the value of the property stolen exceeds \$5,000;

(2) to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both, if either of the following circumstances exist:

(i) the value of the property stolen is more than \$1,000 but not more than \$5,000; or

(ii) the value of the property is more than \$500 but not more than \$1,000 and the person commits the offense within ten years of the first of two or more convictions under this section;

(3) to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both, if either of the following circumstances exist:

(i) the value of the property stolen is more than \$500 but not more than \$1,000; or

(ii) the value of the property is \$500 or less and the person commits the offense within ten years of a previous conviction under this section; or

(4) to imprisonment of not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property stolen is \$500 or less.

Subd. 4. **Aggregation.** The value of the retail merchandise received by the defendant in violation of this section within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Subd. 5. **Enhanced penalty.** If a violation of this section creates a reasonably foreseeable risk of bodily harm to another, the penalties described in subdivision 3 are enhanced as follows:

(1) if the penalty is a gross misdemeanor, the person is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both; and

(2) if the penalty is a felony, the statutory maximum sentence for the offense is 50 percent longer than for the underlying crime.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 38. Minnesota Statutes 2022, section 609.527, subdivision 1, is amended to read:

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

(b) "Direct victim" means any person or entity described in section 611A.01, paragraph (b), whose identity has been transferred, used, or possessed in violation of this section.

(c) "False pretense" means any false, fictitious, misleading, or fraudulent information or pretense or pretext depicting or including or deceptively similar to the name, logo, website address, email address, postal address, telephone number, or any other identifying information of a for-profit or not-for-profit business or organization or of a government agency, to which the user has no legitimate claim of right.

(d) "Financial institution" has the meaning given in section 13A.01, subdivision 2.

(e) "Identity" means any name, number, or data transmission that may be used, alone or in conjunction with any other information, to identify a specific individual or entity, including any of the following:

(1) a name, Social Security number, date of birth, official government-issued driver's license or identification number, government passport number, or employer or taxpayer identification number;

(2) unique electronic identification number, address, account number, or routing code; or

(3) telecommunication identification information or access device.

~~(e)~~ (f) "Indirect victim" means any person or entity described in section 611A.01, paragraph (b), other than a direct victim.

~~(f)~~ (g) "Loss" means value obtained, as defined in section 609.52, subdivision 1, clause (3), and expenses incurred by a direct or indirect victim as a result of a violation of this section.

~~(g)~~ (h) "Unlawful activity" means:

(1) any felony violation of the laws of this state or any felony violation of a similar law of another state or the United States; and

(2) any nonfelony violation of the laws of this state involving theft, theft by swindle, forgery, fraud, or giving false information to a public official, or any nonfelony violation of a similar law of another state or the United States.

~~(h)~~ (i) "Scanning device" means a scanner, reader, or any other electronic device that is used to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on a computer chip or magnetic strip or stripe of a payment card, driver's license, or state-issued identification card.

(j) "Reencoder" means an electronic device that places encoded information from the computer chip or magnetic strip or stripe of a payment card, driver's license, or state-issued identification card, onto the computer chip or magnetic strip or stripe of a different payment card, driver's license, or state-issued identification card, or any electronic medium that allows an authorized transaction to occur.

(k) "Payment card" means a credit card, charge card, debit card, or any other card that:

(1) is issued to an authorized card user; and

(2) allows the user to obtain, purchase, or receive credit, money, a good, a service, or anything of value.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 39. Minnesota Statutes 2022, section 609.527, is amended by adding a subdivision to read:

Subd. 8. Release of limited account information to law enforcement authorities. (a) A financial institution may release the information described in paragraph (b) to a law enforcement or prosecuting authority that certifies in writing that it is investigating or prosecuting a crime of identity theft under this section. The certification must describe with reasonable specificity the nature of the suspected identity theft that is being investigated or prosecuted, including the dates of the suspected criminal activity.

(b) This subdivision applies to requests for the following information relating to a potential victim's account:

(1) the name of the account holder or holders; and

(2) the last known home address and telephone numbers of the account holder or holders.

(c) A financial institution may release the information requested under this subdivision that it possesses within a reasonable time after the request. The financial institution may not impose a fee for furnishing the information.

(d) A financial institution is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

(e) Release of limited account information to a law enforcement agency under this subdivision is criminal investigative data under section 13.82, subdivision 7.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 40. Minnesota Statutes 2022, section 609.582, subdivision 3, is amended to read:

Subd. 3. Burglary in the third degree. (a) Except as otherwise provided in this section, whoever enters a building without consent and with intent to steal or commit any felony or gross misdemeanor while in the building, or enters a building without consent and steals or commits a felony or gross misdemeanor while in the building, either directly or as an accomplice, commits burglary in the

third degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) Whoever enters a building that is open to the public, other than a building identified in subdivision 2, paragraph (b), with intent to steal while in the building, or enters a building that is open to the public, other than a building identified in subdivision 2, paragraph (b), and steals while in the building, either directly or as an accomplice, commits burglary in the third degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(1) the person enters the building within one year after being told to leave the building and not return; and

(2) the person has been convicted within the preceding five years for an offense under this section, section 256.98, 268.182, 609.24, 609.245, 609.52, 609.522, 609.53, 609.625, 609.63, 609.631, or 609.821, or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of those sections, and the person received a felony sentence for the offense or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony sentence.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 41. Minnesota Statutes 2022, section 609.582, subdivision 4, is amended to read:

Subd. 4. **Burglary in the fourth degree.** (a) Whoever enters a building without consent and with intent to commit a misdemeanor other than to steal, or enters a building without consent and commits a misdemeanor other than to steal while in the building, either directly or as an accomplice, commits burglary in the fourth degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever enters a building that is open to the public, other than a building identified in subdivision 2, paragraph (b), with intent to steal while in the building, or enters a building that is open to the public, other than a building identified in subdivision 2, paragraph (b), and steals while in the building, either directly or as an accomplice, commits burglary in the fourth degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person enters the building within one year after being told to leave the building and not return.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 42. Minnesota Statutes 2022, section 609.595, subdivision 1a, is amended to read:

Subd. 1a. **Criminal damage to property in the second degree.** (a) Whoever intentionally causes damage described in subdivision 2, paragraph (a), ~~because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363A.03, age, or national origin~~ is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both, if the damage:

(1) was committed in whole or in substantial part because of the property owner's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03;

(2) was committed in whole or in substantial part because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03; or

(3) was motivated in whole or in substantial part by an intent to intimidate or harm an individual or group of individuals because of actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03.

(b) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 43. Minnesota Statutes 2022, section 609.595, subdivision 2, is amended to read:

Subd. 2. **Criminal damage to property in the third degree.** (a) Except as otherwise provided in subdivision 1a, whoever intentionally causes damage to another person's physical property without the other person's consent may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if: (1) the damage reduces the value of the property by more than \$500 but not more than \$1,000 as measured by the cost of repair and replacement; or (2) the damage was to a public safety motor vehicle and the defendant knew the vehicle was a public safety motor vehicle.

(b) Whoever intentionally causes damage to another person's physical property without the other person's consent ~~because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363A.03, age, or national origin~~ may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by not more than \$500- and:

(1) was committed in whole or in substantial part because of the property owner's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03;

(2) was committed in whole or in substantial part because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03; or

(3) was motivated in whole or in substantial part by an intent to intimidate or harm an individual or group of individuals because of actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03.

(c) In any prosecution under paragraph (a), clause (1), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 44. Minnesota Statutes 2022, section 609.749, subdivision 3, is amended to read:

Subd. 3. **Aggravated violations.** (a) A person who commits any of the following acts is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both:

(1) commits any offense described in subdivision 2 in whole or in substantial part because of the victim's or another's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, ~~age, or national origin~~ or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03;

(2) commits any offense described in subdivision 2 by falsely impersonating another;

(3) commits any offense described in subdivision 2 and a dangerous weapon was used in any way in the commission of the offense;

(4) commits any offense described in subdivision 2 with intent to influence or otherwise tamper with a juror or a judicial proceeding or with intent to retaliate against a judicial officer, as defined in section 609.415, or a prosecutor, defense attorney, or officer of the court, because of that person's performance of official duties in connection with a judicial proceeding; or

(5) commits any offense described in subdivision 2 against a victim under the age of 18, if the actor is more than 36 months older than the victim.

(b) A person who commits any offense described in subdivision 2 against a victim under the age of 18, if the actor is more than 36 months older than the victim, and the act is committed with sexual or aggressive intent, is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 45. Minnesota Statutes 2022, section 611A.211, subdivision 1, is amended to read:

Subdivision 1. **Grants.** The commissioner of public safety shall award grants to programs which provide support services or emergency shelter and housing supports as defined by section 611A.31 to victims of sexual assault. The commissioner shall also award grants for training, technical assistance, and the development and implementation of education programs to increase public awareness of the causes of sexual assault, the solutions to preventing and ending sexual assault, and the problems faced by sexual assault victims.

Sec. 46. Minnesota Statutes 2022, section 611A.31, subdivision 2, is amended to read:

Subd. 2. **Battered woman Domestic abuse victim.** ~~"Battered woman"~~ "Domestic abuse victim" means a ~~woman~~ person who is being or has been victimized by domestic abuse as defined in section 518B.01, subdivision 2.

Sec. 47. Minnesota Statutes 2022, section 611A.31, subdivision 3, is amended to read:

Subd. 3. **Emergency shelter services.** "Emergency shelter services" include, but are not limited to, secure crisis shelters for ~~battered women~~ domestic abuse victims and housing networks for ~~battered women~~ domestic abuse victims.

Sec. 48. Minnesota Statutes 2022, section 611A.31, is amended by adding a subdivision to read:

Subd. 3a. **Housing supports.** "Housing supports" means services and supports used to enable victims to secure and maintain transitional and permanent housing placement. Housing supports include but are not limited to rental assistance and financial assistance to maintain housing stability. Transitional housing placements may take place in communal living, clustered site or scattered site programs, or other transitional housing models.

Sec. 49. Minnesota Statutes 2022, section 611A.32, is amended to read:

611A.32 ~~BATTERED WOMEN~~ DOMESTIC ABUSE PROGRAMS.

Subdivision 1. **Grants awarded.** The commissioner shall award grants to programs which provide emergency shelter services ~~to battered women~~, housing supports, and support services to ~~battered women and~~ domestic abuse victims and their children. The commissioner shall also award grants for training, technical assistance, and for the development and implementation of education programs to increase public awareness of the causes of battering domestic abuse, the solutions to preventing and ending domestic violence, and the problems faced by ~~battered women and~~ domestic abuse victims. Grants shall be awarded in a manner that ensures that they are equitably distributed to programs serving metropolitan and nonmetropolitan populations. ~~By July 1, 1995, community based domestic abuse advocacy and support services programs must be established in every judicial assignment district.~~

Subd. 1a. **Program for American Indian ~~women~~ domestic abuse victims.** The commissioner shall establish at least one program under this section to provide emergency shelter services and support services to ~~battered American Indian women~~ domestic abuse victims and their children. The commissioner shall grant continuing operating expenses to the program established under this

subdivision in the same manner as operating expenses are granted to programs established under subdivision 1.

Subd. 2. **Applications.** Any public or private nonprofit agency may apply to the commissioner for a grant to provide emergency shelter services ~~to battered women,~~ housing supports, support services, and one or more of these services and supports to domestic abuse victims, ~~or both, to battered women~~ and their children. The application shall be submitted in a form approved by the commissioner by rule adopted under chapter 14 and shall include:

(1) a proposal for the provision of emergency shelter services ~~for battered women,~~ housing supports, support services, and one or more of these services and supports for domestic abuse victims; ~~or both, for battered women~~ and their children;

(2) a proposed budget;

(3) the agency's overall operating budget, including documentation on the retention of financial reserves and availability of additional funding sources;

(4) evidence of an ability to integrate into the proposed program the uniform method of data collection and program evaluation established under section 611A.33;

(5) evidence of an ability to represent the interests of ~~battered women~~ and domestic abuse victims and their children to local law enforcement agencies and courts, county welfare agencies, and local boards or departments of health;

(6) evidence of an ability to do outreach to unserved and underserved populations and to provide culturally and linguistically appropriate services; and

(7) any other content the commissioner may require by rule adopted under chapter 14, ~~after considering the recommendations of the advisory council.~~

Programs which have been approved for grants in prior years may submit materials which indicate changes in items listed in clauses (1) to (7), in order to qualify for renewal funding. Nothing in this subdivision may be construed to require programs to submit complete applications for each year of renewal funding.

Subd. 3. **Duties of grantees.** Every public or private nonprofit agency which receives a grant to provide emergency shelter services ~~to battered women and,~~ housing supports, or support services to ~~battered women and~~ domestic abuse victims shall comply with all rules of the commissioner related to the administration of the ~~pilot~~ programs.

Subd. 5. **Classification of data collected by grantees.** Personal history information and other information collected, used or maintained by a grantee from which the identity or location of any victim of domestic abuse may be determined is private data on individuals, as defined in section 13.02, subdivision 12, and the grantee shall maintain the data in accordance with the provisions of chapter 13.

Sec. 50. Minnesota Statutes 2022, section 626.15, is amended to read:

626.15 EXECUTION AND RETURN OF WARRANT; TIME.

(a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), a search warrant must be executed and returned to the court which issued it within ten days after its date. After the expiration of this time, the warrant is void unless previously executed.

(b) A search warrant on a financial institution for financial records is valid for 30 days.

(c) A district court judge may grant an extension of a warrant on a financial institution for financial records upon an application under oath stating that the financial institution has not produced the requested financial records within ~~ten days~~ the 30-day period and that an extension is necessary to achieve the purposes for which the search warrant was granted. Each extension may not exceed 30 days.

(d) For the purposes of this ~~paragraph~~ section, "financial institution" has the meaning given in section 13A.01, subdivision 2, and "financial records" has the meaning given in section 13A.01, subdivision 3.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 51. Minnesota Statutes 2022, section 626.5531, subdivision 1, is amended to read:

Subdivision 1. **Reports required.** A peace officer must report to the head of the officer's department every violation of chapter 609 or a local criminal ordinance if the officer has reason to believe, or if the victim alleges, that ~~the offender was motivated to commit the act by~~ the act was committed in whole or in substantial part because of the victim's actual or perceived race, color, ethnicity, religion, ~~national origin~~, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, or ~~characteristics identified as sexual orientation~~ because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03. The superintendent of the Bureau of Criminal Apprehension shall adopt a reporting form to be used by law enforcement agencies in making the reports required under this section. The reports must include for each incident all of the following:

- (1) the date of the offense;
- (2) the location of the offense;
- (3) whether the target of the incident is a person, private property, or public property;
- (4) the crime committed;
- (5) the type of bias and information about the offender and the victim that is relevant to that bias;
- (6) any organized group involved in the incident;
- (7) the disposition of the case;
- (8) whether the determination that the offense was motivated by bias was based on the officer's reasonable belief or on the victim's allegation; and

(9) any additional information the superintendent deems necessary for the acquisition of accurate and relevant data.

Sec. 52. Minnesota Statutes 2022, section 626.843, is amended by adding a subdivision to read:

Subd. 1c. **Rules governing certain misconduct.** No later than January 1, 2025, the board must adopt rules under chapter 14 that permit the board to take disciplinary action on a licensee for a violation of a standard of conduct in Minnesota Rules, chapter 6700, whether or not criminal charges have been filed and in accordance with the evidentiary standards and civil processes for boards under chapter 214.

Sec. 53. **[626.8443] OPIATE ANTAGONISTS; TRAINING; CARRYING; USE.**

Subdivision 1. **Training.** A chief law enforcement officer must provide basic training to peace officers employed by the chief's agency on:

- (1) identifying persons who are suffering from narcotics overdoses; and
- (2) the proper use of opiate antagonists to treat a narcotics overdose.

Subd. 2. **Mandatory supply.** A chief law enforcement officer must maintain a sufficient supply of opiate antagonists to ensure that officers employed by the chief's agency can satisfy the requirements of subdivision 3.

Subd. 3. **Mandatory carrying.** Each on-duty peace officer who is assigned to respond to emergency calls must have at least two unexpired opiate antagonist doses readily available when the officer's shift begins. An officer who depletes their supply of opiate antagonists during the officer's shift shall replace the expended doses from the officer's agency's supply so long as replacing the doses will not compromise public safety.

Subd. 4. **Authorization of use.** (a) A chief law enforcement officer must authorize peace officers employed by the chief's agency to perform administration of an opiate antagonist when an officer believes a person is suffering a narcotics overdose.

(b) In order to administer opiate antagonists, a peace officer must comply with section 151.37, subdivision 12, paragraph (b), clause (1).

Sec. 54. Minnesota Statutes 2022, section 626.8451, subdivision 1, is amended to read:

Subdivision 1. **Training course; crimes motivated by bias.** (a) The board must ~~prepare a~~ approve a list of training ~~course~~ courses to assist peace officers in identifying ~~and~~, responding to, and reporting crimes ~~motivated by~~ committed in whole or in substantial part because of the victim's or another's actual or perceived race, color, ethnicity, religion, ~~national origin~~, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, or ~~characteristics identified as sexual orientation~~ because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03. The course must include material to help officers distinguish bias crimes from other crimes, to help officers in understanding and assisting victims of these crimes,

and to ensure that bias crimes will be accurately reported as required under section 626.5531. The course must be updated periodically board must review the approved courses every three years and update the list of approved courses as the board, in consultation with communities most targeted by hate crimes because of their characteristics as described above, organizations with expertise in providing training on hate crimes, and the statewide coalition of organizations representing communities impacted by hate crimes, considers appropriate.

(b) In updating the list of approved training courses described in paragraph (a), the board must consult and significantly incorporate input from communities most targeted by hate crimes because of their characteristics as described above, organizations with expertise in providing training on hate crimes, and the statewide coalition of organizations representing communities impacted by hate crimes.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 55. Minnesota Statutes 2022, section 626.8469, subdivision 1, is amended to read:

Subdivision 1. **In-service training required.** (a) Beginning July 1, 2018, the chief law enforcement officer of every state and local law enforcement agency shall provide in-service training in crisis intervention and mental illness crises; conflict management and mediation; ~~and~~ recognizing and valuing community diversity and cultural differences to include implicit bias training; ~~and training to assist peace officers in identifying, responding to, and reporting incidents committed in whole or in substantial part because of the victim's actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03,~~ to every peace officer and part-time peace officer employed by the agency. The training shall comply with learning objectives developed and approved by the board and shall meet board requirements for board-approved continuing education credit. Every three years the board shall review the learning objectives and must consult and collaborate with communities most targeted by hate crimes because of their characteristics as described above, organizations with expertise in providing training on hate crimes, and the statewide coalition of organizations representing communities impacted by hate crimes in identifying appropriate objectives and training courses related to identifying, responding to, and reporting incidents committed in whole or in substantial part because of the victim's or another's actual or perceived race, color, ethnicity, religion, national origin, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03, or because of the victim's actual or perceived association with another person or group of a certain actual or perceived race, color, ethnicity, religion, sex, gender, sexual orientation, gender identity, gender expression, age, national origin, or disability as defined in section 363A.03. The training shall consist of at least 16 continuing education credits within an officer's three-year licensing cycle. Each peace officer with a license renewal date after June 30, 2018, is not required to complete this training until the officer's next full three-year licensing cycle.

(b) Beginning July 1, 2021, the training mandated under paragraph (a) must be provided by an approved entity. The board shall create a list of approved entities and training courses and make the list available to the chief law enforcement officer of every state and local law enforcement agency.

Each peace officer (1) with a license renewal date before June 30, 2022, and (2) who received the training mandated under paragraph (a) before July 1, 2021, is not required to receive this training by an approved entity until the officer's next full three-year licensing cycle.

(c) For every peace officer and part-time peace officer with a license renewal date of June 30, 2022, or later, the training mandated under paragraph (a) must:

(1) include a minimum of six hours for crisis intervention and mental illness crisis training that meets the standards established in subdivision 1a; and

(2) include a minimum of four hours to ensure safer interactions between peace officers and persons with autism in compliance with section 626.8474.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 56. Minnesota Statutes 2022, section 626.8473, subdivision 3, is amended to read:

Subd. 3. **Written policies and procedures required.** (a) The chief officer of every state and local law enforcement agency that uses or proposes to use a portable recording system must establish and enforce a written policy governing its use. In developing and adopting the policy, the law enforcement agency must provide for public comment and input as provided in subdivision 2. Use of a portable recording system without adoption of a written policy meeting the requirements of this section is prohibited. The written policy must be posted on the agency's website, if the agency has a website.

(b) At a minimum, the written policy must incorporate and require compliance with the following:

(1) the requirements of section 13.825 and other data classifications, access procedures, retention policies, and data security safeguards that, at a minimum, meet the requirements of chapter 13 and other applicable law;

(2) prohibit altering, erasing, or destroying any recording made with a peace officer's portable recording system or data and metadata related to the recording prior to the expiration of the applicable retention period under section 13.825, subdivision 3;

(3) mandate that a portable recording system be:

(i) worn where it affords an unobstructed view, and above the mid-line of the waist;

(ii) activated during all contacts with citizens in the performance of official duties other than community engagement, to the extent practical without compromising officer safety; and

(iii) activated when the officer arrives on scene of an incident and remain active until the conclusion of the officer's duties at the scene of the incident;

(4) mandate that officers assigned a portable recording system wear and operate the system in compliance with the agency's policy adopted under this section while performing law enforcement activities under the command and control of another chief law enforcement officer or federal law enforcement official;

(5) procedures for testing the portable recording system to ensure adequate functioning;

~~(3)~~ (6) procedures to address a system malfunction or failure, including requirements for documentation by the officer using the system at the time of a malfunction or failure;

~~(4)~~ (7) circumstances under which recording is mandatory, prohibited, or at the discretion of the officer using the system;

~~(5)~~ (8) circumstances under which a data subject must be given notice of a recording;

~~(6)~~ (9) circumstances under which a recording may be ended while an investigation, response, or incident is ongoing;

~~(7)~~ (10) procedures for the secure storage of portable recording system data and the creation of backup copies of the data; and

~~(8)~~ (11) procedures to ensure compliance and address violations of the policy, which must include, at a minimum, supervisory or internal audits and reviews, and the employee discipline standards for unauthorized access to data contained in section 13.09.

(c) The board has authority to inspect state and local law enforcement agency policies to ensure compliance with this section. The board may conduct this inspection based upon a complaint it receives about a particular agency or through a random selection process. The board may impose licensing sanctions and seek injunctive relief under section 214.11 for an agency's or licensee's failure to comply with this section.

Sec. 57. [626.8516] INTENSIVE COMPREHENSIVE PEACE OFFICER EDUCATION AND TRAINING PROGRAM.

Subdivision 1. **Establishment; title.** A program is established within the Department of Public Safety to fund the intensive comprehensive law enforcement education and training of college degree holders. The program shall be known as the intensive comprehensive peace officer education and training program.

Subd. 2. **Purpose.** The program is intended to address the critical shortage of peace officers in the state. The program shall reimburse law enforcement agencies that recruit, educate, and train highly qualified college graduates to become licensed peace officers in the state.

Subd. 3. **Eligibility for reimbursement grant; grant cap.** (a) The chief law enforcement officer of a law enforcement agency may apply to the commissioner for reimbursement of the cost of educating, training, paying, and insuring an eligible peace officer candidate until the candidate is licensed by the board as a peace officer.

(b) The commissioner must reimburse an agency for the actual cost of educating, training, paying, and insuring an eligible peace officer candidate up to \$50,000.

(c) The commissioner shall not award a grant under this section until the candidate has been licensed by the board.

Subd. 4. **Eligibility for retention bonus reimbursement grant.** (a) The chief law enforcement officer of a law enforcement agency may apply to the commissioner for a onetime reimbursement grant for a retention bonus awarded to an eligible peace officer candidate after the candidate has worked for a minimum of two years as a licensed peace officer for the applicant's agency.

(b) The commissioner must reimburse an agency for the actual cost of an eligible retention bonus up to \$10,000.

Subd. 5. **Eligibility for student loan reimbursement grant.** (a) An eligible peace officer candidate, after serving for consecutive years as a licensed peace officer in good standing for a law enforcement agency, may apply to the commissioner for a grant to cover student loan debt incurred by the applicant in earning the applicant's four-year degree.

(b) The commissioner shall reimburse the applicant for the amount of the applicant's student loan debt up to \$20,000.

Subd. 6. **Forms.** The commissioner must prepare the necessary grant application forms and make them available on the agency's public website.

Subd. 7. **Intensive education and skills training program.** No later than February 1, 2024, the commissioner, in consultation with the executive director of the board and the institutions designated as education providers under subdivision 8, shall develop an intensive comprehensive law enforcement education and skills training curriculum that will provide eligible peace officer candidates with the law enforcement education and skills training needed to be licensed as a peace officer. The curriculum must be designed to be completed in eight months or less and shall be offered at the institutions designated under subdivision 8. The curriculum may overlap, coincide with, or draw upon existing law enforcement education and training programs at institutions designated as education providers under subdivision 8. The commissioner may designate existing law enforcement education and training programs that are designed to be completed in eight months or less as intensive comprehensive law enforcement education and skills training programs for purposes of this section.

Subd. 8. **Education providers; sites.** (a) No later than September 1, 2023, the Board of Trustees of the Minnesota State Colleges and Universities shall designate at least two regionally diverse system campuses to provide the required intensive comprehensive law enforcement education and skills training to eligible peace officer candidates.

(b) In addition to the campuses designated under paragraph (a), the commissioner may designate private, nonprofit postsecondary institutions to provide the required intensive comprehensive law enforcement education and skills training to eligible peace officer candidates.

Subd. 9. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of public safety.

(c) "Eligible peace officer candidate" means a person who:

(1) holds a four-year degree from an accredited college or university;

(2) is a citizen of the United States;

(3) passed a thorough background check, including searches by local, state, and federal agencies, to disclose the existence of any criminal record or conduct which would adversely affect the candidate's performance of peace officer duties;

(4) possesses a valid Minnesota driver's license or, in case of residency therein, a valid driver's license from another state, or eligibility to obtain either license; and

(5) is sponsored by a state or local law enforcement agency.

(d) "Law enforcement agency" has the meaning given in section 626.84, subdivision 1, paragraph (f), clause (1).

(e) "Program" means the intensive comprehensive peace officer education and training program.

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

Sec. 58. Laws 2021, First Special Session chapter 11, article 1, section 15, subdivision 3, is amended to read:

Subd. 3. Peace Officer Training Assistance

Philando Castile Memorial Training Fund

\$6,000,000 each year is to support and strengthen law enforcement training and implement best practices, including but not limited to reimbursing costs related to training courses that qualify for reimbursement under Minnesota Statutes, sections 626.8452 (use of force), 626.8469 (training in crisis response, conflict management, and cultural diversity), and 626.8474 (autism training). This funding shall be named the "Philando Castile Memorial Training Fund."

Each sponsor of a training course is required to include the following in the sponsor's application for approval submitted to the board: course goals and objectives; a course outline including at a minimum a timeline and teaching hours for all courses; instructor qualifications, including skills and concepts such as crisis intervention, de-escalation, and cultural competency that are relevant to the course provided; and a plan for learning assessments of the course and documenting the assessments to the board during review.

Upon completion of each course, instructors must submit student evaluations of the instructor's teaching to the sponsor.

The board shall keep records of the applications of all approved and denied courses. All continuing education courses shall be reviewed after the first year. The board must set a timetable for recurring review after the first year. For each review, the sponsor must submit its learning assessments to the board to show that the course is teaching the learning outcomes that were approved by the board.

A list of licensees who successfully complete the course shall be maintained by the sponsor and transmitted to the board following the presentation of the course and the completed student evaluations of the instructors. Evaluations are available to chief law enforcement officers. The board shall establish a data retention schedule for the information collected in this section.

Each year, if funds are available after reimbursing all eligible requests for courses approved by the board under this subdivision, the board may use the funds to reimburse law enforcement agencies for other board-approved law enforcement training courses. The base for this activity is \$0 in fiscal year 2026 and thereafter.

Sec. 59. EXCEPTION TO TOLLING PERIOD.

Notwithstanding Minnesota Statutes, section 299A.47, a claim for benefits may be made from the public safety officer's death benefit account by or on behalf of a survivor of a public safety officer who died by suicide between January 1, 2017, and June 30, 2023, within two years of the effective date of this act if the officer is considered killed in the line of duty under the changes made to Minnesota Statutes, section 299A.41, in this act.

Sec. 60. INITIAL APPOINTMENT AND FIRST MEETING FOR THE REWARD ADVISORY GROUP FOR THE OFFICE OF MISSING AND MURDERED INDIGENOUS RELATIVES.

The Director of the Office of Missing and Murdered Indigenous Relatives must appoint the first members to the reward advisory group under Minnesota Statutes, section 299A.86, subdivision 3,

by August 15, 2023, and must convene the first meeting of the group by October 1, 2023. The group must elect a chair at its first meeting.

Sec. 61. **RULES; SOFT BODY ARMOR REIMBURSEMENT.**

The commissioner of public safety shall amend rules adopted under Minnesota Statutes, section 299A.38, subdivision 4, to reflect the soft body armor reimbursement for public safety officers under that section.

Sec. 62. **REVISOR INSTRUCTION.**

The revisor of statutes shall make necessary changes to statutory cross-references to reflect the changes made to Minnesota Statutes, section 299A.38, in this act.

Sec. 63. **REPEALER.**

Minnesota Statutes 2022, section 299C.80, subdivision 7, is repealed.

ARTICLE 4

CORRECTIONS

Section 1. Minnesota Statutes 2022, section 241.01, subdivision 3a, is amended to read:

Subd. 3a. **Commissioner, powers and duties.** The commissioner of corrections has the following powers and duties:

(a) To accept persons committed to the commissioner by the courts of this state for care, custody, and rehabilitation.

(b) To determine the place of confinement of committed persons in a correctional facility or other facility of the Department of Corrections and to prescribe reasonable conditions and rules for their employment, conduct, instruction, and discipline within or outside the facility. Inmates shall not exercise custodial functions or have authority over other inmates.

(c) To administer the money and property of the department.

(d) To administer, maintain, and inspect all state correctional facilities.

(e) To transfer authorized positions and personnel between state correctional facilities as necessary to properly staff facilities and programs.

(f) To utilize state correctional facilities in the manner deemed to be most efficient and beneficial to accomplish the purposes of this section, but not to close the Minnesota Correctional Facility-Stillwater or the Minnesota Correctional Facility-St. Cloud without legislative approval. The commissioner may place juveniles and adults at the same state minimum security correctional facilities, if there is total separation of and no regular contact between juveniles and adults, except contact incidental to admission, classification, and mental and physical health care.

(g) To organize the department and employ personnel the commissioner deems necessary to discharge the functions of the department, including a chief executive officer for each facility under the commissioner's control who shall serve in the unclassified civil service and may, under the provisions of section 43A.33, be removed only for cause.

(h) To define the duties of these employees and to delegate to them any of the commissioner's powers, duties and responsibilities, subject to the commissioner's control and the conditions the commissioner prescribes.

(i) To annually develop a comprehensive set of goals and objectives designed to clearly establish the priorities of the Department of Corrections. This report shall be submitted to the governor commencing January 1, 1976. The commissioner may establish ad hoc advisory committees.

(j) To publish, administer, and award grant contracts with state agencies, local units of government, and other entities for correctional programs embodying rehabilitative concepts, for restorative programs for crime victims and the overall community, and for implementing legislative directives.

Sec. 2. Minnesota Statutes 2022, section 241.021, subdivision 1d, is amended to read:

Subd. 1d. **Public notice of restriction, revocation, or suspension.** If the license of a facility under this section is revoked or suspended, or use of the facility is restricted for any reason under a conditional license order, or a correction order is issued to a facility, the commissioner shall post the facility, the status of the facility's license, and the reason for the correction order, restriction, revocation, or suspension publicly and on the department's website.

Sec. 3. [243.1609] INTERSTATE ADULT OFFENDER TRANSFER TRANSPORTATION EXPENSES.

Subject to the amount of money appropriated for this purpose, the commissioner of corrections may reimburse sheriffs for transportation expenses related to the return of probationers to the state who are being held in custody under section 243.1605. Reimbursement shall be based on a fee schedule agreed to by the Department of Corrections and the Minnesota Sheriffs' Association. The required return to the state of a probationer in custody as a result of a nationwide warrant issued pursuant to the Interstate Compact for Adult Supervision shall be arranged and supervised by the sheriff of the county in which the court proceedings are to be held and at the expense of the state as provided for in this section. This expense offset is not applicable to the transport of individuals from pickup locations within 250 miles of the office of the sheriff arranging and supervising the offender's return to the state.

Sec. 4. Minnesota Statutes 2022, section 609.05, is amended by adding a subdivision to read:

Subd. 2a. **Exception.** (a) A person may not be held criminally liable for a violation of section 609.185, paragraph (a), clause (3), for a death caused by another unless the person intentionally aided, advised, hired, counseled, or conspired with or otherwise procured the other with the intent to cause the death of a human being.

(b) A person may not be held criminally liable for a violation of section 609.19, subdivision 2, clause (1), for a death caused by another unless the person was a major participant in the underlying felony and acted with extreme indifference to human life.

(c) A "major participant" under paragraph (b) is one who:

(1) used a deadly weapon during the commission of the underlying felony or provided a deadly weapon to another participant where it was reasonably foreseeable that the weapon would be used in the underlying felony;

(2) was not present at the time of the commission of the underlying felony but coerced a participant to undertake actions in furtherance of the underlying felony that proximately caused the death, and where it was reasonably foreseeable that such actions would cause death or great bodily harm; or

(3) impeded another person from preventing the death either by physical action or by threat of physical action when it was reasonably foreseeable that death or great bodily harm would result.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2022, section 641.15, subdivision 2, is amended to read:

Subd. 2. **Medical aid.** Except as provided in section 466.101, the county board shall pay the costs of medical services provided to prisoners pursuant to this section. The amount paid by the county board for a medical service shall not exceed the maximum allowed medical assistance payment rate for the service, as determined by the commissioner of human services. In the absence of a health or medical insurance or health plan that has a contractual obligation with the provider or the prisoner, medical providers shall charge no higher than the rate negotiated between the county and the provider. In the absence of an agreement between the county and the provider, the provider may not charge an amount that exceeds the maximum allowed medical assistance payment rate for the service, as determined by the commissioner of human services. The county is entitled to reimbursement from the prisoner for payment of medical bills to the extent that the prisoner to whom the medical aid was provided has the ability to pay the bills. The prisoner shall, at a minimum, incur co-payment obligations for health care services provided by a county correctional facility. The county board shall determine the co-payment amount. Notwithstanding any law to the contrary, the co-payment shall be deducted from any of the prisoner's funds held by the county, to the extent possible. If there is a disagreement between the county and a prisoner concerning the prisoner's ability to pay, the court with jurisdiction over the defendant shall determine the extent, if any, of the prisoner's ability to pay for the medical services. If a prisoner is covered by health or medical insurance or other health plan when medical services are provided, the medical provider shall bill that health or medical insurance or other plan. If the county providing the medical services for a prisoner that has coverage under health or medical insurance or other plan, that county has a right of subrogation to be reimbursed by the insurance carrier for all sums spent by it for medical services to the prisoner that are covered by the policy of insurance or health plan, in accordance with the benefits, limitations, exclusions, provider restrictions, and other provisions of the policy or health plan. The county may maintain an action to enforce this subrogation right. The county does not have a right of subrogation against the medical assistance program. The county shall not charge prisoners

for telephone calls to MNsure navigators, the Minnesota Warmline, a mental health provider, or calls for the purpose of providing case management or mental health services as defined in section 245.462 to prisoners.

Sec. 6. Minnesota Statutes 2022, section 641.155, is amended to read:

641.155 DISCHARGE PLANS; ~~OFFENDERS WITH SERIOUS AND PERSISTENT MENTAL ILLNESS.~~

Subdivision 1. **Discharge plans.** The commissioner of corrections shall develop and distribute a model discharge planning process for every offender with a serious and persistent mental illness, as defined in section 245.462, subdivision 20, paragraph (c), who has been convicted and sentenced to serve three or more months and is being released from a county jail or county regional jail. The commissioner may specify different model discharge plans for prisoners who have been detained pretrial and prisoners who have been sentenced to jail. The commissioner must consult best practices and the most current correctional health care standards from national accrediting organizations. The commissioner must review and update the model process as needed.

Subd. 2. **Discharge plans for people with serious and persistent mental illnesses.** ~~An offender~~ A person with a serious and persistent mental illness, as defined in section 245.462, subdivision 20, paragraph (c), who has been convicted and sentenced to serve three or more months and is being released from a county jail or county regional jail shall be referred to the appropriate staff in the county human services department at least 60 days before being released. The county human services department ~~may carry out provisions of the model discharge planning process such as~~ must complete a discharge plan with the prisoner no less than 14 days before release that may include:

- (1) providing assistance in filling out an application for medical assistance or MinnesotaCare;
- (2) making a referral for case management as outlined under section 245.467, subdivision 4;
- (3) providing assistance in obtaining a state photo identification;
- (4) securing a timely appointment with a psychiatrist or other appropriate community mental health providers; and
- (5) providing prescriptions for a 30-day supply of all necessary medications.

Subd. 3. **Reentry coordination programs.** A county may establish a program to provide services and assist prisoners with reentering the community. Reentry services may include but are not limited to:

- (1) providing assistance in meeting the basic needs of the prisoner immediately after release, including but not limited to provisions for transportation, clothing, food, and shelter;
- (2) providing assistance in filling out an application for medical assistance or MinnesotaCare;
- (3) providing assistance in obtaining a state photo identification;
- (4) providing assistance in obtaining prescriptions for all necessary medications;

(5) coordinating services with the local county services agency or the social services agency in the county where the prisoner is a resident; and

(6) coordinating services with a community mental health or substance use disorder provider.

Sec. 7. LIABILITY FOR MURDER COMMITTED BY ANOTHER; RETROACTIVE APPLICATION.

Subdivision 1. Purpose. Any person is entitled to petition to have the person's conviction vacated pursuant to this section if the person was:

(1) charged with aiding and abetting first-degree murder under Minnesota Statutes, section 609.185, paragraph (a), clause (3), and thereafter convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3); 609.19, subdivision 1, clause (1); or 609.19, subdivision 2, clause (1); or

(2) charged with aiding and abetting second-degree unintentional murder under Minnesota Statutes, section 609.19, subdivision 2, clause (1), and thereafter convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3); 609.19, subdivision 1, clause (1); or 609.19, subdivision 2, clause (1).

Subd. 2. Notification. (a) By December 1, 2023, the commissioner of corrections shall notify individuals convicted for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3); 609.19, subdivision 1, clause (1); or 609.19, subdivision 2, clause (1), of the right to file a preliminary application for relief if:

(1) the person was convicted for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), and did not actually cause the death of a human being or intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being;

(2) the person was convicted for a violation of Minnesota Statutes, section 609.19, subdivision 2, clause (1), and did not actually cause the death of a human being or was not a major participant, as described in Minnesota Statutes, section 609.05, subdivision 2a, paragraph (c), in the underlying felony who acted with extreme indifference to human life; or

(3) the person was charged with aiding and abetting first-degree murder under Minnesota Statutes, section 609.185, paragraph (a), clause (3), or second-degree unintentional murder under Minnesota Statutes, section 609.19, subdivision 2, clause (1), and thereafter convicted for a violation of Minnesota Statutes, section 609.19, subdivision 1, clause (1), and did not actually cause the death of a human being or was not a major participant, as described in Minnesota Statutes, section 609.05, subdivision 2a, paragraph (c), in the underlying felony who acted with extreme indifference to human life.

(b) The notice shall include the address of Ramsey County District Court administration.

(c) The commissioner of corrections may coordinate with the judicial branch to establish a standardized notification form.

Subd. 3. **Preliminary application.** (a) An applicant shall submit a preliminary application to the Ramsey County District Court. The preliminary application must contain:

(1) the applicant's name and, if different, the name under which the person was convicted;

(2) the applicant's date of birth;

(3) the district court case number of the case for which the person is seeking relief;

(4) a statement as to whether the applicant was convicted following a trial or pursuant to a plea;

(5) a statement as to whether the person filed a direct appeal from the conviction, a petition for postconviction relief, or both;

(6) a brief statement, not to exceed 3,000 words, explaining why the applicant is entitled to relief under this section from a conviction for the death of a human being caused by another; and

(7) the name and address of any attorney representing the applicant.

(b) The preliminary application may contain:

(1) the name, date of birth, and district court case number of any other person charged with, or convicted of, a crime arising from the same set of circumstances for which the applicant was convicted; and

(2) a copy of a criminal complaint or indictment, or the relevant portions of a presentence investigation or life imprisonment report, describing the facts of the case for which the applicant was convicted.

(c) The judicial branch may establish a standardized preliminary application form, but shall not reject a preliminary application for failure to use a standardized form.

(d) Any person seeking relief under this section must submit a preliminary application no later than October 1, 2024. Submission is complete upon mailing.

(e) Submission of a preliminary application shall be without costs or any fees charged to the applicant.

Subd. 4. **Review of preliminary application.** (a) Upon receipt of a preliminary application, the court administrator of the Ramsey County District Court shall immediately direct attention of the filing thereof to the chief judge or judge acting on the chief judge's behalf who shall promptly assign the matter to a judge in said district.

(b) The judicial branch may appoint a special master to review preliminary applications and may assign additional staff as needed to assist in the review of preliminary applications.

(c) The reviewing judge shall determine whether, in the discretion of that judge, there is a reasonable probability that the applicant is entitled to relief under this section.

(d) In making the determination under paragraph (c), the reviewing judge shall consider the preliminary application and any materials submitted with the preliminary application and may consider relevant records in the possession of the judicial branch.

(e) The court may summarily deny an application when the applicant was not convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3); 609.19, subdivision 1, clause (1); or 609.19, subdivision 2, clause (1), before August 1, 2023, or the only issues raised in the application are not relevant to the relief available under this section.

(f) If the reviewing judge determines that there is a reasonable probability that the applicant is entitled to relief, the judge shall send notice to the applicant and the applicant's attorney, if any, and the prosecutorial office responsible for prosecuting the applicant. In the event the applicant is without counsel, the reviewing judge shall send notice to the state public defender and shall advise the applicant of such referral.

(g) If the reviewing judge determines that there is not a reasonable probability that the applicant is entitled to relief, the judge shall send notice to the applicant and the applicant's attorney, if any. The notice must contain a brief statement explaining the reasons the reviewing judge concluded that there is not a reasonable probability that the applicant is entitled to relief.

Subd. 5. **Petition for relief; hearing.** (a) Unless extended for good cause, within 60 days of receipt of the notice sent pursuant to subdivision 4, paragraph (f), the individual seeking relief shall file and serve a petition to vacate the conviction. The petition must be filed in the district court of the judicial district in the county where the conviction took place and must contain the information identified in subdivision 3, paragraph (a), and a statement of why the petitioner is entitled to relief under this section. The petition may contain any other relevant information, including police reports, trial transcripts, and plea transcripts involving the petitioner or any other person investigated for, charged with, or convicted of a crime arising out of the same set of circumstances for which the petitioner was convicted. The filing of the petition and any document subsequent thereto and all proceedings thereon shall be without costs or any fees charged to the petitioner.

(b) Upon receipt of the petition, the prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the underlying offense that a petition has been filed.

(c) A county attorney representing the prosecutorial office shall respond to the petition by answer or motion within 45 days after the filing of the petition pursuant to paragraph (a), unless extended for good cause. The response shall be filed with the court administrator of the district court and served on the petitioner if unrepresented or on the petitioner's attorney. The response may serve notice of the intent to support the petition or include a statement explaining why the petitioner is not entitled to relief along with any supporting documents. The filing of the response and any document subsequent thereto and all proceedings thereon shall be without costs or any fees charged to the county attorney.

(d) The petitioner may file a reply to the response filed by the county attorney within 15 days after the petitioner receives the response, unless extended for good cause.

(e) Within 30 days of receipt of the reply from the petitioner or, if no reply is filed, within 30 days of receipt of the response from the county attorney, the court shall:

(1) issue an order pursuant to subdivision 6 and schedule the matter for sentencing or resentencing pursuant to subdivision 6, paragraph (e), if the county attorney indicates an intent to support the petition;

(2) issue an order denying the petition without prejudice if additional information or submissions establish that there is not a reasonable probability that the applicant is entitled to relief under this section and a memorandum identifying the additional information or submissions and explaining the reasons why the court concluded that there is not a reasonable probability that the applicant is entitled to relief; or

(3) schedule the matter for a hearing and issue any appropriate order regarding submission of evidence or identification of witnesses.

(f) The hearing shall be held in open court and conducted pursuant to Minnesota Statutes, section 590.04, except that the petitioner must be present at the hearing, unless excused under Rules of Criminal Procedure, rule 26.03, subdivision 1, clause (3). The prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the hearing.

Subd. 6. Determination; order; resentencing. (a) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) did not intentionally aid, advise, hire, counsel, or conspire with or otherwise procure another with the intent to cause the death of a human being.

(b) A petitioner who was convicted of a violation of Minnesota Statutes, section 609.19, subdivision 2, clause (1), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) was not a major participant, as described in Minnesota Statutes, section 609.05, subdivision 2a, paragraph (c), in the underlying felony and did not act with extreme indifference to human life.

(c) A petitioner who was charged with aiding and abetting first-degree murder under Minnesota Statutes, section 609.185, paragraph (a), clause (3), and thereafter convicted of a violation of Minnesota Statutes, section 609.19, subdivision 1, clause (1), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) was not a major participant, as described in Minnesota Statutes, section 609.05, subdivision 2a, paragraph (c), in the underlying felony and did not act with extreme indifference to human life.

(d) A petitioner who was charged with aiding and abetting second-degree unintentional murder under Minnesota Statutes, section 609.19, subdivision 2, clause (1), and thereafter convicted of a violation of Minnesota Statutes, section 609.19, subdivision 1, clause (1), is entitled to relief if the petitioner shows by a preponderance of the evidence that the petitioner:

(1) did not cause the death of a human being; and

(2) was not a major participant, as described in Minnesota Statutes, section 609.05, subdivision 2a, paragraph (c), in the underlying felony and did not act with extreme indifference to human life.

(e) If the court determines that the petitioner does not qualify for relief, the court shall issue an order denying the petition. If the court determines that the petitioner is entitled to relief, the court shall issue an order vacating the conviction for a violation of Minnesota Statutes, section 609.185, paragraph (a), clause (3), or 609.19, subdivision 2, clause (1), and either:

(1) resentence the petitioner for the most serious remaining offense for which the petitioner was convicted; or

(2) enter a conviction and impose a sentence for the most serious predicate felony arising out of the course of conduct that served as the factual basis for the conviction vacated by the court.

(f) The new sentence announced by the court under this section must be for the most serious predicate felony unless the most serious remaining offense for which the petitioner was convicted is that offense or a more serious offense.

(g) The court shall state in writing or on the record the reasons for its decision on the petition.

(h) If the court intends to resentence a petitioner or impose a sentence on a petitioner, the court must hold the hearing at a time that allows any victim an opportunity to submit a statement consistent with Minnesota Statutes, section 611A.038. The prosecutor shall make a good faith and reasonable effort to notify any person determined to be a victim of the hearing and the right to submit or make a statement. A sentence imposed under this subdivision shall not increase the petitioner's period of confinement or, if the petitioner was serving a stayed sentence, increase the period of supervision. A person resentenced under this paragraph is entitled to credit for time served in connection with the vacated offense.

(i) Relief granted under this section shall not be treated as an exoneration for purposes of the Incarceration and Exoneration Remedies Act.

(j) Appeals from an order of the court issued under this subdivision may be made pursuant to Minnesota Statutes, section 590.06.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 8. TASK FORCE ON AIDING AND ABETTING FELONY MURDER.

(a) Laws 2021, First Special Session chapter 11, article 2, section 53, subdivisions 2, 3, 4, and 5, are revived and reenacted on the effective date of this section to expand the focus of the task force's duties and work beyond the intersection of felony murder and aiding and abetting liability for felony murder to more generally apply to the broader issues regarding the state's felony murder doctrine and aiding and abetting liability schemes discussed in "Task Force on Aiding and Abetting Felony Murder," Report to the Minnesota Legislature, dated February 1, 2022, "The Task Force's recommendations," number 4.

(b) On or before January 15, 2024, the task force shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over crime and sentencing on the findings and recommendations of the task force.

(c) The task force expires January 16, 2024, or the day after submitting its report under paragraph (b), whichever is earlier.

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

ARTICLE 5

CLEMENCY PROVISIONS

Section 1. Minnesota Statutes 2022, section 13.871, subdivision 8, is amended to read:

Subd. 8. ~~Board of Pardons~~ Clemency Review Commission records. Access to ~~Board of Pardons~~ records of the Clemency Review Commission is governed by section ~~638.07~~ 638.20.

Sec. 2. Minnesota Statutes 2022, section 299C.11, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section:

(1) "determination of all pending criminal actions or proceedings in favor of the arrested person" does not include:

(i) the sealing of a criminal record pursuant to section 152.18, subdivision 1, 242.31, or chapter 609A;

(ii) the arrested person's successful completion of a diversion program;

(iii) an order of discharge under section 609.165; or

(iv) a pardon granted under ~~section 638.02~~ chapter 638; and

(2) "targeted misdemeanor" has the meaning given in section 299C.10, subdivision 1.

Sec. 3. Minnesota Statutes 2022, section 638.01, is amended to read:

638.01 BOARD OF PARDONS; ~~HOW CONSTITUTED; POWERS.~~

The Board of Pardons ~~shall consist~~ consists of the governor, the chief justice of the supreme court, and the attorney general. ~~The board~~ governor in conjunction with the board may grant pardons and reprieves and commute the sentence of any person convicted of any offense against the laws of the state, ~~in the manner and under the conditions and rules hereinafter prescribed, but not otherwise clemency according to this chapter.~~

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

Sec. 4. **[638.011] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. **Board.** "Board" means the Board of Pardons under section 638.01.

Subd. 3. **Clemency.** Unless otherwise provided, "clemency" includes a pardon, commutation, and reprieve after conviction for a crime against the state except in cases of impeachment.

Subd. 4. **Commission.** "Commission" means the Clemency Review Commission under section 638.09.

Subd. 5. **Department.** "Department" means the Department of Corrections.

Subd. 6. **Waiver request.** "Waiver request" means a request to waive a time restriction under sections 638.12, subdivisions 2 and 3, and 638.19, subdivision 1.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 5. **[638.09] CLEMENCY REVIEW COMMISSION.**

Subdivision 1. **Establishment; duties.** (a) The Clemency Review Commission is established to:

(1) review each eligible clemency application and waiver request that it receives;

(2) recommend to the board, in writing, whether to grant or deny the application or waiver request, with each member's vote reported;

(3) recommend to the board, in writing, whether the board should conduct a hearing on a clemency application, with each member's vote reported; and

(4) provide victim support services, assistance to applicants, and other assistance as the board requires.

(b) Unless otherwise provided:

(1) the commission's recommendations under this chapter are nonbinding on the governor or the board; and

(2) chapter 15 applies unless otherwise inconsistent with this chapter.

Subd. 2. **Composition.** (a) The commission consists of nine members, each serving a term coterminous with the governor.

(b) The governor, the attorney general, and the chief justice of the supreme court must each appoint three members to serve on the commission and replace members when the members' terms expire. Members serve at the pleasure of their appointing authority.

Subd. 3. **Appointments to commission.** (a) An appointing authority is encouraged to consider the following criteria when appointing a member:

(1) expertise in law, corrections, victims' services, correctional supervision, mental health, and substance abuse treatment; and

(2) experience addressing systemic disparities, including but not limited to disparities based on race, gender, and ability.

(b) An appointing authority must seek out and encourage qualified individuals to apply to serve on the commission, including:

(1) members of Indigenous communities, Black communities, and other communities of color;

(2) members diverse as to gender identity; and

(3) members diverse as to age and ability.

(c) If there is a vacancy, the appointing authority who selected the vacating member must make an interim appointment to expire at the end of the vacating member's term.

(d) A member may continue to serve until the member's successor is appointed, but a member may not serve more than eight years in total.

Subd. 4. **Commission; generally.** (a) The commission must biennially elect one of its members as chair and one as vice-chair. The chair serves as the board's secretary.

(b) Each commission member must be:

(1) compensated at a rate of \$150 for each day or part of the day spent on commission activities; and

(2) reimbursed for all reasonable expenses actually paid or incurred by the member while performing official duties.

(c) Beginning January 1, 2025, and annually thereafter, the board may set a new per diem rate for commission members, not to exceed an amount ten percent higher than the previous year's rate.

Subd. 5. **Executive director.** (a) The board must appoint a commission executive director knowledgeable about clemency and criminal justice. The executive director serves at the pleasure of the board in the unclassified service as an executive branch employee.

(b) The executive director's salary is set in accordance with section 15A.0815, subdivision 3.

(c) The executive director may obtain office space and supplies and hire administrative staff necessary to carry out the commission's official functions, including providing administrative support to the board and attending board meetings. Any additional staff serve in the unclassified service at the pleasure of the executive director.

EFFECTIVE DATE. This section is effective August 1, 2023.

Sec. 6. **[638.10] CLEMENCY APPLICATION.**

Subdivision 1. **Required contents.** A clemency application must:

(1) be in writing;

(2) be signed under oath by the applicant; and

(3) state the clemency sought, state why the clemency should be granted, and contain the following information and any additional information that the commission or board requires:

(i) the applicant's name, address, and date and place of birth, and every alias by which the applicant is or has been known;

(ii) the applicant's demographic information, including race, ethnicity, gender, disability status, and age, only if voluntarily reported;

(iii) the name of the crime for which clemency is requested, the date and county of conviction, the sentence imposed, and the sentence's expiration or discharge date;

(iv) the names of the sentencing judge, the prosecuting attorney, and any victims of the crime;

(v) a brief description of the crime and the applicant's age at the time of the crime;

(vi) the date and outcome of any prior clemency application, including any application submitted before July 1, 2024;

(vii) to the best of the applicant's knowledge, a statement of any past criminal conviction and any pending criminal charge or investigation;

(viii) for an applicant under the department's custody, a statement describing the applicant's reentry plan should clemency be granted; and

(ix) an applicant statement acknowledging and consenting to the disclosure to the commission, board, and public of any private data on the applicant in the application or in any other record relating to the clemency being sought, including conviction and arrest records.

Subd. 2. **Required form.** (a) An application must be made on a commission-approved form or forms and filed with the commission by commission-prescribed deadlines. The commission must consult with the board on the forms and deadlines.

(b) The application must include language informing the applicant that the board and the commission will consider any and all past convictions and that the applicant may provide information about the convictions.

Subd. 3. **Reviewing application for completeness.** The commission must review an application for completeness. An incomplete application must be returned to the applicant, who may then provide the missing information and resubmit the application within a commission-prescribed period.

Subd. 4. **Notice to applicant.** After the commission's initial investigation of a clemency application, the commission must notify the applicant of the scheduled date, time, and location that the applicant must appear before the commission for a meeting under section 638.14.

Subd. 5. **Equal access to information.** Each board and commission member must have equal access to information under this chapter that is used when making a clemency decision.

Sec. 7. **[638.11] THIRD-PARTY NOTIFICATIONS.**

Subdivision 1. **Notice to victim; victim rights.** (a) After receiving a clemency application, the commission must make all reasonable efforts to locate any victim of the applicant's crime.

(b) At least 30 calendar days before the commission meeting at which the application will be heard, the commission must notify any located victim of:

(1) the application;

(2) the meeting's scheduled date, time, and location; and

(3) the victim's right to attend the meeting and submit an oral or written statement to the commission.

(c) The commission must make all reasonable efforts to ensure that a victim can:

(1) submit an oral or written statement; and

(2) receive victim support services as necessary to help the victim submit a statement and participate in the clemency process.

Subd. 2. **Notice to sentencing judge and prosecuting attorney.** (a) At least 30 calendar days before the commission meeting at which the application will be heard, the commission must notify the sentencing judge and prosecuting attorney or their successors of the application and solicit the judge's and attorney's written statements on whether to grant clemency.

(b) Unless otherwise provided in this chapter, "law enforcement agency" includes the sentencing judge and prosecuting attorney or their successors.

Subd. 3. **Notice to public.** At least 30 calendar days before the commission meeting at which the application will be heard, the commission must publish notice of an application in a qualified newspaper of general circulation in the county in which the applicant's crime occurred.

Sec. 8. **[638.12] TYPES OF CLEMENCY; ELIGIBILITY AND WAIVER.**

Subdivision 1. **Types of clemency; requirements.** (a) The board may:

(1) pardon a criminal conviction imposed under the laws of this state;

(2) commute a criminal sentence imposed by a court of this state to time served or a lesser sentence; or

(3) grant a reprieve of a sentence imposed by a court of this state.

(b) A grant of clemency must be in writing and has no force or effect if the governor or a board majority duly convened opposes the clemency. Every conditional grant of clemency must state the

terms and conditions upon which it was granted, and every commutation must specify the terms of the commuted sentence.

(c) A granted pardon sets aside the conviction and purges the conviction from an individual's criminal record. The individual is not required to disclose the conviction at any time or place other than:

(1) in a judicial proceeding; or

(2) during the licensing process for peace officers.

Subd. 2. **Pardon eligibility; waiver.** (a) An individual convicted of a crime in a court of this state may apply for a pardon of the individual's conviction on or after five years from the sentence's expiration or discharge date.

(b) An individual may request the board to waive the waiting period if there is a showing of unusual circumstances and special need.

(c) The commission must review a waiver request and recommend to the board whether to grant the request. When considering a waiver request, the commission is exempt from the meeting requirements under section 638.14 and chapter 13D.

(d) The board must grant a waiver request unless the governor or a board majority opposes the waiver.

Subd. 3. **Commutation eligibility.** (a) An individual may apply for a commutation of an unexpired criminal sentence imposed by a court of this state, including an individual confined in a correctional facility or on probation, parole, supervised release, or conditional release. An application for commutation may not be filed until the date that the individual has served at least one-half of the sentence imposed or on or after five years from the conviction date, whichever is earlier.

(b) An individual may request the board to waive the waiting period if there is a showing of unusual circumstances and special need.

(c) The commission must review a waiver request and recommend to the board whether to grant the request. When considering a waiver request, the commission is exempt from the meeting requirements under section 638.14 and chapter 13D.

(d) The board must grant a waiver request unless the governor or a board majority opposes the waiver.

Sec. 9. **[638.13] ACCESS TO RECORDS; ISSUING SUBPOENA.**

Subdivision 1. **Access to records.** (a) Notwithstanding chapter 13 or any other law to the contrary, upon receiving a clemency application, the board or commission may request and obtain any relevant reports, data, and other information from state courts, law enforcement agencies, or state agencies. The board and the commission must have access to all relevant sealed or otherwise inaccessible court records, presentence investigation reports, police reports, criminal history reports, prison records, and any other relevant information.

(b) State courts, law enforcement agencies, and state agencies must promptly respond to record requests from the board or the commission.

Subd. 2. **Issuing subpoena.** The board or the commission may issue a subpoena requiring the presence of any person before the commission or board and the production of papers, records, and exhibits in any pending matter. When a person is summoned before the commission or the board, the person may be allowed compensation for travel and attendance as the commission or the board considers reasonable.

Sec. 10. **[638.14] COMMISSION MEETINGS.**

Subdivision 1. **Frequency.** The commission must meet at least four times each year for one or more days at each meeting to hear eligible clemency applications and recommend appropriate action to the board on each application. One or more of the meetings may be held at a department-operated correctional facility.

Subd. 2. **When open to the public.** All commission meetings are open to the public as provided under chapter 13D, but the commission may hold closed meetings:

(1) as provided under chapter 13D; or

(2) as necessary to protect sensitive or confidential information, including (i) a victim's identity, and (ii) sensitive or confidential victim testimony.

Subd. 3. **Recording.** When possible, the commission must record its meetings by audio or audiovisual means.

Subd. 4. **Board attendance.** The governor, attorney general, and chief justice, or their designees, may attend commission meetings as ex officio nonvoting members, but their attendance does not affect whether the commission has a quorum.

Subd. 5. **Applicant appearance; third-party statements.** (a) An applicant for clemency must appear before the commission either in person or through available forms of telecommunication.

(b) The victim of an applicant's crime may appear and speak at the meeting or submit a written statement to the commission. The commission may treat a victim's written statement as confidential and not disclose the statement to the applicant or the public if there is or has been an order for protection, harassment restraining order, or other no-contact order prohibiting the applicant from contacting the victim.

(c) A law enforcement agency's representative may provide the agency's position on whether the commission should recommend clemency by:

(1) appearing and speaking at the meeting; or

(2) submitting a written statement to the commission.

(d) The sentencing judge and the prosecuting attorney, or their successors, may provide their positions on whether the commission should recommend clemency by:

- (1) appearing and speaking at the meeting; or
- (2) submitting their statements under section 638.11, subdivision 2.

Sec. 11. **[638.15] COMMISSION RECOMMENDATION.**

Subdivision 1. **Grounds for recommending clemency.** (a) When recommending whether to grant clemency, the commission must consider any factors that the commission deems appropriate, including but not limited to:

- (1) the nature, seriousness, and circumstances of the applicant's crime; the applicant's age at the time of the crime; and the time that has elapsed between the crime and the application;
- (2) the successful completion or revocation of previous probation, parole, supervised release, or conditional release;
- (3) the number, nature, and circumstances of the applicant's other criminal convictions;
- (4) the extent to which the applicant has demonstrated rehabilitation through postconviction conduct, character, and reputation;
- (5) the extent to which the applicant has accepted responsibility, demonstrated remorse, and made restitution to victims;
- (6) whether the sentence is clearly excessive in light of the applicant's crime and criminal history and any sentence received by an accomplice and with due regard given to:
 - (i) any plea agreement;
 - (ii) the sentencing judge's views; and
 - (iii) the sentencing ranges established by law;
- (7) whether the applicant's age or medical status indicates that it is in the best interest of society that the applicant receive clemency;
- (8) the applicant's asserted need for clemency, including family needs and barriers to housing or employment created by the conviction;
- (9) for an applicant under the department's custody, the adequacy of the applicant's reentry plan;
- (10) the amount of time already served by the applicant and the availability of other forms of judicial or administrative relief;
- (11) the extent to which there is credible evidence indicating that the applicant is or may be innocent of the crime for which they were convicted; and
- (12) if provided by the applicant, the applicant's demographic information, including race, ethnicity, gender, disability status, and age.

(b) Unless an applicant knowingly omitted past criminal convictions on the application, the commission or the board must not prejudice an applicant for failing to identify past criminal convictions.

Subd. 2. **Recommending denial of commutation without hearing.** (a) At a meeting under section 638.14, the commission may recommend denying a commutation application without a board hearing if:

(1) the applicant is challenging the conviction or sentence through court proceedings;

(2) the applicant has failed to exhaust all available state court remedies for challenging the sentence; or

(3) the commission determines that the matter should first be considered by the parole authority.

(b) A commission recommendation to deny an application under paragraph (a) must be sent to the board along with the application.

Subd. 3. **Considering public statements.** When making its recommendation on an application, the commission must consider any statement provided by a victim or law enforcement agency.

Subd. 4. **Commission recommendation; notifying applicant.** (a) Before the board's next meeting at which the clemency application may be considered, the commission must send to the board:

(1) the application;

(2) the commission's recommendation;

(3) any recording of the commission's meeting related to the application; and

(4) all statements from victims and law enforcement agencies.

(b) No later than 14 calendar days after its dated recommendation, the commission must notify the applicant in writing of its recommendation.

Sec. 12. **[638.16] BOARD MEETINGS.**

Subdivision 1. **Frequency.** (a) The board must meet at least two times each year to consider clemency applications that have received favorable recommendations under section 638.09, subdivision 1, paragraph (a), clauses (2) and (3), from the commission and any other applications for which at least one board member seeks consideration.

(b) Any board member may request a hearing on any application.

Subd. 2. **When open to the public.** All board meetings are open to the public as provided under chapter 13D, but the board may hold closed meetings:

(1) as provided under chapter 13D; or

(2) as necessary to protect sensitive or confidential information, including (i) a victim's identity, and (ii) sensitive or confidential victim testimony.

Subd. 3. **Executive director; attendance required.** Unless excused by the board, the executive director and the commission's chair or vice-chair must attend all board meetings.

Subd. 4. **Considering statements.** (a) Applicants, victims, and law enforcement agencies may not submit oral or written statements at a board meeting unless:

(1) a board member requests a hearing on an application; or

(2) the commission has recommended a hearing on an application.

(b) The board must consider any statements provided to the commission when determining whether to consider a clemency application.

Sec. 13. [638.17] BOARD DECISION; NOTIFYING APPLICANT.

Subdivision 1. **Board decision.** (a) At each meeting, the board must render a decision on each clemency application considered at the meeting or continue the matter to a future board meeting. If the board continues consideration of an application, the commission must notify the applicant in writing and explain why the matter was continued.

(b) If the commission recommends denying an application and no board member seeks consideration of the recommendation, it is presumed that the board concurs with the adverse recommendation and that the application has been considered and denied on the merits.

Subd. 2. **Notifying applicant.** The commission must notify the applicant in writing of the board's decision to grant or deny clemency no later than 14 calendar days from the date of the board's decision.

Sec. 14. [638.18] FILING COPY OF CLEMENCY; COURT ACTION.

Subdivision 1. **Filing with district court.** After clemency has been granted, the commission must file a copy of the pardon, commutation, or reprieve with the district court of the county in which the conviction and sentence were imposed.

Subd. 2. **Court action; pardon.** For a pardon, the court must:

(1) order the conviction set aside;

(2) include a copy of the pardon in the court file; and

(3) send a copy of the order and the pardon to the Bureau of Criminal Apprehension.

Subd. 3. **Court action; commutation.** For a commutation, the court must:

(1) amend the sentence to reflect the specific relief granted by the board;

(2) include a copy of the commutation in the court file; and

(3) send a copy of the amended sentencing order and commutation to the commissioner of corrections and the Bureau of Criminal Apprehension.

Sec. 15. **[638.19] REAPPLYING FOR CLEMENCY.**

Subdivision 1. **Time-barred from reapplying; exception.** (a) After the board has considered and denied a clemency application on the merits, an applicant may not file a subsequent application for five years after the date of the most recent denial.

(b) An individual may request permission to reapply before the five-year period expires based only on new and substantial information that was not and could not have been previously considered by the board or commission.

(c) If a waiver request contains new and substantial information, the commission must review the request and recommend to the board whether to waive the time restriction. When considering a waiver request, the commission is exempt from the meeting requirements under section 638.14 and chapter 13D.

(d) The board must grant a waiver request unless the governor or a board majority opposes the waiver.

Subd. 2. **Applying for pardon not precluded.** An applicant who is denied or granted a commutation is not precluded from later seeking a pardon of the criminal conviction once the eligibility requirements of this chapter have been met.

Sec. 16. **[638.20] COMMISSION RECORD KEEPING.**

Subdivision 1. **Record keeping.** The commission must keep a record of every application received, its recommendation on each application, and the final disposition of each application.

Subd. 2. **When open to public.** The commission's records and files are open to public inspection at all reasonable times, except for:

(1) sealed court records;

(2) presentence investigation reports;

(3) Social Security numbers;

(4) financial account numbers;

(5) driver's license information;

(6) medical records;

(7) confidential Bureau of Criminal Apprehension records;

(8) the identities of victims who wish to remain anonymous and confidential victim statements;
and

(9) any other confidential data on individuals, private data on individuals, not public data, or nonpublic data under chapter 13.

Sec. 17. **[638.21] LANGUAGE ACCESS AND VICTIM SUPPORT.**

Subdivision 1. **Language access.** The commission and the board must take reasonable steps to provide meaningful language access to applicants and victims. Applicants and victims must have language access to information, documents, and services under this chapter, with each communicated in a language or manner that the applicant or victim can understand.

Subd. 2. **Interpreters.** (a) Applicants and victims are entitled to interpreters as necessary to fulfill the purposes of this chapter, including oral or written communication. Sections 546.42 to 546.44 apply, to the extent consistent with this section.

(b) The commission or the board may not discriminate against an applicant or victim who requests or receives interpretation services.

Subd. 3. **Victim services.** The commission and the board must provide or contract for victim support services as necessary to support victims under this chapter.

Sec. 18. **[638.22] LEGISLATIVE REPORT.**

Beginning February 15, 2025, and every February 15 thereafter, the commission must submit a written report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety, corrections, and judiciary that contains at least the following information:

(1) the number of clemency applications received by the commission during the preceding calendar year;

(2) the number of favorable and adverse recommendations made by the commission for each type of clemency;

(3) the number of applications granted and denied by the board for each type of clemency;

(4) the crimes for which the applications were granted by the board, the year of each conviction, and the individual's age at the time of the crime; and

(5) summary data voluntarily reported by applicants, including but not limited to demographic information on race, ethnicity, gender, disability status, and age, of applicants recommended or not recommended for clemency by the commission.

Sec. 19. **[638.23] RULEMAKING.**

(a) The board and commission may jointly adopt rules, including amending Minnesota Rules, chapter 6600, to:

(1) enforce their powers and duties under this chapter and ensure the efficient processing of applications; and

(2) allow for expedited review of applications if there is unanimous support from the sentencing judge or successor, the prosecuting attorney or successor, and any victims of the crime.

(b) The time limit to adopt rules under section 14.125 does not apply.

Sec. 20. **TRANSITION PERIOD.**

(a) Beginning August 1, 2023, through March 1, 2024, the Department of Corrections must provide the Clemency Review Commission with administrative assistance, technical assistance, office space, and other assistance necessary for the commission to carry out its duties under sections 4 to 21.

(b) Beginning July 1, 2024, the Clemency Review Commission must begin reviewing applications for pardons, commutations, and reprieves. Applications received after the effective date of this section but before July 1, 2024, must be considered according to Minnesota Statutes 2022, sections 638.02, subdivisions 2 to 5, and 638.03 to 638.08.

(c) A pardon, commutation, or reprieve that is granted during the transition period has no force or effect if the governor or a board majority duly convened opposes the clemency.

(d) By July 1, 2024, the Clemency Review Commission must develop application forms in consultation with the Board of Pardons.

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

Sec. 21. **REPEALER.**

Minnesota Statutes 2022, sections 638.02; 638.03; 638.04; 638.05; 638.06; 638.07; 638.075; and 638.08, are repealed.

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

Sec. 22. **EFFECTIVE DATE.**

Sections 1, 2, and 6 to 19 are effective July 1, 2024.

ARTICLE 6

911 EMERGENCY COMMUNICATION SYSTEM

Section 1. Minnesota Statutes 2022, section 403.02, subdivision 7, is amended to read:

Subd. 7. **Automatic location identification.** "Automatic location identification" means the process of electronically identifying and displaying ~~the name of the subscriber and the location,~~ where available, ~~of the calling telephone number~~ the name of the subscriber, the communications device's current location, and the callback number to a ~~person~~ public safety telecommunicator answering a 911 emergency call.

Sec. 2. Minnesota Statutes 2022, section 403.02, subdivision 9a, is amended to read:

Subd. 9a. **Callback number.** "Callback number" means a telephone number or functionally equivalent Internet address or device identification number used by the public safety answering point to ~~recontact~~ contact the location device from which the 911 call was placed.

Sec. 3. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 10a. **Cost recovery.** "Cost recovery" means costs incurred by commissioner-approved originating service providers specifically for the purpose of providing access to the 911 network for their subscribers or maintenance of 911 customer databases. These costs may be reimbursed to the requesting originating service provider. Recoverable costs include only those costs that the requesting provider would avoid if the provider were not providing access to the 911 network or maintenance of 911 customer databases.

Sec. 4. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 10b. **Cybersecurity.** "Cybersecurity" means the prevention of damage to, unauthorized use of, exploitation of, and if needed, the restoration of, electronic information and communications systems and services and the information contained therein to ensure confidentiality, integrity, and availability.

Sec. 5. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 10c. **Emergency communications network service provider (ECNSP).** "Emergency communications network service provider" or "ECNSP" means a service provider, determined by the commissioner to be capable of providing effective and efficient components of the 911 network or its management that provides or manages all or portions of the statewide 911 emergency communications network. The ECNSP is the entity or entities that the state contracts with to provide facilities and services associated with operating and maintaining the Minnesota statewide 911 network.

Sec. 6. Minnesota Statutes 2022, section 403.02, subdivision 11b, is amended to read:

Subd. 11b. **Emergency response location.** "Emergency response location" means a location to which ~~a 911 emergency response team~~ services may be dispatched. The location must be specific enough to provide a reasonable opportunity for the emergency response team to locate a caller to be located anywhere within it.

Sec. 7. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 11c. **Emergency services.** "Emergency services" includes but is not limited to firefighting, police, ambulance, medical, or other mobile services dispatched, monitored, or controlled by a public safety answering point.

Sec. 8. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 11d. **Emergency Services Internet (ESInet).** "Emergency Services Internet" or "ESInet" means an Internet protocol-based and multipurpose network supporting local, regional, and national public safety communications services in addition to 911 services. The ESInet is comprised of three network components, including ingress network, next generation core services, and egress network.

Sec. 9. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 12a. **End user equipment.** "End user equipment" means any device held or operated by an employee of a public safety agency, except for public safety telecommunicators, for the purpose of receiving voice or data communications outside of a public safety answering point. This includes but is not limited to mobile radios, portable radios, pagers, mobile computers, tablets, and cellular telephones.

Sec. 10. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 13a. **Geographical Information System (GIS).** "Geographical Information System" or "GIS" means a system for capturing, storing, displaying, analyzing, and managing data and associated attributes that are spatially referenced.

Sec. 11. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 14a. **Internet protocol (IP).** "Internet protocol" or "IP" means the method by which data are sent from one computer to another on the Internet or other networks.

Sec. 12. Minnesota Statutes 2022, section 403.02, subdivision 16a, is amended to read:

Subd. 16a. **Multiline telephone system (MLTS).** "Multiline telephone system" or "MLTS" means a ~~private telephone~~ system comprised of common control units, ~~telephones, and telephone sets,~~ control hardware and software that share a common interface to the public switched telephone network, and adjunct systems used to support the capabilities outlined in this chapter. This includes network and premises-based systems such as Centrex, VoIP, PBX, Hybrid, and Key Telephone Systems, as classified by the Federal Communications Commission requirements under Code of Federal Regulations, title 47, part 68, and systems owned or leased by governmental agencies ~~and~~, nonprofit entities, ~~as well as~~ and for-profit businesses.

Sec. 13. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 16c. **Next generation core services (NGCS).** "Next generation core services" or "NGCS" means the base set of services needed to process a 911 call on an ESInet. These services include but are not limited to the Emergency Services Routing Proxy, Emergency Call Routing Function, Location Validation Function, Border Control Function, Bridge, Policy Store, Logging Services, and typical IP services such as DNS and DHCP. Next generation core services includes only the services and not the network on which they operate.

Sec. 14. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 16d. **Next generation 911 (NG911).** "Next generation 911" or "NG911" means an Internet protocol-based system comprised of managed Emergency Services IP networks, functional elements and applications, and databases that replicate the traditional E911 features and functions and that also provides additional capabilities based on industry standards. NG911 is designed to provide access to emergency services from all connected communications services and provide multimedia data capabilities for public safety answering points and other emergency services organizations.

Sec. 15. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 16e. **911 call.** "911 call" means any form of communication requesting any type of emergency services by contacting a public safety answering point, including voice or nonvoice communications, as well as transmission of any analog or digital data. 911 call includes a voice call, video call, text message, or data-only call.

Sec. 16. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 16f. **911 network.** "911 network" means:

(1) a legacy telecommunications network that supports basic and enhanced 911 service; or

(2) the ESInet that is used for 911 calls that can be shared by all public safety answering points and that provides the IP transport infrastructure upon which independent public safety application platforms and core functional processes can be deployed, including but not limited to those necessary for providing next generation 911 service capability.

A network may be constructed from a mix of dedicated and shared facilities and may be interconnected at local, regional, state, national, and international levels.

Sec. 17. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 16g. **911 system.** "911 system" means a coordinated system of technologies, networks, hardware, and software applications that a public safety answering point must procure and maintain in order to connect to the state 911 network and provide 911 services.

Sec. 18. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 16h. **Originating service provider (OSP).** "Originating service provider" or "OSP" means an entity that provides the capability for customers to originate 911 calls to public safety answering points, including wire-line communications service providers, Voice over Internet Protocol service providers, and wireless communications service providers.

Sec. 19. Minnesota Statutes 2022, section 403.02, subdivision 17, is amended to read:

Subd. 17. **911 service.** "911 service" means a telecommunications service that automatically connects a person dialing the digits 911 to an established public safety answering point. 911 service includes: the emergency response service a public safety answering point provides as a result of processing 911 calls through its 911 system.

(1) customer data and network components connecting to the common 911 network and database;

(2) common 911 network and database equipment, as appropriate, for automatically selectively routing 911 calls to the public safety answering point serving the caller's jurisdiction; and

(3) provision of automatic location identification if the public safety answering point has the capability of providing that service.

Sec. 20. Minnesota Statutes 2022, section 403.02, subdivision 17c, is amended to read:

Subd. 17c. **911 Public safety telecommunicator.** "911 Public safety telecommunicator" means a person employed by a public safety answering point, an emergency medical dispatch service provider, or both, who is qualified to answer incoming emergency telephone calls, text messages, and computer notifications or provide for the appropriate emergency response either directly or through communication with the appropriate public safety answering point.

Sec. 21. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 17e. **Point of interconnection (POI).** "Point of interconnection" or "POI" means the location or locations within the 911 network where OSPs deliver 911 calls on behalf of their users or subscribers for delivery to the appropriate public service answering point.

Sec. 22. Minnesota Statutes 2022, section 403.02, subdivision 18, is amended to read:

Subd. 18. **Public safety agency.** "Public safety agency" means a functional division of a public agency which provides firefighting, police, medical, or other emergency services, or a private entity which provides emergency medical or ambulance services an agency that provides emergency services to the public.

Sec. 23. Minnesota Statutes 2022, section 403.02, subdivision 19, is amended to read:

Subd. 19. **Public safety answering point (PSAP).** "Public safety answering point" or "PSAP" means a governmental agency operating a 24-hour communications facility operated on a 24-hour basis which that first receives 911 and other emergency calls from persons in a 911 service area and which may, as appropriate, central station notifications, text messages, and computer notifications and directly dispatch public safety dispatches emergency response services or extend, transfer, or relay 911 calls relays communications to appropriate public safety agencies according to a specific operational policy.

Sec. 24. Minnesota Statutes 2022, section 403.02, subdivision 19a, is amended to read:

Subd. 19a. **Secondary public safety answering point.** "Secondary public safety answering point" means a communications facility that: (1) is operated on a 24-hour basis, in which a minimum of three public safety answering points (PSAPs) route calls for postdispatch or prearrival instructions; (2) receives calls directly from medical facilities to reduce call volume at the PSAPs; and (3) is able to receive 911 calls routed to it from a PSAP when the PSAP is unable to receive or answer 911 calls receives calls transferred from a public safety answering point and is connected to the 911 network.

Sec. 25. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 19c. **Public Utilities Commission (PUC).** "Public Utilities Commission" or "PUC" means the Minnesota state commission defined in section 216A.03.

Sec. 26. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 19d. **Regional board.** "Regional board" means one of the seven emergency services and emergency communications boards in this state.

Sec. 27. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 19e. **Service user.** "Service user" means any person who initiates a 911 call to receive emergency services.

Sec. 28. Minnesota Statutes 2022, section 403.02, is amended by adding a subdivision to read:

Subd. 19f. **Voice over Internet Protocol (VoIP) service provider.** "Voice over Internet Protocol service provider" or "VoIP service provider" means an entity that provides distinct packetized voice information in a digital format using the Internet protocol directly or through a third party, marketed or sold as either a telephone service or an information service interconnected with the PSTN, including both facilities-based service providers and resellers of such services.

Sec. 29. Minnesota Statutes 2022, section 403.02, subdivision 20, is amended to read:

Subd. 20. **Wire-line telecommunications communications service provider.** "Wire-line telecommunications communications service provider" means a person, firm, association, corporation, or other legal entity, however organized, or combination of them, authorized by state or federal regulatory agencies to furnish telecommunications communications service, including local service, over wire-line facilities.

Sec. 30. Minnesota Statutes 2022, section 403.02, subdivision 20a, is amended to read:

Subd. 20a. **Wireless telecommunications communications service.** "Wireless telecommunications communications service" means a commercial mobile radio service, as that term is defined in Code of Federal Regulations, title 47, section 20.3, including all broadband personal communication services, wireless radio telephone services, and geographic area specialized mobile radio licensees, that offer real-time, two-way voice service interconnected with the public switched telephone network.

Sec. 31. Minnesota Statutes 2022, section 403.02, subdivision 21, is amended to read:

Subd. 21. **Wireless telecommunications communications service provider.** "Wireless telecommunications communications service provider" means a provider of wireless telecommunications communications service.

Sec. 32. Minnesota Statutes 2022, section 403.025, is amended to read:

403.025 911 EMERGENCY TELECOMMUNICATIONS COMMUNICATIONS SYSTEM AND SERVICES REQUIRED.

~~Subdivision 1. **General requirement.** Each county shall operate and maintain a 911 emergency telecommunications system.~~

Subd. 1a. **Emergency telephone number 911.** The digits 911, so designated by the Federal Communications Commission, must be the primary emergency telephone number within the ~~system~~ 911 network. A public safety agency may maintain a separate secondary backup number for emergency calls and ~~shall~~ must maintain a separate number for nonemergency telephone calls.

Subd. 1b. **State requirements.** The commissioner must establish, maintain, and make available to all counties a statewide interoperable ESInet backbone 911 network that ensures interoperability

between all public safety answering points connected to the network and meets the requirements of counties operating 911 systems that have an approved update to their 911 plans.

Subd. 1c. **Contractual requirements.** (a) The commissioner must contract with one or more ECNSPs to deliver the 911 network.

(b) The contract language or subsequent amendments to the contracts between the parties must contain provisions on how the 911 call routing and location validation data provided by the counties will be utilized by the ECNSPs, including how data coordination and quality assurance with the counties will be conducted.

(c) The contract language or subsequent amendments to contracts between the parties must contain provisions for resolving disputes.

(d) All data required under this chapter or Minnesota Rules, chapter 7580, to route 911 calls, provide caller location, or validate possible 911 caller location information that is utilized or intended to be utilized by the 911 system must be provided by the counties and the state without cost and may be utilized by ECNSPs and OSPs for purposes of performing location data quality assurance, ensuring 911 system performance and statutory compliance. Use of the data is governed by section 403.07 and Minnesota Rules, chapter 7580.

Subd. 1d. **Intergovernmental agreements.** Intergovernmental agreements may be implemented between the commissioner and counties or regional boards to support 911 system plan changes, communicate the network design, and specify cybersecurity standards. The commissioner must develop the master agreement in collaboration with the governmental entity.

Subd. 1e. **County requirements.** (a) Each county must operate and maintain a 911 system and provide 911 services.

(b) Each county is responsible for creating and maintaining a master street address guide and Geographical Information Systems data necessary to support accurate 911 call routing and location validation required to support the 911 network.

Subd. 1f. **911 plans.** Each participating county, federal, Tribal, or other organization must maintain and update a 911 plan that accurately documents current operations and 911 system configurations within the public safety answering point in accordance with Minnesota Rules, chapter 7580. The commissioner must review 911 system plans for compliance with 911 network and cybersecurity standards required under Minnesota Rules, chapter 7580.

Subd. 1g. **Secondary public safety answering point requirements.** Secondary public safety answering points may be required to engage in agreements with the commissioner regarding network design standards, cybersecurity standards, and 911 fee audits.

Subd. 2. **Multijurisdictional system.** The 911 network, 911 services, and 911 systems may be multijurisdictional and regional in character provided that design and implementation are preceded by cooperative planning on a county-by-county basis with local public safety agencies. An intergovernmental agreement must be in place between the participating government entities in a multijurisdictional or regional system, and the commissioner must be notified of the 911 plan change in accordance with Minnesota Rules, chapter 7580.

Subd. 3. **Connected telecommunications originating service provider requirements.** ~~Every owner and operator of a wire-line or wireless circuit-switched or packet-based telecommunications system connected to the public-switched telephone network shall design and maintain the system to dial the 911 number without charge to the caller. Every OSP must allow Minnesota customers to access 911 without charge and deliver the request for emergency assistance to the 911 network at a state-designated POI and provide caller location information unless there are circumstances beyond the control of the provider to define a valid caller address, geographic location, and primary place of address.~~

Subd. 3a. **Originating service provider contractual requirements.** (a) The state may contract with the appropriate wire-line telecommunications service providers or other entities determined by the commissioner to be eligible for cost recovery for providing access to the 911 network for their subscribers.

(b) The contract language or subsequent amendments to the contract must include a description of the costs that are being reimbursed. The contract language or subsequent amendments must include the terms of compensation based on the effective tariff or price list filed with the Public Utilities Commission or the prices agreed to by the parties.

(c) The contract language or subsequent amendments to contracts between the parties must contain a provision for resolving disputes.

~~Subd. 4. **Wireless requirements.** Every owner and operator of a wireless telecommunications system shall design and maintain the system to dial the 911 number without charge to the caller.~~

Subd. 5. **Pay phone requirements.** Every pay phone owner and operator shall must permit dialing of the 911 number without coin and without charge to the caller.

Subd. 6. **Multistation or PBX system.** Every owner and operator of a multistation or private branch exchange (PBX) multiline telephone system shall must design and maintain the system to dial the 911 number without charge to the caller.

~~Subd. 7. **Contractual requirements.** (a) The state shall contract with the county or other governmental agencies operating public safety answering points and with the appropriate wire-line telecommunications service providers or other entities determined by the commissioner to be capable of providing effective and efficient components of the 911 system for the operation, maintenance, enhancement, and expansion of the 911 system.~~

~~(b) The contract language or subsequent amendments to the contract must include a description of the services to be furnished to the county or other governmental agencies operating public safety answering points. The contract language or subsequent amendments must include the terms of compensation based on the effective tariff or price list filed with the Public Utilities Commission or the prices agreed to by the parties.~~

~~(c) The contract language or subsequent amendments to contracts between the parties must contain a provision for resolving disputes.~~

Sec. 33. Minnesota Statutes 2022, section 403.03, subdivision 2, is amended to read:

Subd. 2. **Telephone cardiopulmonary resuscitation program.** (a) ~~On or before July 1, 2021,~~ Every public safety answering point must maintain a telephone cardiopulmonary resuscitation program by either:

(1) providing each 911 telecommunicator with training in cardiopulmonary resuscitation; or

(2) transferring callers to another public safety answering point with 911 telecommunicators that have received training in cardiopulmonary resuscitation.

(b) Training in cardiopulmonary resuscitation must, at a minimum, include:

(1) use of an evidence-based protocol or script for providing cardiopulmonary resuscitation instruction that has been recommended by an academic institution or a nationally recognized organization specializing in medical dispatch and, if the public safety answering point has a medical director, approved by that medical director; and

(2) appropriate continuing education, as determined by the evidence-based protocol for providing cardiopulmonary resuscitation instruction and, if the public safety answering point has a medical director, approved by that medical director.

(c) A public safety answering point that transfers callers to another public safety answering point must, at a minimum:

(1) use an evidence-based protocol for the identification of a person in need of cardiopulmonary resuscitation;

(2) provide each 911 telecommunicator with appropriate training and continuing education to identify a person in need of cardiopulmonary resuscitation through the use of an evidence-based protocol; and

(3) ensure that any public safety answering point to which calls are transferred uses 911 telecommunicators who meet the training requirements under paragraph (b).

(d) Each public safety answering point shall conduct ongoing quality assurance of its telephone cardiopulmonary resuscitation program.

Sec. 34. Minnesota Statutes 2022, section 403.05, is amended to read:

403.05 911 SYSTEM NETWORK OPERATION AND MAINTENANCE.

Subdivision 1. **Operate and maintain.** ~~Each county or any other governmental agency shall~~ The commissioner must operate and maintain its a statewide 911 system to meet network meeting the requirements of governmental agencies whose services are available through the 911 system and to permit future expansion or enhancement of the system. set forth by the commissioner through rules established under chapter 14, including but not limited to network and data performance measures, diversity, redundancy, interoperability, and cybersecurity. Each county, federal, Tribal, or other organization connected to the statewide 911 network must operate and maintain a 911 system that meets the requirements of governmental agencies whose services are available through the 911 network.

Subd. 1a. **GIS validation and aggregation.** The commissioner must provide geospatial data validation and aggregation tools that counties need in order to share the GIS data required for the 911 network.

~~Subd. 2. **Rule requirements for 911 system plans.** Each county or any other governmental agency shall maintain and update its 911 system plans as required under Minnesota Rules, chapter 7580.~~

Subd. 2a. **Responsibilities of PSAPs.** (a) Each PSAP connecting to the statewide 911 network must comply with state and, where applicable, regional 911 plans. Federal, Tribal, or other governmental organizations operating their own 911 systems must be approved by the commissioner.

(b) Any PSAP not connected to the state 911 network that desires to interact with a 911 system or has an agreement for shared 911 services must be interoperable with the state 911 network.

~~Subd. 3. **Agreements for service.** Each county or any other governmental agency shall contract with the state for the recurring and nonrecurring costs associated with operating and maintaining 911 emergency communications systems. If requested by the county or other governmental agency, the county or agency is entitled to be a party to any contract between the state and any wire-line telecommunications service provider or 911 emergency telecommunications service provider providing components of the 911 system within the county. The state must contract for facilities and services associated with the operation and maintenance of the statewide 911 network and ESInet. The contract and any subsequent amendments must include a description of the services to be provided and the terms of compensation based on the prices agreed to by the parties.~~

Sec. 35. Minnesota Statutes 2022, section 403.06, is amended to read:

403.06 COMMISSIONER'S DUTIES.

~~Subdivision 1. **System coordination, improvements, variations, and agreements.** The commissioner shall may coordinate with counties on the management and maintenance of their 911 systems. If requested, the commissioner shall must aid counties in the formulation of ~~concepts, methods,~~ their public safety answering point plans, system design plans, performance and operational requirements, and procedures which will improve the operation and maintenance of their 911 systems. The commissioner shall establish procedures for determining and evaluating requests for variations from the established design standards. The commissioner shall respond to requests by wireless or wire-line telecommunications service providers or by counties or other governmental agencies for system agreements, contracts, and tariff language promptly and no later than within 45 days of the request unless otherwise mutually agreed to by the parties.~~

~~Subd. 1a. **Biennial budget; annual financial report.** The commissioner shall must prepare a biennial budget for maintaining the 911 system. by December 15 of each year. The commissioner shall must submit a report to the legislature detailing the expenditures for maintaining the 911 system network, the 911 fees collected, the balance of the 911 fund, the 911-related administrative expenses of the commissioner, and the most recent forecast of revenues and expenditures for the 911 emergency telecommunications service account, including a separate projection of ~~E911~~ 911 fees from prepaid wireless customers and projections of year-end fund balances. The commissioner is authorized to expend money that has been appropriated to pay for the maintenance, enhancements, and expansion of the 911 system network.~~

Subd. 1b. **Connection plan required; commissioner review and enforcement.** (a) The commissioner must respond to network and database change requests by OSPs promptly and no later than 45 days after the request unless otherwise mutually agreed to by the parties. All network and location database variances requested by OSPs connecting to the ESInet must comply with Minnesota Rules.

(b) All OSPs must submit and maintain a plan for connection to the 911 network POIs in accordance with the requirements set forth in Minnesota Rules. The commissioner must review all connection plans to ensure compliance with all 911 network and database design and performance requirements.

Subd. 2. **Waiver.** Any county, ~~other governmental agency, wireless telecommunications service provider, or wire-line telecommunications service provider~~ federal, Tribal, or other organization connected to the statewide 911 network or OSP may petition the commissioner for a waiver of all or portions of the requirements. A waiver may be granted upon a demonstration by the petitioner that the requirement is economically infeasible.

Sec. 36. Minnesota Statutes 2022, section 403.07, is amended to read:

403.07 NETWORK STANDARDS ESTABLISHED; DATA PRIVACY.

Subdivision 1. **Rules.** The commissioner ~~shall~~ must establish and adopt in accordance with chapter 14, rules for the administration of this chapter and for the development of 911 ~~systems~~ network in the state including:

(1) design and performance standards for the 911 ~~systems incorporating the standards adopted pursuant to subdivision 2 for the seven-county metropolitan area~~ network, including but not limited to network, routing, and database standards for counties, OSPs, and ECNSPs; and

(2) ~~a procedure for determining and evaluating requests for variations from the established design standards~~ design and performance standards for the ten-county metropolitan area, incorporating the standards adopted pursuant to subdivision 2.

Subd. 2. **Design standards for metropolitan area.** The Metropolitan Emergency Services Board ~~shall~~ must establish and adopt design and performance standards for the ~~metropolitan area 911 system and transmit them to the commissioner for incorporation into the rules adopted pursuant to this section.~~ 911 network for the ten-county metropolitan area, including but not limited to network design, routing, and database standards for counties, OSPs, and ECNSPs operating in the ten-county metropolitan area and provide them to the commissioner in accordance with chapter 14 for incorporation into the rules adopted pursuant to this section. The standards must be interoperable with the statewide 911 network and data standards.

Subd. 3. **Database Location data.** ~~In 911 systems that have been approved by the commissioner for a local location identification database, each wire-line telecommunications service provider shall provide current customer names, service addresses, and telephone numbers to each public safety answering point within the 911 system and shall update the information according to a schedule prescribed by the county 911 plan. Information provided under this subdivision must be provided in accordance with the transactional record disclosure requirements of the federal Communications Act of 1934, United States Code, title 47, section 222, subsection (g).~~ All OSPs must provide to the

911 network, at the time of each 911 call, the location of the device making the 911 call, unless there are circumstances beyond the control of the provider that prevents the OSP from sharing the location data. Any OSP supplying the location of 911 calls in civic address form must prevalidate the address to location data supplied by the county accessible through the NGCS.

Subd. 3a. **Access to data for accuracy.** (a) OSPs must, upon request of the state, a region, the ECNSP, or a PSAP, provide a description or copy of subscriber address location information or GIS data used by the OSP that is necessary to verify location and routing accuracy of 911 calls. Any ECNSP routing 911 calls must, upon request of the state, provide a copy of routing files used in determining PSAP selection for the purpose of verifying routing accuracy.

(b) OSPs must, upon request of the state, a region, the ECNSP, or a PSAP, provide a copy of subscriber address location information for uses specific to 911 systems. This request may carry a cost to the requester.

Subd. 3b. **Database standards in metropolitan area.** The Metropolitan Emergency Services Board must establish and adopt 911 database standards for OSPs operating in the ten-county metropolitan area 911 system and provide them to the commissioner for incorporation in accordance with chapter 14 into the rules adopted pursuant to this section.

Subd. 4. **Use of furnished information.** (a) Names, addresses, and telephone numbers provided to a 911 system under subdivision 3 are private data and may be used only:

(1) to identify the location or identity, or both, of a person calling a 911 ~~public safety answering point~~ PSAP; or

(2) by a ~~public safety answering point~~ PSAP to notify the public of an emergency.

(b) The information furnished under ~~subdivision 3~~ this chapter and the rules adopted pursuant to subdivision 1 may not be used or disclosed by 911 system agencies, their agents, or their employees for any other purpose except under a court order.

~~(b)~~ (c) For purposes of this subdivision, "emergency" means a situation in which property or human life is in jeopardy and the prompt notification of the public by the public safety answering point is essential.

Subd. 5. **Liability.** (a) ~~A wire-line telecommunications service provider~~ An OSP, its employees, or its agents are not liable to any person who uses ~~enhanced 911 telecommunications service~~ NG911 services for release of subscriber information required under this chapter to any ~~public safety answering point~~ PSAP.

(b) ~~A wire-line telecommunications service provider~~ An OSP is not liable to any person for the good-faith release to emergency communications personnel of information not in the public record, including, but not limited to, nonpublished or nonlisted telephone numbers, except for willful or wanton misconduct.

~~(c) A wire-line telecommunications service provider, its employees, or its agents are not liable to any person for civil damages resulting from or caused by any act or omission in the development,~~

~~design, installation, operation, maintenance, performance, or provision of enhanced 911 telecommunications service, except for willful or wanton misconduct.~~

~~(d) A multiline telephone system manufacturer, provider, or operator is not liable for any civil damages or penalties as a result of any act or omission, except willful or wanton misconduct, in connection with developing, designing, installing, maintaining, performing, provisioning, adopting, operating, or implementing any plan or system required by section 403.15.~~

~~(e) A telecommunications service provider~~ (c) An OSP that participates in or cooperates with the public safety answering point in notifying the public of an emergency, as authorized under subdivision 4, is immune from liability arising out of the notification except for willful or wanton misconduct.

Sec. 37. Minnesota Statutes 2022, section 403.08, is amended to read:

403.08 WIRELESS TELECOMMUNICATIONS ORIGINATING SERVICE PROVIDER PROVIDERS.

Subd. 7. **Duties.** ~~Each wireless telecommunications service provider shall cooperate in planning and implementing integration with enhanced 911 systems operating in their service territories to meet Federal Communications Commission enhanced 911 standards. Each wireless telecommunications service provider shall annually develop and provide to the commissioner good-faith estimates of installation and recurring expenses to integrate wireless 911 service into the enhanced 911 networks to meet Federal Communications Commission phase one wireless enhanced 911 standards. The commissioner shall coordinate with counties and affected public safety agency representatives in developing a statewide design and plan for implementation. Each originating service provider (OSP) must cooperate in planning and implementing integration with the statewide 911 network to meet Federal Communications Commission and Public Utilities Commission 911 requirements, as applicable.~~

Subd. 9. **Scope.** ~~Planning considerations must include cost, degree of integration into existing 911 systems, the retention of existing 911 infrastructure, and the potential implications of phase 2 of the Federal Communications Commission wireless enhanced 911 standards a plan to interconnect to the 911 network POIs, the retention and reuse of existing 911 infrastructure, and the implications of the Federal Communications Commission's wireless location accuracy requirements.~~

Subd. 10. **Plan integration.** ~~Counties shall incorporate the statewide design when modifying county 911 plans to provide for integrating wireless 911 service into existing county 911 systems. An OSP must annually submit plans to the commissioner detailing how they will connect, or confirming how they already connect, to the statewide 911 network.~~

Subd. 11. **Liability.** (a) ~~No wireless enhanced 911 emergency telecommunications service provider~~ OSP, its employees, or its agents are liable to any person for civil damages resulting from or caused by any act or omission in the development, design, installation, operation, maintenance, performance, or provision of enhanced 911 wireless service, except for willful or wanton misconduct.

(b) ~~No wireless carrier, its employees, or its agents are liable to any person who uses enhanced 911 wireless service for release of subscriber information required under this chapter to any public safety answering point.~~

(b) A multiline telephone system manufacturer, provider, or operator is not liable for any civil damages or penalties as a result of any act or omission, except willful or wanton misconduct, in connection with developing, designing, installing, maintaining, performing, provisioning, adopting, operating, or implementing any plan or system required by section 403.15.

~~Subd. 12. **Notification of subscriber.** A provider of wireless telecommunications services shall notify its subscribers at the time of initial subscription and four times per year thereafter that a 911 emergency call made from a wireless telephone is not always answered by a local public safety answering point but may be routed to a State Patrol dispatcher and that, accordingly, the caller must provide specific information regarding the caller's location.~~

Sec. 38. Minnesota Statutes 2022, section 403.09, subdivision 2, is amended to read:

Subd. 2. **Commission authority.** At the request of the public utilities commission, the attorney general may commence proceedings before the district court pursuant to section 237.27, against any ~~wire-line telecommunications~~ originating service provider that falls under the commission's authority and refuses to comply with this chapter.

Sec. 39. Minnesota Statutes 2022, section 403.10, subdivision 2, is amended to read:

Subd. 2. **Notice to public safety government agency.** ~~Public safety~~ Government agencies with jurisdictional responsibilities ~~shall~~ must in all cases be notified by the public safety answering point of a request for service in their jurisdiction.

Sec. 40. Minnesota Statutes 2022, section 403.10, subdivision 3, is amended to read:

Subd. 3. **Allocating costs.** Counties, public agencies, operating public safety answering points, and other local governmental units may enter into cooperative agreements under section 471.59 for the allocation of operational and capital costs attributable to the 911 system and 911 services.

Sec. 41. Minnesota Statutes 2022, section 403.11, is amended to read:

403.11 911 SYSTEM COST ACCOUNTING REQUIREMENTS; FEE.

Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a ~~wireless or wire-line switched or packet-based telecommunications~~ an originating service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to provide access to the 911 network and maintenance of the 911 customer database, or when the only option, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment and maintenance of 911 customer databases for 911 emergency telecommunications service, to offset administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program, to make distributions provided for in section 403.113, and to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid and defined reserves are met must not cancel and is carried forward to subsequent

years and may be appropriated ~~from time to time~~ to the commissioner to provide financial assistance to ~~counties~~ eligible entities for the improvement of ~~local emergency telecommunications services~~ 911 systems in compliance with use as designated in section 403.113, subdivision 3.

(c) The fee may not be more than 95 cents a month on or after July 1, 2010, for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of management and budget, the commissioner of public safety ~~shall~~ must establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. ~~When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed.~~ The commissioner ~~shall~~ must provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers, except that the fee imposed under this subdivision does not apply to prepaid wireless telecommunications service, which is instead subject to the fee imposed under section 403.161, subdivision 1, paragraph (a).

(d) The fee must be collected by each ~~wireless or wire-line telecommunications~~ wireless or wire-line telecommunications originating service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services. The money in the account may only be used for costs outlined in section 403.113.

(e) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services.

Subd. 1a. **Fee collection declaration.** If the commissioner disputes the accuracy of a fee submission or if no fees are submitted by a ~~wireless, wire-line, or packet-based telecommunications~~ wireless, wire-line, or packet-based telecommunications service provider, ~~the wireless, wire-line, or packet-based telecommunications~~ an originating service provider shall, the OSP must submit a sworn declaration signed by an officer of the company certifying, under penalty of perjury, that the information provided with the fee submission is true and correct. The sworn declaration must specifically describe and affirm that the 911 fee computation is complete and accurate. ~~When a wireless, wire-line, or packet-based telecommunications service provider~~ an OSP fails to provide a sworn declaration within 90 days of notice by the commissioner that the fee submission is disputed, the commissioner may estimate the amount due from the ~~wireless, wire-line, or packet-based telecommunications service provider~~ OSP and refer that amount for collection under section 16D.04.

Subd. 1b. **Examination of fees.** If the commissioner determines that an examination is necessary to document the fee submission and sworn declaration in subdivision 1a, the ~~wireless, wire-line, or packet-based telecommunications service provider~~ OSP must contract with an independent certified public accountant to conduct an examination of fees. The examination must be conducted in accordance with attestation audit standards.

Subd. 3. **Method of payment.** (a) Any wireless or wire-line telecommunications service provider incurring reimbursable costs under subdivision 1 ~~shall submit an invoice itemizing rate elements by county or service area to the commissioner for 911 services furnished under contract. Any wireless or wire-line telecommunications service provider is eligible to receive payment for 911 services rendered according to the terms and conditions specified in the contract. The commissioner shall pay the invoice within 30 days following receipt of the invoice unless the commissioner notifies the service provider that the commissioner disputes the invoice~~ must be paid in accordance with the amount and terms of their valid cost recovery contract as described in section 403.025, subdivision 3a.

(b) The commissioner ~~shall~~ must estimate the amount required to reimburse ~~911 emergency telecommunications service providers and wireless and wire-line telecommunications service providers~~ the OSP for the state's obligations under subdivision 1 and the governor ~~shall~~ must include the estimated amount in the biennial budget request.

~~Subd. 3a. **Timely invoices.** An invoice for services provided for in the contract with a wireless or wire-line telecommunications service provider must be submitted to the commissioner no later than 90 days after commencing a new or additional eligible 911 service. Each applicable contract must provide that, if certified expenses under the contract deviate from estimates in the contract by more than ten percent, the commissioner may reduce the level of service without incurring any termination fees.~~

~~Subd. 3b. **Declaration.** If the commissioner disputes an invoice, the wireless and wire line telecommunications service providers shall submit a declaration under section 16A.41 signed by an officer of the company with the invoices for payment of service described in the service provider's 911 contract. The sworn declaration must specifically describe and affirm that the 911 service contracted for is being provided and the costs invoiced for the service are true and correct. When a wireless or wire-line telecommunications service provider fails to provide a sworn declaration within 90 days of notice by the commissioner that the invoice is disputed, the disputed amount of the invoice must be disallowed.~~

Subd. 3c. **Audit.** If the commissioner determines that an audit is necessary to document the ~~invoice and sworn declaration in subdivision 3b~~ costs eligible for recovery as detailed in subdivision 1, the ~~wireless or wire-line telecommunications service provider~~ OSP must contract with an independent certified public accountant to conduct the audit. The audit must be conducted according to generally accepted accounting principles. The ~~wireless or wire-line telecommunications service provider~~ OSP is responsible for any costs associated with the audit.

Subd. 3d. **Eligible telecommunications carrier; requirement.** No ~~wireless communications provider~~ OSP may provide telecommunications services under a designation of eligible telecommunications carrier, as provided under Minnesota Rules, part 7811.1400, until and unless the commissioner of public safety certifies to the chair of the public utilities commission that the wireless telecommunications provider is not in arrears in amounts owed to the 911 emergency telecommunications service account in the special revenue fund.

Subd. 4. **Local recurring costs.** Recurring costs ~~of~~ not covered as part of the state 911 network contracts for telecommunications equipment and services at public safety answering points must be borne by the local governmental agency operating the public safety answering point or allocated

pursuant to section 403.10, subdivision 3. Costs attributable to local government electives for services not otherwise addressed under section 403.11 or 403.113 must be borne by the governmental agency requesting the elective service.

Subd. 5. **Tariff notification.** Wire-line telecommunications service providers or wireless telecommunications service providers holding eligible telecommunications carrier status ~~shall~~ must give notice to the commissioner and any other affected governmental agency of tariff or price list changes related to 911 service at the same time that the filing is made with the public utilities commission.

Subd. 6. **OSP report.** (a) ~~Beginning Each September 1, 2013, and continuing semiannually thereafter and March 1, each wireless telecommunications service provider shall~~ OSP must report to the commissioner, based on the mobile subscriber's telephone number, both. Wireless communication providers must include the total number of prepaid wireless telecommunications subscribers sourced to Minnesota and the total number of wireless telecommunications subscribers sourced to Minnesota. The report must be filed on the same schedule as Federal Communications Commission Form 477.

(b) The commissioner ~~shall~~ must make a standard form available to all wireless telecommunications service providers for submitting information required to compile the report required under this subdivision.

(c) The information provided to the commissioner under this subdivision is considered trade secret information under section 13.37 and may only be used for purposes of administering this chapter.

Sec. 42. Minnesota Statutes 2022, section 403.113, is amended to read:

403.113 ENHANCED 911 SERVICE COSTS; FEE.

Subdivision 1. **Fee.** A portion of the fee collected under section 403.11 must be used to fund implementation, operation, maintenance, enhancement, and expansion of ~~enhanced the~~ the 911 service network, including acquisition of necessary equipment and the costs of the commissioner to administer the program in accordance with Federal Communications Commission rules.

Subd. 2. **Distribution of money.** (a) After payment of the costs of the commissioner to administer the program, the commissioner ~~shall~~ must distribute the money collected under this section as follows:

(1) one-half of the amount equally to all qualified counties, and after October 1, 1997, to all qualified counties, existing ten public safety answering points operated by the Minnesota State Patrol, and each governmental entity operating the individual public safety answering points serving the Metropolitan Airports Commission, the Red Lake Indian Reservation, and the University of Minnesota Police Department; and

(2) the remaining one-half to qualified counties and cities with existing 911 systems based on each county's or city's percentage of the total population of qualified counties and cities. The population of a qualified city with an existing system must be deducted from its county's population when calculating the county's share under this clause if the city seeks direct distribution of its share.

(b) A county's share under subdivision 1 must be shared pro rata between the county and existing city systems in the county. A county or city or other governmental entity as described in paragraph (a), clause (1), ~~shall~~ must deposit money received under this subdivision in an interest-bearing fund or account separate from the governmental entity's general fund and may use money in the fund or account only for the purposes specified in subdivision 3.

(c) A county or city or other governmental entity as described in paragraph (a), clause (1), is not qualified to share in the distribution of money for ~~enhanced~~ 911 service if it has not implemented enhanced 911 service before December 31, 1998.

(d) For the purposes of this subdivision, "existing city system" means a city 911 system that provides at least basic 911 service and that was implemented on or before April 1, 1993.

Subd. 3. **Local expenditures.** (a) Money distributed under subdivision 2 for ~~enhanced 911 service systems or services~~ may be spent on ~~enhanced 911 system costs for the purposes stated in subdivision 1. In addition, money may be spent to lease, purchase, lease-purchase, or maintain enhanced 911 equipment, including telephone equipment; recording equipment; computer hardware; computer software for database provisioning, addressing, mapping, and any other software necessary for automatic location identification or local location identification; trunk lines; selective routing equipment; the master street address guide; dispatcher public safety answering point equipment proficiency and operational skills; pay for long-distance charges incurred due to transferring 911 calls to other jurisdictions; and the equipment necessary within the public safety answering point for community alert systems and to notify and communicate with the emergency services requested by the 911 caller, as well as expenses deemed allowable in accordance with Code of Federal Regulations, title 47, section 9.2.~~

(b) Money distributed for ~~enhanced 911 service systems or services~~ may not be spent on:

(1) purchasing or leasing of real estate or cosmetic additions to or remodeling of ~~communications centers~~ public safety answering points;

(2) ~~mobile communications vehicles~~, fire engines, ambulances, law enforcement vehicles, or other emergency vehicles;

(3) signs, posts, or other markers related to addressing or any costs associated with the installation or maintenance of signs, posts, or markers;

(4) any purposes prohibited by the Federal Communications Commission;

(5) the transfer of 911 fees into a state or other jurisdiction's general fund or other fund for non-911 purposes;

(6) public safety telecommunicator salaries unless associated with training functions; and

(7) the leasing or purchase of end user equipment.

Subd. 4. **Audits.** (a) Each county and city or other governmental entity federal, Tribal, or other organization connected to the statewide 911 network as described in subdivision 2, paragraph (a), clause (1), shall or secondary public safety answering point must conduct an annual audit a compliance

report in accordance with Minnesota Rules, chapter 7580, and Code of Federal Regulations, title 47, section 9.25, on the use of funds distributed to it for enhanced 911 service systems or services to ensure the distribution is spent according to subdivision 3. A copy of each audit compliance report must be submitted to the commissioner.

(b) The commissioner may request a state audit of a county, federal, Tribal, or other organization connected to the statewide 911 network which receives 911 funds from the state to operate its 911 system or service to ensure compliance with subdivision 3.

(c) Failure to submit a compliance report may result in a disruption of 911 fee distribution until the compliance report is submitted.

Sec. 43. Minnesota Statutes 2022, section 403.15, subdivision 1, is amended to read:

Subdivision 1. **Multistation or PBX system.** Except as otherwise provided in this section, every owner and operator of a new multistation or private branch exchange (PBX) multiline telephone system purchased or upgraded after December 31, 2004, shall must design and maintain the system to provide a callback number or ten-digit caller ID and emergency response location.

Sec. 44. Minnesota Statutes 2022, section 403.15, subdivision 2, is amended to read:

Subd. 2. **Multiline telephone system user dialing instructions.** (a) Each multiline telephone system (MLTS) operator must demonstrate or otherwise inform each new telephone system user how to call for emergency assistance from that particular multiline telephone system.

(b) MLTS platforms that are manufactured, imported, offered for first sale or lease, first sold or leased, or installed after February 16, 2020, must enable users to directly initiate a call to 911 from any station equipped with dialing facilities without dialing any additional digit, code, prefix, or postfix, including any trunk-access code such as the digit nine, regardless of whether the user is required to dial such a digit, code, prefix, or postfix for other calls.

(c) MLTSs that are manufactured, imported, offered for first sale or lease, first sold or leased, or installed after February 16, 2020, must be configured so that upon an occurrence of a 911 call it will provide a notification that a 911 call has been made to a central location at the facility where the system is installed or to another person or organization, regardless of location, if the system is able to be configured to provide the notification without an improvement to the hardware or software of the system.

Sec. 45. Minnesota Statutes 2022, section 403.15, subdivision 3, is amended to read:

Subd. 3. **Shared residential multiline telephone system.** On and after January 1, 2005, operators of shared multiline telephone systems, whenever installed, serving residential customers ~~shall~~ must ensure that the shared multiline telephone system is connected to the public switched network and that 911 calls from the system result in at least one distinctive automatic number identification and automatic location identification for each residential unit, except those requirements do not apply if the residential facility maintains one of the following:

(1) automatic location identification for each respective emergency response location;

(2) the ability to direct emergency responders to the 911 caller's location through an alternative and adequate means, such as the establishment of a 24-hour private answering point operated by the facility; or

(3) a connection to a switchboard operator, attendant, or other designated on-site individual.

Sec. 46. Minnesota Statutes 2022, section 403.15, subdivision 4, is amended to read:

Subd. 4. **Hotel or motel multiline telephone system.** Operators of hotel and motel multiline telephone systems ~~shall~~ must permit the dialing of 911 and ~~shall~~ must ensure that 911 calls originating from hotel or motel multiline telephone systems allow the 911 system to clearly identify the address and specific location of the 911 caller.

Sec. 47. Minnesota Statutes 2022, section 403.15, subdivision 5, is amended to read:

Subd. 5. **Business multiline telephone system.** (a) An operator of business multiline telephone systems connected to the public switched telephone network and serving business locations of one employer ~~shall~~ must ensure that calls to 911 from any telephone on the system result in one of the following:

(1) automatic location identification for each respective emergency response location;

(2) an ability to direct emergency responders to the 911 caller's location through an alternative and adequate means, such as the establishment of a 24-hour private answering point operated by the employer; or

(3) a connection to a switchboard operator, attendant, or other designated on-site individual.

(b) Except as provided in paragraph (c), providers of multiline telephone systems serving multiple employers' business locations ~~shall~~ must ensure that calls to 911 from any telephone result in automatic location identification for the respective emergency response location of each business location sharing the system.

(c) Only one emergency response location is required in the following circumstances:

(1) an employer's work space is less than 40,000 square feet, located on a single floor and on a single contiguous property;

(2) an employer's work space is less than 7,000 square feet, located on multiple floors and on a single contiguous property; or

(3) an employer's work space is a single public entrance, single floor facility on a single contiguous property.

Sec. 48. Minnesota Statutes 2022, section 403.15, subdivision 6, is amended to read:

Subd. 6. **Schools.** A multiline telephone system operated by a public or private educational institution, including a system serving dormitories and other residential customers, is subject to this subdivision and is not subject to subdivision 3. The operator of the education institution multiline

system connected to the public switched network must ensure that calls to 911 from any telephone on the system result in one of the following:

- (1) automatic location identification for each respective emergency response location;
- (2) an ability to direct emergency responders to the 911 caller's location through an alternative and adequate means, such as the establishment of a 24-hour private answering point operated by the educational institution; or
- (3) a connection to a switchboard operator, attendant, or other designated on-site individual.

Sec. 49. Minnesota Statutes 2022, section 403.15, is amended by adding a subdivision to read:

Subd. 9. **MLTS location compliance notification.** Beginning July 1, 2023, all vendors of MLTSs or hosted MLTS services in Minnesota must disclose to their customers the 911 location requirements in this chapter and include 911 location compliant capabilities in the systems or services they sell.

Sec. 50. **RENUMBERING.**

In Minnesota Statutes, the revisor of statutes shall renumber the subdivisions of Minnesota Statutes, section 403.02.

Sec. 51. **REPEALER.**

Minnesota Statutes 2022, sections 403.02, subdivision 13; and 403.09, subdivision 3, are repealed.

ARTICLE 7

MINNESOTA REHABILITATION AND REINVESTMENT PROVISIONS

Section 1. Minnesota Statutes 2022, section 244.03, is amended to read:

244.03 REHABILITATIVE PROGRAMS.

Subdivision 1. **Commissioner responsibility.** (a) For individuals committed to the commissioner's authority, the commissioner shall provide appropriate mental health programs and vocational and educational programs with employment-related goals for inmates. The selection, design and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for such programs. must develop, implement, and provide, as appropriate:

- (1) substance use disorder treatment programs;
- (2) sexual offender treatment programming;
- (3) domestic abuse programming;
- (4) medical and mental health services;
- (5) spiritual and faith-based programming;

(6) culturally responsive programming;

(7) vocational, employment and career, and educational programming; and

(8) other rehabilitative programs.

(b) While evidence-based programs must be prioritized, selecting, designing, and implementing programs under this section are the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for the programs under this section.

Subd. 2. **Challenge prohibited.** No action challenging the level of expenditures for rehabilitative programs authorized under this section, nor any action challenging the selection, design, or implementation of these programs, including employee assignments, may be maintained by an inmate in any court in this state.

Subd. 3. **Disciplinary sanctions.** The commissioner may impose disciplinary sanctions upon on any inmate who refuses to participate in rehabilitative programs.

Sec. 2. Minnesota Statutes 2022, section 244.05, subdivision 1b, is amended to read:

Subd. 1b. Supervised release; offenders inmates who commit crimes on or after August 1, 1993. (a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the inmate's term of imprisonment and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary rule adopted by the commissioner or refusal to participate in a rehabilitative program required under section 244.03. The amount of time the inmate serves on supervised release ~~shall be is equal in length to the amount of time remaining in~~ to one-third of the inmate's fixed executed sentence after the inmate has served the term of imprisonment and any disciplinary confinement period imposed by the commissioner, less any disciplinary confinement period imposed by the commissioner and regardless of any earned incentive release credit applied toward the individual's term of imprisonment under section 244.44.

(b) No inmate who violates a disciplinary rule or refuses to participate in a rehabilitative program as required under section 244.03 shall be placed on supervised release until the inmate has served the disciplinary confinement period for that disciplinary sanction or until the inmate is discharged or released from punitive ~~segregation~~ restrictive-housing confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

(c) For purposes of this subdivision, "earned incentive release credit" has the meaning given in section 244.41, subdivision 7.

Sec. 3. **[244.40] MINNESOTA REHABILITATION AND REINVESTMENT ACT.**

Sections 244.40 to 244.51 may be cited as the "Minnesota Rehabilitation and Reinvestment Act."

Sec. 4. [244.41] DEFINITIONS.

Subdivision 1. **Scope.** For purposes of the act, the terms defined in this section have the meanings given.

Subd. 2. **Act.** "Act" means the Minnesota Rehabilitation and Reinvestment Act.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of corrections.

Subd. 4. **Correctional facility.** "Correctional facility" means a state facility under the direct operational authority of the commissioner but does not include a commissioner-licensed local detention facility.

Subd. 5. **Direct-cost per diem.** "Direct-cost per diem" means the actual nonsalary expenditures, including encumbrances as of July 31 following the end of the fiscal year, from the Department of Corrections expense budgets for food preparation; food provisions; personal support for incarcerated persons, including clothing, linen, and other personal supplies; transportation; and professional technical contracted health care services.

Subd. 6. **Earned compliance credit.** "Earned compliance credit" means a one-month reduction from the period during active supervision of the supervised release term for every two months that a supervised individual exhibits compliance with the conditions and goals of the individual's supervision plan.

Subd. 7. **Earned incentive release credit.** "Earned incentive release credit" means credit that is earned and included in calculating an incarcerated person's term of imprisonment for completing objectives established by their individualized rehabilitation plan under section 244.42.

Subd. 8. **Earned incentive release savings.** "Earned incentive release savings" means the calculation of the direct-cost per diem multiplied by the number of incarcerated days saved for the period of one fiscal year.

Subd. 9. **Executed sentence.** "Executed sentence" means the total period for which an incarcerated person is committed to the custody of the commissioner.

Subd. 10. **Incarcerated days saved.** "Incarcerated days saved" means the number of days of an incarcerated person's original term of imprisonment minus the number of actual days served, excluding days not served due to death or as a result of time earned in the challenge incarceration program under sections 244.17 to 244.173.

Subd. 11. **Incarcerated person.** "Incarcerated person" has the meaning given "inmate" in section 244.01, subdivision 2.

Subd. 12. **Supervised release.** "Supervised release" means the release of an incarcerated person according to section 244.05.

Subd. 13. **Supervised release term.** "Supervised release term" means the period equal to one-third of the individual's fixed executed sentence, less any disciplinary confinement period or punitive restrictive-housing confinement imposed under section 244.05, subdivision 1b.

Subd. 14. **Supervision abatement status.** "Supervision abatement status" means an end to active correctional supervision of a supervised individual without effect on the legal expiration date of the individual's executed sentence less any earned incentive release credit.

Subd. 15. **Term of imprisonment.** "Term of imprisonment" has the meaning given in section 244.01, subdivision 8.

Sec. 5. **[244.42] COMPREHENSIVE ASSESSMENT AND INDIVIDUALIZED REHABILITATION PLAN REQUIRED.**

Subdivision 1. **Comprehensive assessment.** (a) The commissioner must develop a comprehensive assessment process for each person who:

(1) is committed to the commissioner's custody and confined in a state correctional facility on or after January 1, 2025; and

(2) has 365 or more days remaining until the person's scheduled supervised release date or parole eligibility date.

(b) As part of the assessment process, the commissioner must take into account appropriate rehabilitative programs under section 244.03.

Subd. 2. **Individualized rehabilitation plan.** After completing the assessment process, the commissioner must ensure the development of an individualized rehabilitation plan, along with identified goals, for every person committed to the commissioner's custody. The individualized rehabilitation plan must be holistic in nature by identifying intended outcomes for addressing:

(1) the incarcerated person's needs and risk factors;

(2) the person's identified strengths; and

(3) available and needed community supports, including victim safety considerations as required under section 244.47, if applicable.

Subd. 3. **Victim input.** (a) If an individual is committed to the commissioner's custody for a crime listed in section 609.02, subdivision 16, the commissioner must make reasonable efforts to notify a victim of the opportunity to provide input during the assessment and rehabilitation plan process. Victim input may include:

(1) a summary of victim concerns relative to release;

(2) concerns related to victim safety during the committed individual's term of imprisonment;
or

(3) requests for imposing victim safety protocols as additional conditions of imprisonment or supervised release.

(b) The commissioner must consider all victim input statements when developing an individualized rehabilitation plan and establishing conditions governing confinement or release.

Subd. 4. **Transition and release plan.** For an incarcerated person with less than 365 days remaining until the person's supervised release date, the commissioner, in consultation with the incarcerated person, must develop a transition and release plan.

Subd. 5. **Scope of act.** This act is separate and distinct from other legislatively authorized release programs, including the challenge incarceration program, work release, conditional medical release, or the program for the conditional release of nonviolent controlled substance offenders.

Sec. 6. **[244.43] EARNED INCENTIVE RELEASE CREDIT.**

Subdivision 1. **Policy for earned incentive release credit; stakeholder consultation.** (a) To encourage and support rehabilitation when consistent with the public interest and public safety, the commissioner must establish a policy providing for earned incentive release credit as a part of the term of imprisonment. The policy must be established in consultation with the following organizations:

- (1) Minnesota County Attorneys Association;
- (2) Minnesota Board of Public Defense;
- (3) Minnesota Association of Community Corrections Act Counties;
- (4) Minnesota Indian Women's Sexual Assault Coalition;
- (5) Violence Free Minnesota;
- (6) Minnesota Coalition Against Sexual Assault;
- (7) Minnesota Alliance on Crime;
- (8) Minnesota Sheriffs' Association;
- (9) Minnesota Chiefs of Police Association;
- (10) Minnesota Police and Peace Officers Association; and
- (11) faith-based organizations that reflect the demographics of the incarcerated population.

(b) The policy must:

(1) provide circumstances upon which an incarcerated person may receive earned incentive release credits, including participation in rehabilitative programming under section 244.03; and

(2) address circumstances where:

(i) the capacity to provide rehabilitative programming in the correctional facility is diminished but the programming is available in the community; and

(ii) the conditions under which the incarcerated person could be released to the community-based resource but remain subject to commitment to the commissioner and could be considered for earned incentive release credit.

Subd. 2. **Policy on disparities.** The commissioner must develop a policy establishing a process for assessing and addressing any systemic and programmatic gender and racial disparities that may be identified when awarding earned incentive release credits.

Sec. 7. [244.44] APPLYING EARNED INCENTIVE RELEASE CREDIT.

Earned incentive release credits are included in calculating the term of imprisonment but are not added to the person's supervised release term, the total length of which remains unchanged. The maximum amount of earned incentive release credit that can be earned and subtracted from the term of imprisonment is 17 percent of the total executed sentence. Earned credit cannot reduce the term of imprisonment to less than one-half of the incarcerated person's executed sentence. Once earned, earned incentive release credits are nonrevocable.

Sec. 8. [244.45] INELIGIBILITY FOR EARNED INCENTIVE RELEASE CREDIT.

The following individuals are ineligible for earned incentive release credit:

- (1) those serving life sentences;
- (2) those given indeterminate sentences for crimes committed on or before April 30, 1980; or
- (3) those subject to good time under section 244.04 or similar laws.

Sec. 9. [244.46] EARNED COMPLIANCE CREDIT AND SUPERVISION ABATEMENT STATUS.

Subdivision 1. Adopting policy for earned compliance credit; supervision abatement status.

(a) The commissioner must adopt a policy providing for earned compliance credit.

(b) Except as otherwise provided in the act, once the time served on active supervision plus earned compliance credits equals the total length of the supervised release term, the commissioner must place the individual on supervision abatement status for the remainder of the supervised release term.

Subd. 2. Violating conditions of release; commissioner action. If an individual violates the conditions of release while on supervision abatement status, the commissioner may:

- (1) return the individual to active supervision for the remainder of the supervised release term, with or without modifying the conditions of release; or
- (2) revoke the individual's supervised release in accordance with section 244.05, subdivision 3.

Subd. 3. Supervision abatement status; requirements. A person who is placed on supervision abatement status under this section must not be required to regularly report to a supervised release agent or pay a supervision fee but must continue to:

- (1) obey all laws;
- (2) report any new criminal charges; and

(3) abide by section 243.1605 before seeking written authorization to relocate to another state.

Subd. 4. **Applicability.** This section does not apply to individuals:

(1) serving life sentences;

(2) given indeterminate sentences for crimes committed on or before April 30, 1980; or

(3) subject to good time under section 244.04 or similar laws.

Sec. 10. **[244.47] VICTIM INPUT.**

Subdivision 1. **Notifying victim; victim input.** (a) If an individual is committed to the custody of the commissioner for a crime listed in section 609.02, subdivision 16, and is eligible for earned incentive release credit, the commissioner must make reasonable efforts to notify the victim that the committed individual is eligible for earned incentive release credit.

(b) Victim input may include:

(1) a summary of victim concerns relative to eligibility of earned incentive release credit;

(2) concerns related to victim safety during the committed individual's term of imprisonment;

or

(3) requests for imposing victim safety protocols as additional conditions of imprisonment or supervised release.

Subd. 2. **Victim input statements.** The commissioner must consider victim input statements when establishing requirements governing conditions of release. The commissioner must provide the name and telephone number of the local victim agency serving the jurisdiction of release to any victim providing input on earned incentive release credit.

Sec. 11. **[244.48] VICTIM NOTIFICATION.**

Nothing in this act limits any victim notification obligations of the commissioner required by statute related to a change in custody status, committing offense, end-of-confinement review, or notification registration.

Sec. 12. **[244.49] INTERSTATE COMPACT.**

(a) This section applies to a person serving a Minnesota sentence while being supervised in another state according to the Interstate Compact for Adult Supervision.

(b) As may be allowed under section 243.1605, a person may be eligible for supervision abatement status according to the act only if they meet eligibility criteria for earned compliance credit as established under section 244.46.

Sec. 13. **[244.50] REALLOCATING EARNED INCENTIVE RELEASE SAVINGS.**

Subdivision 1. **Establishing reallocation revenue account.** The reallocation of earned incentive release savings account is established in the special revenue fund in the state treasury. Funds in the

account are appropriated to the commissioner and must be expended in accordance with the allocation established in subdivision 4 after the requirements of subdivision 2 are met. Funds in the account are available until expended.

Subd. 2. **Certifying earned incentive release savings.** On or before the final closeout date of each fiscal year, the commissioner must certify to Minnesota Management and Budget the earned incentive release savings from the previous fiscal year. The commissioner must provide the detailed calculation substantiating the savings amount, including accounting-system-generated data where possible, supporting the direct-cost per diem and the incarcerated days saved.

Subd. 3. **Savings to be transferred to reallocation revenue account.** After the certification in subdivision 2 is completed, the commissioner must transfer funds from the appropriation from which the savings occurred to the reallocation revenue account according to the allocation in subdivision 4. Transfers must occur by September 1 each year.

Subd. 4. **Distributing reallocation funds.** The commissioner must distribute funds as follows:

(1) 25 percent must be transferred to the Office of Justice Programs in the Department of Public Safety for crime victim services;

(2) 25 percent must be transferred to the Community Corrections Act subsidy appropriation and to the Department of Corrections for supervised release and intensive supervision services, based upon a three-year average of the release jurisdiction of supervised releasees and intensive supervised releasees across the state;

(3) 25 percent must be transferred to the Department of Corrections for:

(i) grants to develop and invest in community-based services that support the identified needs of correctionally involved individuals or individuals at risk of becoming involved in the criminal justice system; and

(ii) sustaining the operation of evidence-based programming in state and local correctional facilities; and

(4) 25 percent must be transferred to the general fund.

Sec. 14. [244.51] REPORTING REQUIRED.

Subdivision 1. **Annual report required.** (a) Beginning January 15, 2026, and by January 15 each year thereafter for ten years, the commissioner must provide a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over public safety and judiciary.

(b) For the 2026 report, the commissioner must report on implementing the requirements in this act. Starting with the 2027 report, the commissioner must report on the status of the requirements in this act for the previous fiscal year.

(c) Each report must be provided to the sitting president of the Minnesota Association of Community Corrections Act Counties and the executive directors of the Minnesota Sentencing Guidelines Commission, the Minnesota Indian Women's Sexual Assault Coalition, the Minnesota

Alliance on Crime, Violence Free Minnesota, the Minnesota Coalition Against Sexual Assault, and the Minnesota County Attorneys Association.

(d) The report must include but not be limited to:

(1) a qualitative description of policy development; implementation status; identified implementation or operational challenges; strategies identified to mitigate and ensure that the act does not create or exacerbate gender, racial, and ethnic disparities; and proposed mechanisms for projecting future savings and reallocation of savings;

(2) the number of persons who were granted earned incentive release credit, the total number of days of incentive release earned, a summary of committing offenses for those persons who earned incentive release credit, a summary of earned incentive release savings, and the demographic data for all persons eligible for earned incentive release credit and the reasons and demographic data of those eligible persons for whom earned incentive release credit was unearned or denied;

(3) the number of persons who earned supervision abatement status, the total number of days of supervision abatement earned, the committing offenses for those persons granted supervision abatement status, the number of revocations for reoffense while on supervision abatement status, and the demographic data for all persons eligible for, considered for, granted, or denied supervision abatement status and the reasons supervision abatement status was unearned or denied;

(4) the number of persons deemed ineligible to receive earned incentive release credits and supervise abatement and the demographic data for the persons; and

(5) the number of victims who submitted input, the number of referrals to local victim-serving agencies, and a summary of the kinds of victim services requested.

Subd. 2. **Soliciting feedback.** (a) The commissioner must solicit feedback on victim-related operational concerns from the Minnesota Indian Women's Sexual Assault Coalition, Minnesota Alliance on Crime, Minnesota Coalition Against Sexual Assault, and Violence Free Minnesota.

(b) The feedback should relate to applying earned incentive release credit and supervision abatement status options. A summary of the feedback from the organizations must be included in the annual report.

Subd. 3. **Evaluating earned incentive release credit and act.** The commissioner must direct the Department of Corrections' research unit to regularly evaluate earned incentive release credits and other provisions of the act. The findings must be published on the Department of Corrections' website and in the annual report.

Sec. 15. **EFFECTIVE DATE.**

Sections 1 to 14 are effective August 1, 2023.

ARTICLE 8

SUPERVISED RELEASE BOARD; CHANGES TO RELEASE DETERMINATIONS AND ELIGIBILITY FOR CERTAIN OFFENDERSSection 1. **[244.049] SUPERVISED RELEASE BOARD.**

Subdivision 1. Establishment; membership. (a) The Supervised Release Board is established to review eligible cases and make release and final discharge decisions for:

(1) inmates serving life sentences with the possibility of parole or supervised release under sections 243.05, subdivision 1, and 244.05, subdivision 5;

(2) inmates serving indeterminate sentences for crimes committed on or before April 30, 1980; and

(3) inmates eligible for early supervised release under section 244.05, subdivision 4a.

(b) The authority to grant discretionary release and final discharge previously vested in the commissioner under sections 243.05, subdivisions 1, paragraph (a), and 3; 244.08; and 609.12 is transferred to the board.

(c) The board consists of seven members as follows:

(1) four individuals appointed by the governor from which each of the majority leaders and minority leaders of the house of representatives and senate provide two candidate recommendations for consideration;

(2) two members appointed by the governor who have expertise in the neurological development of juveniles; and

(3) the commissioner, who serves as chair.

(d) The members defined in paragraph (c), clause (1), must meet the following qualifications, at a minimum:

(1) a law degree or a bachelor's degree in criminology, corrections, social work, or a related social science;

(2) five years of experience in corrections, a criminal justice or community corrections field, rehabilitation programming, behavioral health, or criminal law; and

(3) demonstrated knowledge of victim issues and correctional processes.

Subd. 2. Terms; compensation. (a) Appointed board members serve four-year staggered terms, but the terms of the initial members are as follows:

(1) three members must be appointed for terms that expire January 1, 2026; and

(2) three members must be appointed for terms that expire January 1, 2028.

(b) An appointed member is eligible for reappointment and a vacancy must be filled according to subdivision 1.

(c) For appointed members, compensation and removal are as provided in section 15.0575.

Subd. 3. **Quorum; compensation; administrative duties.** (a) Subject to the requirements in paragraph (b), the majority of members constitutes a quorum.

(b) When reviewing cases involving people who were 18 or older at the time of the offense, the board must comprise a quorum of the five members identified in subdivision 1, paragraph (c), clauses (1) and (3). When reviewing cases involving people who were under 18 at the time of the offense, the board must comprise a quorum of all seven members and include at least one member identified in subdivision 1, paragraph (c), clause (2).

(c) An appointed board member must visit at least one state correctional facility every 12 months.

(d) The commissioner must provide the board with personnel, supplies, equipment, office space, and other administrative services necessary and incident to fulfilling the board's functions.

Subd. 4. **Limitation.** Nothing in this section:

(1) supersedes the commissioner's authority to set conditions of release or revoke an inmate's release for violating any of the conditions; or

(2) impairs the power of the Board of Pardons to grant a pardon or commutation in any case.

Subd. 5. **Report.** (a) On or before February 15 each year, the board must submit to the chairs and ranking minority members of the legislative committees with jurisdiction over criminal justice policy a written report that:

(1) details the number of inmates reviewed;

(2) identifies inmates granted release or final discharge in the preceding year; and

(3) provides demographic data of inmates who were granted release or final discharge and inmates who were denied release or final discharge, including whether any of the individuals were under 18 years of age at the time of committing the offense.

(b) The report must also include the board's recommendations to the commissioner for policy modifications that influence the board's duties.

Sec. 2. Minnesota Statutes 2022, section 244.05, subdivision 1b, is amended to read:

Subd. 1b. Supervised release; offenders who commit crimes on or after August 1, 1993. (a) Except as provided in subdivisions 4, 4a, and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the inmate's term of imprisonment and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary rule adopted by the commissioner or refusal to participate in a rehabilitative program required under section 244.03. The amount of time the inmate serves on supervised release shall be equal in length to the amount of time remaining in the inmate's

executed sentence after the inmate has served the term of imprisonment and any disciplinary confinement period imposed by the commissioner.

(b) No inmate who violates a disciplinary rule or refuses to participate in a rehabilitative program as required under section 244.03 shall be placed on supervised release until the inmate has served the disciplinary confinement period for that disciplinary sanction or until the inmate is discharged or released from punitive segregation confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 3. Minnesota Statutes 2022, section 244.05, subdivision 2, is amended to read:

Subd. 2. **Rules.** (a) Notwithstanding section 14.03, subdivision 3, paragraph (b), clause (1), the commissioner of corrections shall adopt by rule standards and procedures for the revocation of supervised or conditional release, and shall specify the period of revocation for each violation of release except in accordance with subdivision 5, paragraph (l).

(b) Procedures for the revocation of ~~revoking~~ release shall must provide due process of law for the inmate.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 4. Minnesota Statutes 2022, section 244.05, subdivision 4, is amended to read:

Subd. 4. **Minimum imprisonment, life sentence.** (a) An inmate serving a mandatory life sentence under section 609.106, subdivision 2, or 609.3455, subdivision 2, paragraph (a), must not be given supervised release under this section.

(b) Except as provided in paragraph (f), an inmate serving a mandatory life sentence under section 609.185, paragraph (a), clause (3), (5), or (6); or Minnesota Statutes 2004, section 609.109, subdivision 3, must not be given supervised release under this section without having served a minimum term of 30 years.

(c) Except as provided in paragraph (f), an inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

(d) An inmate serving a mandatory life sentence under section 609.3455, subdivision 3 or 4, must not be given supervised release under this section without having served the minimum term of imprisonment specified by the court in its sentence.

(e) An inmate serving a mandatory life sentence under section 609.106, subdivision 3, or 609.3455, subdivision 2, paragraph (c), must not be given supervised release under this section without having served a minimum term of imprisonment of 15 years.

(f) An inmate serving a mandatory life sentence for a crime described in paragraph (b) or (c) who was under 18 years of age at the time of the commission of the offense must not be given

supervised release under this section without having served a minimum term of imprisonment of 15 years.

Sec. 5. Minnesota Statutes 2022, section 244.05, is amended by adding a subdivision to read:

Subd. 4a. **Eligibility for early supervised release; offenders who were under 18 at the time of offense.** (a) Notwithstanding any other provision of law, any person who was under the age of 18 at the time of the commission of an offense is eligible for early supervised release if the person is serving an executed sentence that includes a term of imprisonment of more than 15 years or separate, consecutive executed sentences for two or more crimes that include combined terms of imprisonment that total more than 15 years.

(b) A person eligible for early supervised release under paragraph (a) must be considered for early supervised release pursuant to section 244.049 after serving 15 years of imprisonment.

(c) Where the person is serving separate, consecutive executed sentences for two or more crimes, the person may be granted early supervised release on all sentences.

Sec. 6. Minnesota Statutes 2022, section 244.05, subdivision 5, is amended to read:

Subd. 5. **Supervised release, life sentence and indeterminate sentences.** (a) The ~~commissioner of corrections~~ board may, under rules ~~promulgated~~ adopted by the commissioner, ~~give~~ grant supervised release or parole as follows:

(1) to an inmate serving a mandatory life sentence ~~under section 609.185, paragraph (a), clause (3), (5), or (6); 609.3455, subdivision 3 or 4; 609.385; or Minnesota Statutes 2004, section 609.109, subdivision 3,~~ after the inmate has served the minimum term of imprisonment specified in subdivision 4 or section 243.05, subdivision 1, paragraph (a);

(2) at any time for an inmate serving a nonlife indeterminate sentence for a crime committed on or before April 30, 1980; or

(3) to an inmate eligible for early supervised release under subdivision 4a after the inmate has served the minimum term of imprisonment.

(b) For cases involving multiple sentences, the board must grant or deny supervised release as follows:

(1) if an inmate is serving multiple sentences that are concurrent to one another, the board must grant or deny supervised release on all sentences; and

(2) notwithstanding any other law to the contrary, if an inmate eligible for early supervised release under section 244.05, subdivision 4a, is serving multiple sentences that are consecutive to one another, the board may grant or deny supervised release on one or more sentences.

(c) The ~~commissioner shall~~ board must require the preparation of a community investigation report and ~~shall~~ consider the findings of the report when making a supervised release or parole decision under this subdivision. The report ~~shall~~ must:

(1) reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time. ~~The report shall;~~

(2) include the views of the sentencing judge, the prosecutor, any law enforcement personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision. ~~The report shall also; and~~

(3) include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(d) For an individual who was under 18 years of age when they committed their offense, the board must require the preparation of a development report and consider the report's findings when making a supervised release decision under this subdivision. The report must be prepared by a mental health professional under section 245I.04, subdivision 2, clause (1) to (4) or (6), and must address the inmate's cognitive, emotional, and social maturity. The board may use a previous report that was prepared within 12 months immediately preceding the hearing.

~~(e)~~ (e) The ~~commissioner shall~~ board must make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's supervised release review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time. The ~~commissioner~~ board must consider the victim's statement when making the supervised release or parole decision.

~~(f)~~ (f) Supervised release or parole must be granted with a majority vote of the board members. When considering whether to give grant supervised release or parole to an inmate serving a life or indeterminate sentence ~~under section 609.3455, subdivision 3 or 4~~ or early supervised release to an inmate under subdivision 4a, the ~~commissioner shall~~ board must consider, at a minimum, the following:

(1) the risk the inmate poses to the community if released;

(2) the inmate's progress in treatment;

(3) the inmate's behavior while incarcerated;

(4) psychological or other diagnostic evaluations of the inmate;

(5) the inmate's criminal history;

(6) a victim statement under paragraph (e), if submitted;

(7) for an inmate who was under 18 years of age when they committed their offense:

(i) the development report under paragraph (d); and

(ii) relevant science on the neurological development of juveniles and information on the inmate's maturity and rehabilitation while incarcerated; and

(8) any other relevant conduct of the inmate while incarcerated or before incarceration.

(g) The commissioner board may not give grant supervised release or parole to the an inmate unless:

(1) while in prison:

(i) the inmate has successfully completed appropriate sex offender treatment, if applicable;

(ii) the inmate has been assessed for substance use disorder needs and, if appropriate, has successfully completed substance use disorder treatment; and

(iii) the inmate has been assessed for mental health needs and, if appropriate, has successfully completed mental health treatment; and

(2) a comprehensive individual release plan is in place for the inmate that:

(i) ensures that, after release, the inmate will have suitable housing and receive appropriate aftercare and community-based treatment. ~~The comprehensive plan also must include; and~~

(ii) includes a postprison employment or education plan for the inmate.

(h) No earlier than three years before an inmate reaches their minimum term of imprisonment, the commissioner must conduct a formal review and make programming recommendations relevant to the inmate's release review. The board must conduct a supervised release review hearing as soon as practicable before an inmate reaches their minimum term of imprisonment. If an inmate is not released after a hearing, the board must conduct a subsequent review hearing no more than once every three years.

(i) Within 30 days after a supervised release review hearing, the board must issue a decision on granting release, including an explanation for the decision. If the board does not grant supervised release, the explanation must identify specific steps that the inmate can take to increase the likelihood that release will be granted at a future hearing.

(j) When granting supervised release under this subdivision, the board must set prerelease conditions to be followed by the inmate, if time permits, before their actual release or before constructive parole becomes effective. If the inmate violates any of the prerelease conditions, the commissioner may rescind the grant of supervised release without a hearing at any time before the inmate's release or before constructive parole becomes effective. A grant of constructive parole becomes effective once the inmate begins serving the consecutive sentence.

(k) If the commissioner rescinds a grant of supervised release or parole, the board:

(1) must set a release review date that occurs within 90 days of the commissioner's rescission; and

(2) by majority vote, may set a new supervised release date or set another review date.

(l) If the commissioner revokes supervised release or parole for an inmate serving a life sentence, the revocation is not subject to the limitations under section 244.30 and the board:

(1) must set a release review date that occurs within one year of the commissioner's final revocation decision; and

(2) by majority vote, may set a new supervised release date or set another review date.

(m) The board may, by a majority vote, grant a person on supervised release or parole for a life or indeterminate sentence a final discharge from their sentence in accordance with section 243.05, subdivision 3. In no case, however, may a person subject to a mandatory lifetime conditional release term under section 609.3455, subdivision 7, be discharged from that term.

(n) For purposes of this subdivision:

(1) "board" means the Supervised Release Board under section 244.049;

(2) "constructive parole" means the status of an inmate who has been paroled from an indeterminate sentence to begin serving a consecutive sentence in prison; and

~~(e) As used in this subdivision,~~ (3) "victim" means the an individual who has directly suffered loss or harm as a result of the from an inmate's crime or, if the individual is deceased, the deceased's a murder victim's surviving spouse or, next of kin, or family kin.

EFFECTIVE DATE. This section is effective July 1, 2023.

Sec. 7. Minnesota Statutes 2022, section 244.101, subdivision 1, is amended to read:

Subdivision 1. **Executed sentences.** Except as provided in section 244.05, subdivision 4a, when a felony offender is sentenced to a fixed executed sentence for an offense committed on or after August 1, 1993, the executed sentence consists of two parts: (1) a specified minimum term of imprisonment that is equal to two-thirds of the executed sentence; and (2) a specified maximum supervised release term that is equal to one-third of the executed sentence. The amount of time the inmate actually serves in prison and on supervised release is subject to the provisions of section 244.05, subdivision 1b.

Sec. 8. Minnesota Statutes 2022, section 609.106, subdivision 2, is amended to read:

Subd. 2. **Life without release.** Except as provided in subdivision 3, the court shall sentence a person to life imprisonment without possibility of release under the following circumstances:

(1) the person is convicted of first-degree murder under section 609.185, paragraph (a), clause (1), (2), (4), or (7);

(2) the person is convicted of committing first-degree murder in the course of a kidnapping under section 609.185, paragraph (a), clause (3); or

(3) the person is convicted of first-degree murder under section 609.185, paragraph (a), clause (3), (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

Sec. 9. Minnesota Statutes 2022, section 609.106, is amended by adding a subdivision to read:

Subd. 3. **Offender under age 18; life imprisonment.** The court shall sentence a person who was under 18 years of age at the time of the commission of an offense under the circumstances described in subdivision 2 to imprisonment for life.

Sec. 10. Minnesota Statutes 2022, section 609.3455, subdivision 2, is amended to read:

Subd. 2. **Mandatory life sentence without release; egregious first-time and repeat offenders.**
(a) Except as provided in paragraph (c), notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person convicted under section 609.342, subdivision 1, paragraph (a), (b), (c), (d), or (e), or subdivision 1a, clause (a), (b), (c), (d), (h), or (i); or 609.343, subdivision 1, paragraph (a), (b), (c), (d), or (e), or subdivision 1a, clause (a), (b), (c), (d), (h), or (i), to life without the possibility of release if:

(1) the fact finder determines that two or more heinous elements exist; or

(2) the person has a previous sex offense conviction for a violation of section 609.342, 609.343, 609.344, or 609.3458, subdivision 1, paragraph (b), and the fact finder determines that a heinous element exists for the present offense.

(b) A fact finder may not consider a heinous element if it is an element of the underlying specified violation of section 609.342 or 609.343. In addition, when determining whether two or more heinous elements exist, the fact finder may not use the same underlying facts to support a determination that more than one element exists.

(c) The court shall sentence a person who was under 18 years of age at the time of the commission of an offense described in paragraph (a) to imprisonment for life.

Sec. 11. Minnesota Statutes 2022, section 609.3455, subdivision 5, is amended to read:

Subd. 5. **Life sentences; minimum term of imprisonment.** At the time of sentencing under subdivision 3 or 4, the court shall specify a minimum term of imprisonment, based on the sentencing guidelines or any applicable mandatory minimum sentence, that must be served before the offender may be considered for supervised release. If the offender was under 18 years of age at the time of the commission of the offense, the minimum term of imprisonment specified by the court shall not exceed 15 years.

Sec. 12. **REVISOR INSTRUCTION.**

When necessary to reflect the transfer under Minnesota Statutes, section 244.049, subdivision 1, the revisor of statutes must change the term "commissioner" or "commissioner of corrections" to "Supervised Release Board" or "board" in Minnesota Statutes, sections 243.05, subdivisions 1, paragraph (a), and 3; 244.08; and 609.12 and make any other necessary grammatical changes.

Sec. 13. **EFFECTIVE DATE.**

Sections 2, 4, 5, 7, and 8 to 11 are effective July 1, 2023, and apply to offenders sentenced on or after that date and retroactively to offenders:

(1) sentenced to life imprisonment without possibility of release following a conviction under Minnesota Statutes, section 609.185, paragraph (a), for an offense committed when the offender

was under 18 years of age and when a sentence was imposed pursuant to Minnesota Statutes, section 609.106, subdivision 2;

(2) sentenced to life imprisonment without possibility of release following a conviction under Minnesota Statutes, section 609.3455, subdivision 2, for an offense committed when the offender was under 18 years of age;

(3) sentenced to life imprisonment under Minnesota Statutes, section 609.185, paragraph (a), clause (3), (5), or (6); or Minnesota Statutes 2004, section 609.109, subdivision 3, for an offense committed when the offender was under 18 years of age;

(4) sentenced to life imprisonment under Minnesota Statutes, section 609.385, for an offense committed when the offender was under 18 years of age;

(5) sentenced to life imprisonment under Minnesota Statutes, section 609.3455, subdivision 3 or 4, if the minimum term of imprisonment specified by the court in its sentence exceeds 15 years for an offense committed when the offender was under 18 years of age; or

(6) sentenced to an executed sentence that includes a term of imprisonment of more than 15 years or separate, consecutive executed sentences for two or more crimes that include combined terms of imprisonment that total more than 15 years for an offense committed when the offender was under 18 years of age.

ARTICLE 9

EXPUNGEMENT WITHOUT PETITION

Section 1. **[609A.015] AUTOMATIC EXPUNGEMENT OF RECORDS.**

Subdivision 1. **Eligibility; dismissal; exoneration.** (a) A person who is the subject of a criminal record or delinquency record is eligible for a grant of expungement relief without the filing of a petition:

(1) if the person was arrested and all charges were dismissed after a case was filed unless dismissal was based on a finding that the defendant was incompetent to proceed;

(2) upon the dismissal and discharge of proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance; or

(3) if all pending actions or proceedings were resolved in favor of the person.

(b) For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the person. For purposes of this chapter, an action or proceeding is resolved in favor of the person if the petitioner received an order under section 590.11 determining that the person is eligible for compensation based on exoneration.

Subd. 2. **Eligibility; diversion and stay of adjudication.** A person is eligible for a grant of expungement relief if the person has successfully completed the terms of a diversion program or

stay of adjudication for a qualifying offense that is not a felony and has not been petitioned or charged with a new offense, other than an offense that would be a petty misdemeanor, in Minnesota:

(1) for one year immediately following completion of the diversion program or stay of adjudication; or

(2) for one year immediately preceding a subsequent review performed pursuant to subdivision 6, paragraph (a).

Subd. 3. **Eligibility; pardon.** A person is eligible for a grant of expungement relief if the person receives a pardon extraordinary under chapter 638.

Subd. 4. **Eligibility; certain criminal proceedings.** (a) A person is eligible for a grant of expungement relief if the person:

(1) was convicted of a qualifying offense;

(2) has not been convicted of a new offense, other than an offense that would be a petty misdemeanor, in Minnesota:

(i) during the applicable waiting period immediately following discharge of the disposition or sentence for the crime; or

(ii) during the applicable waiting period immediately preceding a subsequent review performed pursuant to subdivision 6, paragraph (a); and

(3) is not charged with an offense, other than an offense that would be a petty misdemeanor, in Minnesota at the time the person reaches the end of the applicable waiting period or at the time of a subsequent review.

(b) As used in this subdivision, "qualifying offense" means a conviction for:

(1) any petty misdemeanor offense other than a violation of a traffic regulation relating to the operation or parking of motor vehicles;

(2) any misdemeanor offense other than:

(i) section 169A.20 under the terms described in section 169A.27 (fourth-degree driving while impaired);

(ii) section 518B.01, subdivision 14 (violation of an order for protection);

(iii) section 609.224 (assault in the fifth degree);

(iv) section 609.2242 (domestic assault);

(v) section 609.748 (violation of a harassment restraining order);

(vi) section 609.78 (interference with emergency call);

(vii) section 609.79 (obscene or harassing phone calls);

- (viii) section 617.23 (indecent exposure);
- (ix) section 609.746 (interference with privacy); or
- (x) section 629.75 (violation of domestic abuse no contact order);
- (3) any gross misdemeanor offense other than:
 - (i) section 169A.25 (second-degree driving while impaired);
 - (ii) section 169A.26 (third-degree driving while impaired);
 - (iii) section 518B.01, subdivision 14 (violation of an order for protection);
 - (iv) section 609.2113, subdivision 3 (criminal vehicular operation);
 - (v) section 609.2231 (assault in the fourth degree);
 - (vi) section 609.224 (assault in the fifth degree);
 - (vii) section 609.2242 (domestic assault);
 - (viii) section 609.233 (criminal neglect);
 - (ix) section 609.3451 (criminal sexual conduct in the fifth degree);
 - (x) section 609.377 (malicious punishment of child);
 - (xi) section 609.485 (escape from custody);
 - (xii) section 609.498 (tampering with witness);
 - (xiii) section 609.582, subdivision 4 (burglary in the fourth degree);
 - (xiv) section 609.746 (interference with privacy);
 - (xv) section 609.748 (violation of a harassment restraining order);
 - (xvi) section 609.749 (harassment; stalking);
 - (xvii) section 609.78 (interference with emergency call);
 - (xviii) section 617.23 (indecent exposure);
 - (xix) section 617.261 (nonconsensual dissemination of private sexual images); or
 - (xx) section 629.75 (violation of domestic abuse no contact order); or
- (4) any felony offense listed in section 609A.02, subdivision 3, paragraph (b), other than:
 - (i) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil commitment for mental illness);

(ii) section 609.746, subdivision 1, paragraph (e) (interference with privacy; subsequent violation or minor victim);

(iii) section 152.023, subdivision 2 (possession of a controlled substance in the third degree);
and

(iv) section 152.024, subdivision 2 (possession of a controlled substance in the fourth degree).

(c) As used in this subdivision, "applicable waiting period" means:

(1) if the offense was a petty misdemeanor, two years since discharge of the sentence;

(2) if the offense was a misdemeanor, two years since discharge of the sentence for the crime;

(3) if the offense was a gross misdemeanor, three years since discharge of the sentence for the crime;

(4) if the offense was a felony violation of section 152.025, four years since the discharge of the sentence for the crime; and

(5) if the offense was any other felony, five years since discharge of the sentence for the crime.

(d) Felony offenses deemed to be a gross misdemeanor or misdemeanor pursuant to section 609.13, subdivision 1, remain ineligible for expungement under this section. Gross misdemeanor offenses ineligible for a grant of expungement under this section remain ineligible if deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2.

Subd. 5. **Notice.** (a) The court shall notify a person who may become eligible for an automatic expungement under this section of that eligibility at any hearing where the court dismisses and discharges proceedings against a person under section 152.18, subdivision 1, for violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance; concludes that all pending actions or proceedings were resolved in favor of the person; grants a person's placement into a diversion program; or sentences a person or otherwise imposes a consequence for a qualifying offense.

(b) To the extent possible, prosecutors, defense counsel, supervising agents, and coordinators or supervisors of a diversion program shall notify a person who may become eligible for an automatic expungement under this section of that eligibility.

(c) If any party gives notification under this subdivision, the notification shall inform the person that:

(1) a record expunged under this section may be opened for purposes of a background study by the Department of Human Services under section 245C.08 and for purposes of a background check by the Professional Educator Licensing and Standards Board as required under section 122A.18, subdivision 8; and

(2) the person can file a petition to expunge the record and request that the petition be directed to the commissioner of human services and the Professional Educator Licensing and Standards Board.

Subd. 6. Bureau of Criminal Apprehension to identify eligible persons and grant expungement relief. (a) The Bureau of Criminal Apprehension shall identify any records that qualify for a grant of expungement relief pursuant to this subdivision or subdivision 1, 2, 3, or 4. The Bureau of Criminal Apprehension shall make an initial determination of eligibility within 30 days of the end of the applicable waiting period. If a record is not eligible for a grant of expungement at the time of the initial determination, the Bureau of Criminal Apprehension shall make subsequent eligibility determinations annually until the record is eligible for a grant of expungement.

(b) In making the determination under paragraph (a), the Bureau of Criminal Apprehension shall identify individuals who are the subject of relevant records through the use of finger and thumb prints where finger and thumb prints are available. Where finger and thumb prints are not available, the Bureau of Criminal Apprehension shall identify individuals through the use of the person's name and date of birth. Records containing the same name and date of birth shall be presumed to refer to the same individual unless other evidence establishes, by a preponderance of the evidence, that they do not refer to the same individual. The Bureau of Criminal Apprehension is not required to review any other evidence in making a determination.

(c) The Bureau of Criminal Apprehension shall grant expungement relief to qualifying persons and seal its own records without requiring an application, petition, or motion. Records shall be sealed 60 days after notice is sent to the judicial branch pursuant to paragraph (e) unless an order of the judicial branch prohibits sealing the records or additional information establishes that the records are not eligible for expungement.

(d) Nonpublic criminal records maintained by the Bureau of Criminal Apprehension and subject to a grant of expungement relief shall display a notation stating "expungement relief granted pursuant to section 609A.015."

(e) The Bureau of Criminal Apprehension shall inform the judicial branch of all cases for which expungement relief was granted pursuant to this section. Notification may be through electronic means and may be made in real time or in the form of a monthly report. Upon receipt of notice, the judicial branch shall seal all records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and shall issue any order deemed necessary to achieve this purpose.

(f) The Bureau of Criminal Apprehension shall inform each law enforcement agency that its records may be affected by a grant of expungement relief. Notification may be through electronic means. Each notified law enforcement agency that receives a request to produce records shall first contact the Bureau of Criminal Apprehension to determine if the records were subject to a grant of expungement under this section. The law enforcement agency must not disclose records relating to an arrest, indictment or information, trial, verdict, or dismissal and discharge for any case in which expungement relief was granted and must maintain the data consistent with the classification in paragraph (g). This paragraph does not apply to requests from a criminal justice agency as defined in section 609A.03, subdivision 7a, paragraph (f), for the purposes of:

(1) initiating, furthering, or completing a criminal investigation or prosecution or for sentencing purposes or providing probation or other correctional services; or

(2) evaluating a prospective employee in a criminal justice agency without a court order.

(g) Data on the person whose offense has been expunged under this subdivision, including any notice sent pursuant to paragraph (f), are private data on individuals as defined in section 13.02, subdivision 12.

(h) The prosecuting attorney shall notify the victim that an offense qualifies for automatic expungement under this section in the manner provided in section 611A.03, subdivisions 1 and 2.

(i) In any subsequent prosecution of a person granted expungement relief, the expunged criminal record may be pleaded and has the same effect as if the relief had not been granted.

(j) The Bureau of Criminal Apprehension is directed to develop, modify, or update a system to provide criminal justice agencies with uniform statewide access to criminal records sealed by expungement.

Subd. 7. **Immunity from civil liability.** Employees of the Bureau of Criminal Apprehension shall not be held civilly liable for the exercise or the failure to exercise, or the decision to exercise or the decision to decline to exercise, the powers granted by this section or for any act or omission occurring within the scope of the performance of their duties under this section.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to offenses that meet the eligibility criteria on or after that date and retroactively to offenses that met those qualifications before January 1, 2025, and are stored in the Bureau of Criminal Apprehension's criminal history system as of January 1, 2025.

ARTICLE 10

EXPUNGEMENT BY PETITION

Section 1. Minnesota Statutes 2022, section 609A.02, subdivision 3, is amended to read:

Subd. 3. **Certain criminal proceedings.** (a) A petition may be filed under section 609A.03 to seal all records relating to an arrest, indictment or information, trial, or verdict if the records are not subject to section 299C.11, subdivision 1, paragraph (b), and if:

(1) all pending actions or proceedings were resolved in favor of the petitioner. For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the petitioner. For the purposes of this chapter, an action or proceeding is resolved in favor of the petitioner, if the petitioner received an order under section 590.11 determining that the petitioner is eligible for compensation based on exoneration;

(2) the petitioner has successfully completed the terms of a diversion program or stay of adjudication and has not been charged with a new crime for at least one year since completion of the diversion program or stay of adjudication;

(3) the petitioner was convicted of ~~or received a stayed sentence for~~ a petty misdemeanor or misdemeanor or the sentence imposed was within the limits provided by law for a misdemeanor and the petitioner has not been convicted of a new crime for at least two years since discharge of the sentence for the crime;

(4) the petitioner was convicted of or received a stayed sentence for a gross misdemeanor or the sentence imposed was within the limits provided by law for a gross misdemeanor and the petitioner has not been convicted of a new crime for at least ~~four~~ three years since discharge of the sentence for the crime; or

(5) the petitioner was convicted of a gross misdemeanor that is deemed to be for a misdemeanor pursuant to section 609.13, subdivision 2, clause (2), and has not been convicted of a new crime for at least three years since discharge of the sentence for the crime;

(6) the petitioner was convicted of a felony violation of section 152.025 and has not been convicted of a new crime for at least four years since discharge of the sentence for the crime;

(7) the petitioner was convicted of a felony that is deemed to be for a gross misdemeanor or misdemeanor pursuant to section 609.13, subdivision 1, clause (2), and has not been convicted of a new crime for at least five years since discharge of the sentence for the crime; or

~~(5)~~ (8) the petitioner was convicted of ~~or received a stayed sentence for~~ a felony violation of an offense listed in paragraph (b), and has not been convicted of a new crime for at least ~~five~~ four years since discharge of the sentence for the crime.

(b) Paragraph (a), clause ~~(5)~~ (7), applies to the following offenses:

(1) section 35.824 (altering livestock certificate);

(2) section 62A.41 (insurance regulations);

(3) section 86B.865, subdivision 1 (certification for title on watercraft);

(4) section 152.023, subdivision 2 (possession of a controlled substance in the third degree); 152.024, subdivision 2 (possession of a controlled substance in the fourth degree); 152.025 (controlled substance in the fifth degree); or 152.097 (sale of simulated controlled substance);

(5) section 168A.30, subdivision 1 (certificate of title false information); or 169.09, subdivision 14, paragraph (a), clause (2) (accident resulting in great bodily harm);

(6) chapter 201; 203B; or 204C (voting violations);

(7) section 228.45; 228.47; 228.49; 228.50; or 228.51 (false bill of lading);

(8) section 256.984 (false declaration in assistance application);

(9) section 296A.23, subdivision 2 (willful evasion of fuel tax);

(10) section 297D.09, subdivision 1 (failure to affix stamp on scheduled substances);

(11) section 297G.19 (liquor taxation); or 340A.701 (unlawful acts involving liquor);

(12) section 325F.743 (precious metal dealers); or 325F.755, subdivision 7 (prize notices and solicitations);

(13) section 346.155, subdivision 10 (failure to control regulated animal);

- (14) section 349.2127; or 349.22 (gambling regulations);
- (15) section 588.20 (contempt);
- (16) section 609.27, subdivision 1, clauses (2) to (5) (coercion);
- (17) section 609.31 (leaving state to evade establishment of paternity);
- (18) section 609.485, subdivision 4, paragraph (a), clause (2) or (4) (escape from civil commitment for mental illness);
- (19) section 609.49 (failure to appear in court);
- (20) section 609.52, subdivision 2, when sentenced pursuant to section 609.52, subdivision 3, clause (3)(a) (theft of \$5,000 or less), or other theft offense that is sentenced under this provision; or 609.52, subdivision 3a, clause (1) (theft of \$1,000 or less with risk of bodily harm); or any other offense sentenced pursuant to section 609.52, subdivision 3, clause (3)(a);
- (21) section 609.521 (possession of shoplifting gear);
- ~~(21)~~ (22) section 609.525 (bringing stolen goods into state);
- ~~(22)~~ (23) section 609.526, subdivision 2, clause (2) (metal dealer receiving stolen goods);
- ~~(23)~~ (24) section 609.527, subdivision 5b (possession or use of scanning device or reencoder); 609.528, subdivision 3, clause (3) (possession or sale of stolen or counterfeit check); or 609.529 (mail theft);
- ~~(24)~~ (25) section 609.53 (receiving stolen goods);
- ~~(25)~~ (26) section 609.535, subdivision 2a, paragraph (a), clause (1) (dishonored check over \$500);
- ~~(26)~~ (27) section 609.54, clause (1) (embezzlement of public funds \$2,500 or less);
- ~~(27)~~ (28) section 609.551 (rustling and livestock theft);
- ~~(28)~~ (29) section 609.5641, subdivision 1a, paragraph (a) (wildfire arson);
- ~~(29)~~ (30) section 609.576, subdivision 1, clause (3), item (iii) (negligent fires);
- (31) section 609.582, subdivision 3 (burglary in the third degree);
- (32) section 609.59 (possession of burglary or theft tools);
- ~~(30)~~ (33) section 609.595, subdivision 1, clauses (3) to (5), and subdivision 1a, paragraph (a) (criminal damage to property);
- ~~(31)~~ (34) section 609.597, subdivision 3, clause (3) (assaulting or harming police horse);

~~(32)~~ (35) section 609.625 (aggravated forgery); 609.63 (forgery); 609.631, subdivision 4, clause (3)(a) (check forgery \$2,500 or less); 609.635 (obtaining signature by false pretense); 609.64 (recording, filing forged instrument); or 609.645 (fraudulent statements);

~~(33)~~ (36) section 609.65, clause (1) (false certification by notary); or 609.651, subdivision 4, paragraph (a) (lottery fraud);

~~(34)~~ (37) section 609.652 (fraudulent driver's license and identification card);

~~(35)~~ (38) section 609.66, subdivision 1a, paragraph (a) (discharge of firearm; silencer); or 609.66, subdivision 1b (furnishing firearm to minor);

~~(36)~~ (39) section 609.662, subdivision 2, paragraph (b) (duty to render aid);

~~(37)~~ (40) section 609.686, subdivision 2 (tampering with fire alarm);

~~(38)~~ (41) section 609.746, subdivision 1, paragraph (e) (interference with privacy; subsequent violation or minor victim);

~~(39)~~ (42) section 609.80, subdivision 2 (interference with cable communications system);

~~(40)~~ (43) section 609.821, subdivision 2 (financial transaction card fraud);

~~(41)~~ (44) section 609.822 (residential mortgage fraud);

~~(42)~~ (45) section 609.825, subdivision 2 (bribery of participant or official in contest);

~~(43)~~ (46) section 609.855, subdivision 2, paragraph (c), clause (1) (interference with transit operator);

~~(44)~~ (47) section 609.88 (computer damage); or 609.89 (computer theft);

~~(45)~~ (48) section 609.893, subdivision 2 (telecommunications and information services fraud);

~~(46)~~ (49) section 609.894, subdivision 3 or 4 (cellular counterfeiting);

~~(47)~~ (50) section 609.895, subdivision 3, paragraph (a) or (b) (counterfeited intellectual property);

~~(48)~~ (51) section 609.896 (movie pirating);

~~(49)~~ (52) section 624.7132, subdivision 15, paragraph (b) (transfer pistol to minor); 624.714, subdivision 1a (pistol without permit; subsequent violation); or 624.7141, subdivision 2 (transfer of pistol to ineligible person); or

~~(50)~~ (53) section 624.7181 (rifle or shotgun in public by minor).

EFFECTIVE DATE. This section is effective July 1, 2023, and applies to all offenses that meet the eligibility criteria on or after that date.

ARTICLE 11**EXPUNGEMENT CHANGES; CONFORMING CHANGES**

Section 1. Minnesota Statutes 2022, section 13.871, subdivision 14, is amended to read:

Subd. 14. **Expungement petitions.** (a) Provisions regarding the classification and sharing of data contained in a petition for expungement of a criminal record are included in section 609A.03.

(b) Provisions regarding the classification and sharing of data related to automatic expungements are included in sections 299C.097 and 609A.015.

Sec. 2. Minnesota Statutes 2022, section 152.18, subdivision 1, is amended to read:

Subdivision 1. **Deferring prosecution for certain first time drug offenders.** (a) A court may defer prosecution as provided in paragraph (c) for any person found guilty, after trial or upon a plea of guilty, of a violation of section 152.023, subdivision 2, 152.024, subdivision 2, 152.025, subdivision 2, or 152.027, subdivision 2, 3, 4, or 6, paragraph (d), for possession of a controlled substance, who:

(1) has not previously participated in or completed a diversion program authorized under section 401.065;

(2) has not previously been placed on probation without a judgment of guilty and thereafter been discharged from probation under this section; and

(3) has not been convicted of a felony violation of this chapter, including a felony-level attempt or conspiracy, or been convicted by the United States or another state of a similar offense that would have been a felony under this chapter if committed in Minnesota, unless ten years have elapsed since discharge from sentence.

(b) The court must defer prosecution as provided in paragraph (c) for any person found guilty of a violation of section 152.025, subdivision 2, who:

(1) meets the criteria listed in paragraph (a), clauses (1) to (3); and

(2) has not previously been convicted of a felony offense under any state or federal law or of a gross misdemeanor under section 152.025.

(c) In granting relief under this section, the court shall, without entering a judgment of guilty and with the consent of the person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum sentence provided for the violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against the person and discharge the person from probation before the expiration of the maximum period prescribed for the person's probation. If during the period of probation the person does not violate any of the conditions of the probation, then upon expiration of the period the court shall discharge the person and dismiss the proceedings against that person. Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a

not public record of it shall be retained by the Bureau of Criminal Apprehension for the purpose of use by the courts in determining the merits of subsequent proceedings against the person. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon receipt of notice that the proceedings were dismissed, the Bureau of Criminal Apprehension shall notify the arresting or citing law enforcement agency and direct that agency to seal its records related to the charge. Upon request by law enforcement, prosecution, or corrections authorities, the bureau shall notify the requesting party of the existence of the not public record and the right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal under this subdivision to the bureau which shall make and maintain the not public record of it as provided under this subdivision. The discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

Sec. 3. Minnesota Statutes 2022, section 181.981, subdivision 1, is amended to read:

Subdivision 1. **Limitation on admissibility of criminal history.** Information regarding a criminal history record of an employee or former employee may not be introduced as evidence in a civil action against a private employer or its employees or agents that is based on the conduct of the employee or former employee, if:

(1) the duties of the position of employment did not expose others to a greater degree of risk than that created by the employee or former employee interacting with the public outside of the duties of the position or that might be created by being employed in general;

(2) before the occurrence of the act giving rise to the civil action;

(i) a court order sealed any record of the criminal case;

(ii) any record of the criminal case was sealed as the result of an automatic expungement, including but not limited to a grant of expungement made pursuant to section 609A.015; or

(iii) the employee or former employee received a pardon;

(3) the record is of an arrest or charge that did not result in a criminal conviction; or

(4) the action is based solely upon the employer's compliance with section 364.021.

Sec. 4. **[299C.097] DATABASE FOR IDENTIFYING INDIVIDUALS ELIGIBLE FOR EXPUNGEMENT.**

(a) The superintendent of the Bureau of Criminal Apprehension shall maintain a computerized data system relating to petty misdemeanor and misdemeanor offenses that may become eligible for expungement pursuant to section 609A.015 and which do not require fingerprinting pursuant to section 299C.10 and are not linked to an arrest record in the criminal history system.

(b) This data is private data on individuals under section 13.02, subdivision 12.

EFFECTIVE DATE. This section is effective January 1, 2024.

Sec. 5. Minnesota Statutes 2022, section 299C.10, subdivision 1, is amended to read:

Subdivision 1. **Required fingerprinting.** (a) Sheriffs, peace officers, and community corrections agencies operating secure juvenile detention facilities shall take or cause to be taken immediately finger and thumb prints, photographs, distinctive physical mark identification data, information on any known aliases or street names, and other identification data requested or required by the superintendent of the bureau, of the following:

(1) persons arrested for, appearing in court on a charge of, or convicted of a felony, gross misdemeanor, or targeted misdemeanor;

(2) juveniles arrested for, appearing in court on a charge of, adjudicated delinquent for, or alleged to have committed felonies or gross misdemeanors as distinguished from those committed by adult offenders;

(3) adults and juveniles admitted to jails or detention facilities;

(4) persons reasonably believed by the arresting officer to be fugitives from justice;

(5) persons in whose possession, when arrested, are found concealed firearms or other dangerous weapons, burglar tools or outfits, high-power explosives, or articles, machines, or appliances usable for an unlawful purpose and reasonably believed by the arresting officer to be intended for such purposes;

(6) juveniles referred by a law enforcement agency to a diversion program for a felony or gross misdemeanor offense; and

(7) persons currently involved in the criminal justice process, on probation, on parole, or in custody for any offense whom the superintendent of the bureau identifies as being the subject of a court disposition record which cannot be linked to an arrest record, and whose fingerprints are necessary to reduce the number of suspense files, or to comply with the mandates of section 299C.111, relating to the reduction of the number of suspense files. This duty to obtain fingerprints for the offenses in suspense at the request of the bureau shall include the requirement that fingerprints be taken in post-arrest interviews, while making court appearances, while in custody, or while on any form of probation, diversion, or supervised release.

(b) Unless the superintendent of the bureau requires a shorter period, within 24 hours of taking the fingerprints and data, the fingerprint records and other identification data specified under paragraph (a) must be electronically entered into a bureau-managed searchable database in a manner as may be prescribed by the superintendent.

(c) Prosecutors, courts, and probation officers and their agents, employees, and subordinates shall attempt to ensure that the required identification data is taken on a person described in paragraph (a). Law enforcement may take fingerprints of an individual who is presently on probation.

(d) Finger and thumb prints must be obtained no later than:

(1) release from booking; or

(2) if not booked prior to acceptance of a plea of guilty or not guilty.

Prior to acceptance of a plea of guilty or not guilty, an individual's finger and thumb prints must be submitted to the Bureau of Criminal Apprehension for the offense. If finger and thumb prints have not been successfully received by the bureau, an individual may, upon order of the court, be taken into custody for no more than eight hours so that the taking of prints can be completed. Upon notice and motion of the prosecuting attorney, this time period may be extended upon a showing that additional time in custody is essential for the successful taking of prints.

(e) For purposes of this section, a targeted misdemeanor is a misdemeanor violation of section 169A.20 (driving while impaired), 518B.01 (order for protection violation), 609.224 (fifth-degree assault), 609.2242 (domestic assault), 609.746 (interference with privacy), 609.748 (harassment or restraining order violation), 609.749 (obscene or harassing telephone calls), 617.23 (indecent exposure), or 629.75 (domestic abuse no contact order).

Sec. 6. Minnesota Statutes 2022, section 299C.111, is amended to read:

299C.111 SUSPENSE FILE REPORTING.

The superintendent shall immediately notify the appropriate entity or individual when a disposition record for a felony, gross misdemeanor, or targeted misdemeanor is received that cannot be linked to an arrest record.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 7. Minnesota Statutes 2022, section 299C.17, is amended to read:

299C.17 REPORT BY COURT ADMINISTRATOR.

The superintendent shall require the court administrator of every court which sentences a defendant for a felony, gross misdemeanor, ~~or targeted~~ misdemeanor, or petty misdemeanor to electronically transmit within 24 hours of the disposition of the case a report, in a form prescribed by the superintendent providing information required by the superintendent with regard to the prosecution and disposition of criminal cases. A copy of the report shall be kept on file in the office of the court administrator.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 8. Minnesota Statutes 2022, section 609A.01, is amended to read:

609A.01 EXPUNGEMENT OF CRIMINAL RECORDS.

This chapter provides the grounds and procedures for expungement of criminal records under section 13.82; 152.18, subdivision 1; 299C.11, where expungement is automatic under section 609A.015, or a petition is authorized under section 609A.02, subdivision 3; or other applicable law. The remedy available is limited to a court order or grant of expungement under section 609A.015 sealing the records and prohibiting the disclosure of their existence or their opening except under court order or statutory authority. Nothing in this chapter authorizes the destruction of records or their return to the subject of the records.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 9. Minnesota Statutes 2022, section 609A.03, subdivision 5, is amended to read:

Subd. 5. **Nature of remedy; standard.** (a) Except as otherwise provided by paragraph (b), expungement of a criminal record under this section is an extraordinary remedy to be granted only upon clear and convincing evidence that it would yield a benefit to the petitioner commensurate with the disadvantages to the public and public safety of:

(1) sealing the record; and

(2) burdening the court and public authorities to issue, enforce, and monitor an expungement order.

(b) Except as otherwise provided by this paragraph, if the petitioner is petitioning for the sealing of a criminal record under section 609A.02, subdivision 3, paragraph (a), clause (1) or (2), the court shall grant the petition to seal the record unless the agency or jurisdiction whose records would be affected establishes by clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the petitioner of not sealing the record.

(c) In making a determination under this subdivision, the court shall consider:

(1) the nature and severity of the underlying crime, the record of which would be sealed;

(2) the risk, if any, the petitioner poses to individuals or society;

(3) the length of time since the crime occurred;

(4) the steps taken by the petitioner toward rehabilitation following the crime;

(5) aggravating or mitigating factors relating to the underlying crime, including the petitioner's level of participation and context and circumstances of the underlying crime;

(6) the reasons for the expungement, including the petitioner's attempts to obtain employment, housing, or other necessities;

(7) the petitioner's criminal record;

(8) the petitioner's record of employment and community involvement;

(9) the recommendations of interested law enforcement, prosecutorial, and corrections officials;

(10) the recommendations of victims or whether victims of the underlying crime were minors;

(11) the amount, if any, of restitution outstanding, past efforts made by the petitioner toward payment, and the measures in place to help ensure completion of restitution payment after expungement of the record if granted; and

(12) other factors deemed relevant by the court.

(d) Notwithstanding section 13.82, 13.87, or any other law to the contrary, if the court issues an expungement order it may require that the criminal record be sealed, the existence of the record not be revealed, and the record not be opened except as required under subdivision 7. Records must not be destroyed or returned to the subject of the record.

(e) Information relating to a criminal history record of an employee, former employee, or tenant that has been expunged before the occurrence of the act giving rise to the civil action may not be introduced as evidence in a civil action against a private employer or landlord or its employees or agents that is based on the conduct of the employee, former employee, or tenant.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 10. Minnesota Statutes 2022, section 609A.03, subdivision 7a, is amended to read:

Subd. 7a. **Limitations of order effective January 1, 2015, and later.** (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105 shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) except as provided in clause (2), an expunged record may be opened, used, or exchanged between criminal justice agencies without a court order for the purposes of initiating, furthering, or completing a criminal investigation or prosecution or for sentencing purposes or providing probation or other correctional services;

(2) when a criminal justice agency seeks access to a record that was sealed under section 609A.02, subdivision 3, paragraph (a), clause (1), after an acquittal or a court order dismissing for lack of probable cause, for purposes of a criminal investigation, prosecution, or sentencing, the requesting agency must obtain an ex parte court order after stating a good-faith basis to believe that opening the record may lead to relevant information;

(3) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order;

(4) an expunged record of a conviction may be opened for purposes of a background study under section 245C.08 unless the commissioner had been properly served with notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner of human services;

(5) an expunged record of a conviction may be opened for purposes of a background check required under section 122A.18, subdivision 8, unless the court order for expungement is directed specifically to the Professional Educator Licensing and Standards Board; ~~and~~

(6) the court may order an expunged record opened upon request by the victim of the underlying offense if the court determines that the record is substantially related to a matter for which the victim is before the court-;

(7) a prosecutor may request, and the district court shall provide, certified records of conviction for a record expunged pursuant to sections 609A.015, 609A.02, and 609A.025, and the certified records of conviction may be disclosed and introduced in criminal court proceedings as provided by the rules of court and applicable law; and

(8) the subject of an expunged record may request, and the court shall provide, certified or uncertified records of conviction for a record expunged pursuant to sections 609A.015, 609A.02, and 609A.025.

(c) An agency or jurisdiction subject to an expungement order shall maintain the record in a manner that provides access to the record by a criminal justice agency under paragraph (b), clause (1) or (2), but notifies the recipient that the record has been sealed. The Bureau of Criminal Apprehension shall notify the commissioner of human services or the Professional Educator Licensing and Standards Board of the existence of a sealed record and of the right to obtain access under paragraph (b), clause (4) or (5). Upon request, the agency or jurisdiction subject to the expungement order shall provide access to the record to the commissioner of human services or the Professional Educator Licensing and Standards Board under paragraph (b), clause (4) or (5).

(d) An expunged record that is opened or exchanged under this subdivision remains subject to the expungement order in the hands of the person receiving the record.

(e) A criminal justice agency that receives an expunged record under paragraph (b), clause (1) or (2), must maintain and store the record in a manner that restricts the use of the record to the investigation, prosecution, or sentencing for which it was obtained.

(f) For purposes of this section, a "criminal justice agency" means a court or government agency that performs the administration of criminal justice under statutory authority.

(g) This subdivision applies to expungement orders subject to its limitations and effective on or after January 1, 2015, and grants of expungement relief issued on or after January 1, 2025.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 11. Minnesota Statutes 2022, section 609A.03, subdivision 9, is amended to read:

Subd. 9. **Stay of order; appeal.** An expungement order issued under this section shall be stayed automatically for 60 days after the order is filed and, if the order is appealed, during the appeal period. A person or an agency or jurisdiction whose records would be affected by the order may appeal the order within 60 days of service of notice of filing of the order. An agency or jurisdiction or its officials or employees need not file a cost bond or supersedeas bond in order to further stay the proceedings or file an appeal.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 12. Minnesota Statutes 2022, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. **Plea agreements; notification of victim.** Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(1) the contents of the plea agreement recommendation, including the amount of time recommended for the defendant to serve in jail or prison if the court accepts the agreement; ~~and~~

(2) the right to be present at the sentencing hearing and at the hearing during which the plea is presented to the court and to express orally or in writing, at the victim's option, any objection to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court; and

(3) the eligibility of the offense for automatic expungement pursuant to section 609A.015.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to plea agreements entered into on or after that date.

ARTICLE 12

COMMUNITY SUPERVISION

Section 1. Minnesota Statutes 2022, section 243.05, subdivision 1, is amended to read:

Subdivision 1. **Conditional release.** (a) The commissioner of corrections may parole any person sentenced to confinement in any state correctional facility for adults under the control of the commissioner of corrections, provided that:

(1) no inmate serving a life sentence for committing murder before May 1, 1980, other than murder committed in violation of clause (1) of section 609.185 who has not been previously convicted of a felony shall be paroled without having served 20 years, less the diminution that would have been allowed for good conduct had the sentence been for 20 years;

(2) no inmate serving a life sentence for committing murder before May 1, 1980, who has been previously convicted of a felony or though not previously convicted of a felony is serving a life sentence for murder in the first degree committed in violation of clause (1) of section 609.185 shall be paroled without having served 25 years, less the diminution which would have been allowed for good conduct had the sentence been for 25 years;

(3) any inmate sentenced prior to September 1, 1963, who would be eligible for parole had the inmate been sentenced after September 1, 1963, shall be eligible for parole; and

(4) any new rule or policy or change of rule or policy adopted by the commissioner of corrections which has the effect of postponing eligibility for parole has prospective effect only and applies only with respect to persons committing offenses after the effective date of the new rule or policy or change.

(b) Upon being paroled and released, an inmate is and remains in the legal custody and under the control of the commissioner, subject at any time to be returned to a facility of the Department of Corrections established by law for the confinement or treatment of convicted persons and the parole rescinded by the commissioner.

(c) The written order of the commissioner of corrections, is sufficient authority for any peace officer, state correctional investigator, or state parole and probation agent to retake and place in actual custody any person on parole or supervised release. In addition, when it appears necessary in order to prevent escape or enforce discipline, any state parole and probation agent or state correctional investigator may, without order of warrant, take and detain a parolee or person on supervised release or work release and bring the person to the commissioner for action.

(d) The written order of the commissioner of corrections is sufficient authority for any peace officer, state correctional investigator, or state parole and probation agent to retake and place in actual custody any person on probation under the supervision of the commissioner pursuant to section 609.135. Additionally, when it appears necessary in order to prevent escape or enforce discipline, any state parole and probation agent or state correctional investigator may, without an order, retake and detain a probationer and bring the probationer before the court for further proceedings under section 609.14.

(e) The written order of the commissioner of corrections is sufficient authority for any peace officer, state correctional investigator, or state parole and probation agent to detain any person on pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release.

(f) Persons conditionally released, and those on probation under the supervision of the commissioner of corrections pursuant to section 609.135 may be placed within or outside the boundaries of the state at the discretion of the commissioner of corrections or the court, and the limits fixed for these persons may be enlarged or reduced according to their conduct.

(g) Except as otherwise provided in subdivision 1b, in considering applications for conditional release or discharge, the commissioner is not required to hear oral argument from any attorney or other person not connected with an adult correctional facility of the Department of Corrections in favor of or against the parole or release of any inmates. The commissioner may institute inquiries by correspondence, taking testimony, or otherwise, as to the previous history, physical or mental condition, and character of the inmate and, to that end, has the authority to require the attendance of the chief executive officer of any state adult correctional facility and the production of the records of these facilities, and to compel the attendance of witnesses. The commissioner is authorized to administer oaths to witnesses for these purposes.

~~(h) Unless the district court directs otherwise, state parole and probation agents may require a person who is under the supervision of the commissioner of corrections to perform community work service for violating a condition of probation imposed by the court. Community work service may be imposed for the purpose of protecting the public, to aid the offender's rehabilitation, or both. Agents may impose up to eight hours of community work service for each violation and up to a total of 24 hours per offender per 12-month period, beginning with the date on which community work service is first imposed. The commissioner may authorize an additional 40 hours of community work services, for a total of 64 hours per offender per 12-month period, beginning with the date on which community work service is first imposed. At the time community work service is imposed, parole and probation agents are required to provide written notice to the offender that states:~~

~~(1) the condition of probation that has been violated;~~

~~(2) the number of hours of community work service imposed for the violation; and~~

~~(3) the total number of hours of community work service imposed to date in the 12-month period.~~

~~An offender may challenge the imposition of community work service by filing a petition in district court. An offender must file the petition within five days of receiving written notice that community work service is being imposed. If the offender challenges the imposition of community work service, the state bears the burden of showing, by a preponderance of the evidence, that the imposition of community work service is reasonable under the circumstances.~~

~~Community work service includes sentencing to service.~~

~~(i) Prior to revoking a nonviolent controlled substance offender's parole or probation based on a technical violation, when the offender does not present a risk to the public and the offender is amenable to continued supervision in the community, a parole or probation agent must identify community options to address and correct the violation including, but not limited to, inpatient substance use disorder treatment. If a probation or parole agent determines that community options are appropriate, the agent shall seek to restructure the offender's terms of release to incorporate those options. If an offender on probation stipulates in writing to restructure the terms of release, a probation agent must forward a report to the district court containing:~~

~~(1) the specific nature of the technical violation of probation;~~

~~(2) the recommended restructure to the terms of probation; and~~

~~(3) a copy of the offender's signed stipulation indicating that the offender consents to the restructuring of probation.~~

~~The recommended restructuring of probation becomes effective when confirmed by a judge. The order of the court shall be proof of such confirmation and amend the terms of the sentence imposed by the court under section 609.135. If a nonviolent controlled substance offender's parole or probation is revoked, the offender's agent must first attempt to place the offender in a local jail. For purposes of this paragraph, "nonviolent controlled substance offender" is a person who meets the criteria described under section 244.0513, subdivision 2, clauses (1), (2), and (5), and "technical violation" means any violation of a court order of probation or a condition of parole, except an allegation of a subsequent criminal act that is alleged in a formal complaint, citation, or petition.~~

Sec. 2. Minnesota Statutes 2022, section 244.05, subdivision 3, is amended to read:

Subd. 3. **Sanctions for violation.** (a) If an inmate violates the conditions of the inmate's supervised release imposed by the commissioner, the commissioner may:

(1) continue the inmate's supervised release term, with or without:

(i) modifying or enlarging the conditions imposed on the inmate; or

(ii) transferring the inmate's case to a specialized caseload; or

(2) revoke the inmate's supervised release and reimprison the inmate for the appropriate period of time.

(b) Before revoking an inmate's supervised release because of a technical violation that would result in reimprisonment, the commissioner must identify alternative interventions to address and correct the violation only if:

(1) the inmate does not present a risk to the public; and

(2) the inmate is amenable to continued supervision.

(c) If alternative interventions are appropriate and available, the commissioner must restructure the inmate's terms of release to incorporate the alternative interventions.

(d) Prior to revoking a nonviolent controlled substance offender's supervised release based on a technical violation, when the offender does not present a risk to the public and the offender is amenable to continued supervision in the community, the commissioner must identify community options to address and correct the violation including, but not limited to, inpatient substance use disorder treatment. If the commissioner determines that community options are appropriate, the commissioner shall restructure the inmate's terms of release to incorporate those options. If a nonviolent controlled substance offender's supervised release is revoked, the offender's agent must first attempt to place the offender in a local jail. For purposes of this subdivision, "nonviolent controlled substance offender" is a person who meets the criteria described under section 244.0513, subdivision 2, clauses (1), (2), and (5), and "technical violation" means a violation of a condition of supervised release, except an allegation of a subsequent criminal act that is alleged in a formal complaint, citation, or petition.

(e) The period of time for which a supervised release may be revoked may not exceed the period of time remaining in the inmate's sentence, except that if a sex offender is sentenced and conditionally released under Minnesota Statutes 2004, section 609.108, subdivision 5, the period of time for which conditional release may be revoked may not exceed the balance of the conditional release term.

Sec. 3. Minnesota Statutes 2022, section 244.19, subdivision 1, is amended to read:

Subdivision 1. **Appointment; joint services; state services.** (a) If a county or group of counties has established a human services board pursuant to chapter 402, the district court may appoint one or more county probation officers as necessary to perform court services, and the human services board shall appoint persons as necessary to provide correctional services within the authority granted in chapter 402. In all counties of more than 200,000 population, which have not organized pursuant to chapter 402, the district court shall appoint one or more persons of good character to serve as county probation officers during the pleasure of the court. All other counties shall provide adult misdemeanor and juvenile probation services to district courts in one of the following ways:

(1) the court, with the approval of the county boards, may appoint one or more salaried county probation officers to serve during the pleasure of the court;

(2) when two or more counties offer probation services the district court through the county boards may appoint common salaried county probation officers to serve in the several counties;

(3) a county or a district court may request the commissioner of corrections to furnish probation services in accordance with the provisions of this section, and the commissioner of corrections shall furnish such services to any county or court that fails to provide its own probation officer by one of the two procedures listed above;

(4) if a county or district court providing probation services under clause (1) or (2) asks the commissioner of corrections or the legislative body for the state of Minnesota mandates the commissioner of corrections to furnish probation services to the district court, the probation officers and other employees displaced by the changeover shall be employed by the commissioner of corrections. Years of service in the county probation department are to be given full credit for future sick leave and vacation accrual purposes;

(5) all probation officers serving the juvenile courts on July 1, 1972, shall continue to serve if a county receiving probation services under clause (3) decides to provide the services under clause (1) or (2), the probation officers and other employees displaced by the changeover shall be employed by the county at no loss of salary. Years of service in the state are to be given full credit for future sick leave and vacation accrual purposes in the county or counties they are now serving.

(b) A county or counties providing probation services under paragraph (a), clause (1) or (2), is designated a "CPO county" for purposes of receiving a subsidy under chapter 401. A county or counties receiving probation services under paragraph (a), clause (3), is not eligible for a subsidy under chapter 401 and the commissioner of corrections is appropriated the county's share of funding for the purpose of providing probation services and authority to seek reimbursement from the county under subdivision 5.

(c) A county that requests the commissioner of corrections to provide probation services under paragraph (a), clause (3), shall collaborate with the commissioner to develop a comprehensive plan as described in section 401.06.

~~(b)~~ (d) The commissioner of management and budget shall place employees transferred to state service under paragraph (a), clause (4), in the proper classifications in the classified service. Each employee is appointed without examination at no loss in salary or accrued vacation or sick leave benefits, but no additional accrual of vacation or sick leave benefits may occur until the employee's total accrued vacation or sick leave benefits fall below the maximum permitted by the state for the employee's position. An employee appointed under paragraph (a), clause (4), shall serve a probationary period of six months. After exhausting labor contract remedies, a noncertified employee may appeal for a hearing within ten days to the commissioner of management and budget, who may uphold the decision, extend the probation period, or certify the employee. The decision of the commissioner of management and budget is final. The state shall negotiate with the exclusive representative for the bargaining unit to which the employees are transferred regarding their seniority. For purposes of computing seniority among those employees transferring from one county unit only, a transferred employee retains the same seniority position as the employee had within that county's probation office.

Sec. 4. Minnesota Statutes 2022, section 244.19, subdivision 5, is amended to read:

Subd. 5. **Compensation.** ~~In counties of more than 200,000 population, a majority of the judges of the district court may direct the payment of such salary to probation officers as may be approved~~

by the county board, and in addition thereto shall be reimbursed for all necessary expenses incurred ~~in the performance of their official duties.~~ In all counties which obtain probation services from the commissioner of corrections the commissioner shall, out of appropriations provided therefor, pay probation officers the salary and all benefits fixed by the state law or applicable bargaining unit and all necessary expenses, including secretarial service, office equipment and supplies, postage, telephone and telegraph services, and travel and subsistence. Each county receiving probation services from the commissioner of corrections shall reimburse the department of corrections for the total cost and expenses of such services as incurred by the commissioner of corrections, excluding the cost and expense of services provided under the state's obligation in section 244.20. ~~Total annual costs for each county shall be that portion of the total costs and expenses for the services of one probation officer represented by the ratio which the county's population bears to the total population served by one officer. For the purposes of this section, the population of any county shall be the most recent estimate made by the Department of Health.~~ At least every six months the commissioner of corrections shall bill for the total cost and expenses incurred by the commissioner on behalf of each county which has received probation services. The commissioner of corrections shall notify each county of the cost and expenses and the county shall pay to the commissioner the amount due for reimbursement. All such reimbursements shall be deposited in the general fund used to provide services for each county according to their reimbursement amount. Objections by a county to all allocation of such cost and expenses shall be presented to and determined by the commissioner of corrections. Each county providing probation services under this section is hereby authorized to use unexpended funds and to levy additional taxes for this purpose.

The county commissioners of any county of not more than 200,000 population shall, when requested to do so by the juvenile judge, provide probation officers with suitable offices, and may provide equipment, and secretarial help needed to render the required services.

Sec. 5. Minnesota Statutes 2022, section 244.195, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this subdivision and sections 244.196 to 244.1995, the following terms have the meanings given them.

(b) "Commissioner" means the commissioner of corrections.

(c) "Conditional release" means parole, supervised release, conditional release as authorized by section 609.3455, subdivision 6, 7, or 8; Minnesota Statutes 2004, section 609.108, subdivision 6; or Minnesota Statutes 2004, section 609.109, subdivision 7, work release as authorized by sections 241.26, 244.065, and 631.425, probation, furlough, and any other authorized temporary release from a correctional facility.

(d) "Court services director" means the director or designee of a county probation agency that is not organized under section 244.19 or an agency organized under chapter 401.

(e) "Detain" means to take into actual custody, including custody within a local correctional facility.

(f) "Local correctional facility" has the meaning given in section 241.021, subdivision 1.

(g) "Probation agency" means the Department of Corrections field office or a probation agency organized under section 244.19 or chapter 401.

(h) "Probation officer" means a court services director, county probation officer, or any other community supervision officer employed by the commissioner or by a probation agency organized under section 244.19 or chapter 401.

(i) "Release" means to release from actual custody.

Sec. 6. Minnesota Statutes 2022, section 244.195, subdivision 2, is amended to read:

Subd. 2. **Detention pending hearing.** When it appears necessary to enforce discipline or to prevent a person on conditional release from escaping or absconding from supervision, a court services director has the authority to issue a written order directing any peace officer or any probation officer in the state serving the district and juvenile courts to detain and bring the person before the court or the commissioner, whichever is appropriate, for disposition. If the person on conditional release commits a violation described in section 609.14, subdivision 1a, paragraph (a), the court services director must have a reasonable belief that the order is necessary to prevent the person from escaping or absconding from supervision or that the continued presence of the person in the community presents a risk to public safety before issuing a written order. This written order is sufficient authority for the peace officer or probation officer to detain the person for not more than 72 hours, excluding Saturdays, Sundays, and holidays, pending a hearing before the court or the commissioner.

Sec. 7. Minnesota Statutes 2022, section 244.195, is amended by adding a subdivision to read:

Subd. 6. **Intermediate sanctions.** (a) Unless the district court directs otherwise, a probation officer may require a person committed to the officer's care by the court to perform community work service for violating a condition of probation imposed by the court. Community work service may be imposed for the purpose of protecting the public, aiding the person's rehabilitation, or both. A probation officer may impose up to eight hours of community work service for each violation and up to a total of 24 hours per person per 12-month period, beginning on the date on which community work service is first imposed. The court services director or probation agency may authorize an additional 40 hours of community work service, for a total of 64 hours per person per 12-month period, beginning with the date on which community work service is first imposed. At the time community work service is imposed, probation officers are required to provide written notice to the person that states:

(1) the condition of probation that has been violated;

(2) the number of hours of community work service imposed for the violation; and

(3) the total number of hours of community work service imposed to date in the 12-month period.

(b) A person on supervision may challenge the imposition of community work service by filing a petition in district court within five days of receiving written notice that community work service is being imposed. If the person challenges the imposition of community work service, the state bears the burden of showing, by a preponderance of the evidence, that the imposition of community work service is reasonable under the circumstances.

(c) Community work service includes sentencing to service.

Sec. 8. Minnesota Statutes 2022, section 244.195, is amended by adding a subdivision to read:

Subd. 7. **Contacts.** Supervision contacts may be conducted over videoconference technology in accordance with the probation agency's established policy.

Sec. 9. Minnesota Statutes 2022, section 244.20, is amended to read:

244.20 PROBATION SUPERVISION.

Notwithstanding sections 244.19, subdivision 1, and 609.135, subdivision 1, the Department of Corrections shall have exclusive responsibility for providing probation services for adult felons in counties that do not take part in the Community Corrections Act. ~~In counties that do not take part in the Community Corrections Act, the responsibility for providing probation services for individuals convicted of gross misdemeanor offenses shall be discharged according to local judicial policy.~~

Sec. 10. Minnesota Statutes 2022, section 244.21, is amended to read:

244.21 INFORMATION ON OFFENDERS UNDER SUPERVISION; REPORTS.

Subdivision 1. **Collection of information by probation service providers; report required.** By January 1, 1998, probation service providers shall begin collecting and maintaining information on offenders under supervision. The commissioner of corrections shall specify the nature and extent of the information to be collected. By April 1 of every year, each probation service provider shall report a summary of the information collected to the commissioner as a condition of state subsidy funding under chapter 401.

Subd. 2. **Commissioner of corrections report.** By January 15, ~~1998~~ 2024, the commissioner of corrections shall report to the chairs of the ~~senate crime prevention and house of representatives judiciary~~ legislative committees with jurisdiction over public safety and finance on recommended methods of coordinating the exchange of information collected on offenders under subdivision 1: (1) between probation service providers; and (2) between probation service providers and the Department of Corrections, ~~without requiring service providers to acquire uniform computer software.~~

Sec. 11. Minnesota Statutes 2022, section 401.01, is amended to read:

401.01 PURPOSE AND DEFINITION; ASSISTANCE ~~GRANTS~~ SUBSIDIES.

Subdivision 1. **Grants Subsidies.** For the purpose of more effectively protecting society and to promote efficiency and economy in the delivery of correctional services, the commissioner is authorized to ~~make grants to assist~~ subsidize counties in the development, implementation, and operation of community-based corrections programs including preventive or diversionary correctional programs, conditional release programs, community corrections centers, and facilities for the detention or confinement, care and treatment of persons convicted of crime or adjudicated delinquent. ~~The commissioner may authorize the use of a percentage of a grant for the operation of an emergency shelter or make a separate grant for the rehabilitation of a facility owned by the grantee and used as a shelter to bring the facility into compliance with state and local laws pertaining to health, fire, and safety, and to provide security.~~

Subd. 2. **Definitions.** (a) For the purposes of sections 401.01 to 401.16, the following terms have the meanings given them.

(b) "CCA county" means a county that participates in the Community Corrections Act.

(c) "Commissioner" means the commissioner of corrections or a designee.

(d) "Conditional release" means parole, supervised release, conditional release as authorized by section 609.3455, subdivision 6, 7, or 8; Minnesota Statutes 2004, section 609.108, subdivision 6; or Minnesota Statutes 2004, section 609.109, subdivision 7, work release as authorized by sections 241.26, 244.065, and 631.425, probation, furlough, and any other authorized temporary release from a correctional facility.

(e) "County probation officer" means a probation officer appointed under section 244.19.

(f) "CPO county" means a county that participates in funding under this act by providing local corrections service for all juveniles and individuals on probation for misdemeanors, pursuant to section 244.19, subdivision 1, paragraph (a), clause (1) or (2).

(g) "Detain" means to take into actual custody, including custody within a local correctional facility.

~~(g)~~ (h) "Joint board" means the board provided in section 471.59.

~~(h)~~ (i) "Local correctional facility" has the meaning given in section 241.021, subdivision 1.

~~(i)~~ (j) "Local correctional service" means those services authorized by and employees, officers, and agents appointed under section 244.19, subdivision 1.

~~(j)~~ (k) "Release" means to release from actual custody.

(l) "Tribal government" means one of the federally recognized Tribes described in section 3.922.

Sec. 12. Minnesota Statutes 2022, section 401.02, is amended to read:

401.02 COUNTIES OR REGIONS; SERVICES INCLUDABLE.

Subdivision 1. **Qualification of counties or Tribal governments.** (a) One or more counties; ~~having an aggregate population of 30,000 or more persons, or Tribal governments~~ may qualify for a ~~grant as provided in subsidy under~~ section 401.01 ~~by the enactment of appropriate resolutions creating and establishing a corrections advisory board,~~ designating the officer or agency to be responsible for administering ~~grant funds~~ subsidies, and providing for the preparation of a comprehensive plan for the development, implementation and operation of the correctional services described in ~~section~~ sections 401.01 and 401.11, including the assumption of those correctional services, other than the operation of state facilities, presently provided in such counties by the Department of Corrections, and providing for centralized administration and control of those correctional services described in section 401.01. Counties participating as a CCA county must also enact the appropriate resolutions creating and establishing a corrections advisory board.

Where counties or Tribal governments combine as authorized in this section, they shall comply with the provisions of section 471.59.

(b) A county that has participated in the Community Corrections Act for five or more years is eligible to continue to participate in the Community Corrections Act.

(c) If a county or Tribal government withdraws from the subsidy program as outlined in subdivision 1 and asks the commissioner of corrections or the legislature mandates the commissioner of corrections to furnish probation services to the county, the probation officers and other employees displaced by the changeover shall be employed by the commissioner of corrections at no loss of salary. Years of service in the county probation department are to be given full credit for future sick leave and vacation accrual purposes.

Subd. 2. **Planning counties; advisory board members expenses.** To assist counties which have complied with the provisions of subdivision 1 and require financial aid to defray all or a part of the expenses incurred by corrections advisory board members in discharging their official duties pursuant to section 401.08, the commissioner may designate counties as "planning counties", and, upon receipt of resolutions by the governing boards of the counties certifying the need for and inability to pay the expenses described in this subdivision, advance to the counties an amount not to exceed five percent of the maximum quarterly subsidy for which the counties are eligible. The expenses described in this subdivision shall be paid in the same manner and amount as for state employees.

Subd. 3. **Establishment and reorganization of administrative structure.** Any county or group of counties which have qualified for participation in the ~~community corrections~~ subsidy program provided by this chapter may establish, organize, and reorganize an administrative structure and provide for the budgeting, staffing, and operation of court services and probation, construction or improvement to juvenile detention and juvenile correctional facilities and adult detention and correctional facilities, and other activities required to conform to the purposes of this chapter. No contrary general or special statute divests any county or group of counties of the authority granted by this subdivision.

~~Subd. 5. **Intermediate sanctions.** Unless the district court directs otherwise, county probation officers may require a person committed to the officer's care by the court to perform community work service for violating a condition of probation imposed by the court. Community work service may be imposed for the purpose of protecting the public, to aid the offender's rehabilitation, or both. Probation officers may impose up to eight hours of community work service for each violation and up to a total of 24 hours per offender per 12-month period, beginning on the date on which community work service is first imposed. The chief executive officer of a community corrections agency may authorize an additional 40 hours of community work service, for a total of 64 hours per offender per 12-month period, beginning with the date on which community work service is first imposed. At the time community work service is imposed, probation officers are required to provide written notice to the offender that states:~~

~~(1) the condition of probation that has been violated;~~

~~(2) the number of hours of community work service imposed for the violation; and~~

~~(3) the total number of hours of community work service imposed to date in the 12-month period.~~

~~An offender may challenge the imposition of community work service by filing a petition in district court. An offender must file the petition within five days of receiving written notice that community work service is being imposed. If the offender challenges the imposition of community work service, the state bears the burden of showing, by a preponderance of the evidence, that the imposition of community work service is reasonable under the circumstances.~~

~~Community work service includes sentencing to service.~~

Sec. 13. Minnesota Statutes 2022, section 401.025, subdivision 1, is amended to read:

Subdivision 1. **Peace officers and probation officers serving CCA counties.** (a) When it appears necessary to enforce discipline or to prevent a person on conditional release from escaping or absconding from supervision, the chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing any peace officer or any probation officer in the state serving the district and juvenile courts to detain and bring the person before the court or the commissioner, whichever is appropriate, for disposition. If the person on conditional release commits a violation described in section 609.14, subdivision 1a, paragraph (a), the chief executive officer or designee must have a reasonable belief that the order is necessary to prevent the person from escaping or absconding from supervision or that the continued presence of the person in the community presents a risk to public safety before issuing a written order. This written order is sufficient authority for the peace officer or probation officer to detain the person for not more than 72 hours, excluding Saturdays, Sundays, and holidays, pending a hearing before the court or the commissioner.

(b) The chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing a peace officer or probation officer serving the district and juvenile courts to release a person detained under paragraph (a) within 72 hours, excluding Saturdays, Sundays, and holidays, without an appearance before the court or the commissioner. This written order is sufficient authority for the peace officer or probation officer to release the detained person.

(c) The chief executive officer or designee of a community corrections agency in a CCA county has the authority to issue a written order directing any peace officer or any probation officer serving the district and juvenile courts to detain any person on court-ordered pretrial release who absconds from pretrial release or fails to abide by the conditions of pretrial release. A written order issued under this paragraph is sufficient authority for the peace officer or probation officer to detain the person.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to violations that occur on or after that date.

Sec. 14. Minnesota Statutes 2022, section 401.06, is amended to read:

401.06 COMPREHENSIVE PLAN; STANDARDS OF ELIGIBILITY; COMPLIANCE.

Subdivision 1. **Commissioner approval required.** (a) No county or group of counties or Tribal government or group of Tribal governments electing to provide correctional services pursuant to sections 401.01 to 401.16 shall be under this chapter is eligible for the subsidy herein provided unless and until its comprehensive plan shall have been approved by the commissioner. A comprehensive plan must comply with commissioner-developed standards and reporting requirements and must sufficiently address community needs and supervision standards.

(b) If the commissioner provides supervision to a county that elects not to provide the supervision, the commissioner must prepare a comprehensive plan for the county and present it to the local county board of commissioners. The Department of Corrections is subject to all the standards and requirements under this chapter and supervision standards and policies.

(c) A comprehensive plan is valid for four years and a corrections advisory board must review and update the plan two years after the plan has been approved or two years after submitted to the commissioner, whichever is earlier.

(d) All approved comprehensive plans, including updated plans, must be made publicly available on the Department of Corrections website.

Subd. 2. **Rulemaking.** The commissioner shall must, pursuant to in accordance with the Administrative Procedure Act, promulgate adopt rules establishing standards of eligibility for CCA and CPO counties and Tribal governments to receive funds under sections 401.01 to 401.16 this chapter.

Subd. 3. **Substantial compliance required.** (a) To remain eligible for the subsidy, counties shall and Tribal governments must maintain substantial compliance with the minimum standards established pursuant according to sections 401.01 to 401.16 this chapter and the policies and procedures governing the services described in under section 401.025 as prescribed by the commissioner.

(b) Counties shall also must:

(1) be in substantial compliance with other correctional operating standards permitted by law and established by the commissioner; and

shall (2) report statistics required by the commissioner, including but not limited to information on individuals convicted as an extended jurisdiction juvenile identified in under section 241.016, subdivision 1, paragraph (c).

Subd. 4. **Commissioner review.** (a) The commissioner shall must review annually the comprehensive plans submitted by participating counties and Tribal governments, including the facilities and programs operated under the plans. The commissioner is hereby authorized to may enter upon any facility operated under the plan, and inspect books and records, for purposes of recommending needed changes or improvements.

When (b) If the commissioner shall determine determines that there are reasonable grounds to believe that a county or group of counties or Tribal government or group of Tribal governments is not in substantial compliance with minimum standards, the commissioner must provide at least 30 days' notice shall be given to the county or counties and or Tribal government or Tribal governments

of a commissioner-conducted hearing ~~conducted by the commissioner~~ to ascertain whether there is substantial compliance or satisfactory progress being made toward compliance.

Subd. 5. **Noncompliance with comprehensive plan.** (a) After a hearing, the commissioner may sanction a county or group of counties or Tribal government or group of Tribal governments under this subdivision if the commissioner determined that the agency is not maintaining substantial compliance with minimum standards or that satisfactory progress toward compliance has not been made.

(b) The commissioner may suspend all or a portion of any subsidy ~~until the required standard of operation has been met~~ without issuing a corrective action plan.

(c) The commissioner may issue a corrective action plan, which must:

(1) be in writing;

(2) identify all deficiencies;

(3) detail the corrective action required to remedy the deficiencies; and

(4) provide a deadline to:

(i) correct each deficiency; and

(ii) report to the commissioner progress toward correcting the deficiency.

(d) After the deficiency has been corrected, documentation must be submitted to the commissioner detailing compliance with the corrective action plan. If the commissioner determines that the county or group of counties or Tribal government or group of Tribal governments has not complied with the plan, the commissioner may suspend all or a portion of the subsidy.

Sec. 15. Minnesota Statutes 2022, section 401.09, is amended to read:

401.09 OTHER SUBSIDY PROGRAMS; PURCHASE OF STATE SERVICES.

Failure of a county or group of counties to elect to come within the provisions of sections 401.01 to 401.16 shall not affect their eligibility for any other state grant or subsidy for correctional purposes otherwise provided by law. Any comprehensive plan submitted pursuant to sections 401.01 to 401.16 may include the purchase of selected correctional services from the state by contract, including the temporary detention and confinement of persons convicted of crime or adjudicated delinquent; confinement to be in an appropriate state facility as otherwise provided by law. The commissioner shall annually determine the costs of the purchase of services under this section and deduct them from the subsidy due and payable to the county or counties concerned; provided that no contract shall exceed in cost the amount of subsidy to which the participating county or counties are eligible.

Sec. 16. Minnesota Statutes 2022, section 401.10, is amended to read:

401.10 COMMUNITY CORRECTIONS AID.

Subdivision 1. ~~Aid calculations~~ **Funding formula.** To determine the community corrections aid amount to be paid to each participating county, the commissioner of corrections must apply the following formula:

(1) For each of the 87 counties in the state, a percent score must be calculated for each of the following five factors:

(i) percent of the total state population aged ten to 24 residing within the county according to the most recent federal census, and, in the intervening years between the taking of the federal census, according to the most recent estimate of the state demographer;

(ii) percent of the statewide total number of felony case filings occurring within the county, as determined by the state court administrator;

(iii) percent of the statewide total number of juvenile case filings occurring within the county, as determined by the state court administrator;

(iv) percent of the statewide total number of gross misdemeanor case filings occurring within the county, as determined by the state court administrator; and

(v) percent of the total statewide number of convicted felony offenders who did not receive an executed prison sentence, as monitored and reported by the Sentencing Guidelines Commission.

The percents in items (ii) to (v) must be calculated by combining the most recent three-year period of available data. The percents in items (i) to (v) each must sum to 100 percent across the 87 counties.

(2) For each of the 87 counties, the county's percents in clause (1), items (i) to (v), must be weighted, summed, and divided by the sum of the weights to yield an average percent for each county, referred to as the county's "composite need percent." When performing this calculation, the weight for each of the percents in clause (1), items (i) to (v), is 1.0. The composite need percent must sum to 100 percent across the 87 counties.

(3) For each of the 87 counties, the county's "adjusted net tax capacity percent" is the county's adjusted net tax capacity amount, defined in the same manner as it is defined for cities in section 477A.011, subdivision 20, divided by the statewide total adjusted net tax capacity amount. The adjusted net tax capacity percent must sum to 100 percent across the 87 counties.

(4) For each of the 87 counties, the county's composite need percent must be divided by the county's adjusted net tax capacity percent to produce a ratio that, when multiplied by the county's composite need percent, results in the county's "tax base adjusted need percent."

(5) For each of the 87 counties, the county's tax base adjusted need percent must be added to twice the composite need percent, and the sum must be divided by 3, to yield the county's "weighted need percent."

(6) Each participating county's weighted need percent must be added to the weighted need percent of each other participating county to yield the "total weighted need percent for participating counties."

~~(7) Each participating county's weighted need percent must be divided by the total weighted need percent for participating counties to yield the county's "share percent." The share percents for participating counties must sum to 100 percent.~~

~~(8) Each participating county's "base funding amount" is the aid amount that the county received under this section for fiscal year 1995 plus the amount received in caseload or workload reduction, felony caseload reduction, and sex offender supervision grants in fiscal year 2015, as reported by the commissioner of corrections. In fiscal year 1997 and thereafter, no county's aid amount under this section may be less than its base funding amount, provided that the total amount appropriated for this purpose is at least as much as the aggregate base funding amount defined in clause (9).~~

~~(9) The "aggregate base funding amount" is equal to the sum of the base funding amounts for all participating counties. If a county that participated under this section chooses not to participate in any given year, then the aggregate base funding amount must be reduced by that county's base funding amount. If a county that did not participate under this section in fiscal year 1995 chooses to participate on or after July 1, 2015, then the aggregate base funding amount must be increased by the amount of aid that the county would have received had it participated in fiscal year 1995 plus the estimated amount it would have received in caseload or workload reduction, felony caseload reduction, and sex offender supervision grants in fiscal year 2015, as reported by the commissioner of corrections, and the amount of increase shall be that county's base funding amount.~~

~~(10) In any given year, the total amount appropriated for this purpose first must be allocated to participating counties in accordance with each county's base funding amount. Then, any remaining amount in excess of the aggregate base funding amount must be allocated to participating counties in proportion to each county's share percent, and is referred to as the county's "formula amount."~~

~~Each participating county's "community corrections aid amount" equals the sum of (i) the county's base funding amount, and (ii) the county's formula amount.~~

~~(11) However, if in any year the total amount appropriated for the purpose of this section is less than the aggregate base funding amount, then each participating county's community corrections aid amount is the product of (i) the county's base funding amount multiplied by (ii) the ratio of the total amount appropriated to the aggregate base funding amount.~~

~~For each participating county, the county's community corrections aid amount calculated in this subdivision is the total amount of subsidy to which the county is entitled under sections 401.01 to 401.16.~~

(a) Beginning in fiscal year 2024, the subsidy paid to each county and Tribal government and the commissioner of corrections for supervision in counties or Tribal jurisdictions served by the department shall equal the sum of:

(1) a base funding amount equal to \$200,000, plus:

(i) ten percent of the total for all appropriations to the commissioner for community supervision and postrelease services during the fiscal year prior to the fiscal year for which the subsidy will be paid multiplied by the county's or Tribe's percent share of the state's total population as determined by the most recent census; and

(ii) ten percent of the total for all appropriations to the commissioner for community supervision and postrelease services during the fiscal year prior to the fiscal year for which the subsidy will be paid multiplied by the county's or Tribe's percent share of the state's total geographic area; and

(2) a community supervision formula equal to the sum of:

(i) for felony cases, a felony per diem rate of \$5.33 multiplied by the sum of the county's adult felony population, adult supervised release and parole populations, and juvenile supervised release and parole populations as reported in the most recent probation survey published by the commissioner and then, multiplied by 365; and

(ii) for gross misdemeanor, misdemeanor, and juvenile probation cases, the felony per diem rate used in item (i) multiplied by 0.5 and then multiplied by the sum of the county's gross misdemeanor, misdemeanor, and juvenile populations as reported in the most recent probation survey published by the commissioner, multiplied by 365.

(b) Each participating county's "community corrections aid amount" equals the sum of (1) the county's base funding amount, and (2) the county's formula amount.

(c) If in any year the total amount appropriated for the purpose of this section is more than or less than the total of base funding plus community supervision formula funding for all counties, then the sum of each county's base funding plus community supervision formula funding shall be adjusted by the ratio of amounts appropriated for this purpose divided by the total of base funding plus community supervision formula funding for all counties.

Subd. 2. **Transfer of funds.** Notwithstanding any law to the contrary, the commissioner of corrections, after notifying the committees on finance of the senate and ways and means of the house of representatives, may, at the end of any fiscal year, transfer any unobligated funds, including funds available due the withdrawal of a county under section 401.16, in any appropriation to the Department of Corrections to the appropriation under sections 401.01 to 401.16, which appropriation shall not cancel but is reappropriated for the purposes of sections 401.01 to 401.16.

Subd. 3. **Formula review.** ~~Prior to January 16, 2002, the committees with jurisdiction over community corrections funding decisions in the house of representatives and the senate, in consultation with the Department of Corrections and any interested county organizations, must review the formula in subdivision 1 and make recommendations to the legislature for its continuation, modification, replacement, or discontinuation.~~ For fiscal year 2025 and subsequent fiscal years, the commissioner shall make a funding recommendation based upon the commissioner's workload study and the caseload data collected by the commissioner.

Subd. 4. **Report; supervision fees.** (a) The commissioner must collect annual summary expenditure data and funding from each community supervision provider in the state.

(b) On January 15, 2025, and every year thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy on the data collected under paragraph (a). The report may be made in conjunction with reporting under section 244.21.

Sec. 17. Minnesota Statutes 2022, section 401.11, is amended to read:

401.11 COMPREHENSIVE PLAN ITEMS; GRANT REVIEW.

Subdivision 1. Items. The comprehensive plan submitted to the commissioner for approval ~~shall~~ must include ~~those~~ items prescribed by rule policy of the commissioner, ~~which may require the inclusion of the following~~ including but not limited to:

~~(a)~~ (1) the manner in which presentence and postsentence investigations and reports for the district courts and social history reports for the juvenile courts will be made;

~~(b)~~ (2) the manner in which conditional release services to the courts and persons under jurisdiction of the commissioner ~~of corrections~~ will be provided;

~~(c)~~ (3) a program for ~~the detention, supervision, and treatment of~~ detaining, supervising, and treating persons under pretrial detention or under commitment;

~~(d)~~ (4) delivery of other local correctional services ~~defined in section 401.01;~~

~~(e)~~ (5) proposals for new programs, which proposals must demonstrate a need for the program, ~~its~~ and the program's purpose, objective, administrative structure, staffing pattern, staff training, financing, evaluation process, degree of community involvement, client participation, and duration ~~of program; and~~

(6) outcome and output data, expenditures, and costs.

Subd. 2. Review. ~~In addition to the foregoing requirements made by this section,~~ Each participating CCA county or group of counties ~~shall~~ must develop and implement a procedure for ~~the review of grant~~ reviewing subsidy applications made to the corrections advisory board and for the manner in which corrections advisory board action will be taken on them the applications. A description of ~~this~~ the procedure must be made available to members of the public upon request.

Sec. 18. Minnesota Statutes 2022, section 401.14, subdivision 3, is amended to read:

Subd. 3. **Installment payments.** The commissioner of corrections shall make payments for community corrections services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. ~~The payment described in this subdivision for services rendered during June 1985 shall be made on the first working day of July 1985.~~

Sec. 19. Minnesota Statutes 2022, section 401.16, is amended to read:

401.16 WITHDRAWAL FROM PROGRAM.

Any participating county or Tribal government may, at the beginning of any calendar quarter, by resolution of its board of commissioners or Tribal government leaders, notify the commissioner of its intention to withdraw from the subsidy program established by sections 401.01 to 401.16, and the withdrawal shall be effective the last day of the ~~last month of the quarter in~~ third quarter after which the notice was given. ~~Upon withdrawal, the unexpended balance of moneys allocated to the~~

~~county, or that amount necessary to reinstate state correctional services displaced by that county's participation, including complement positions, may, upon approval of the legislative advisory commission, be transferred to the commissioner for the reinstatement of the displaced services and the payment of any other correctional subsidies for which the withdrawing county had previously been eligible.~~

Sec. 20. **[401.17] COMMUNITY SUPERVISION ADVISORY COMMITTEE.**

Subdivision 1. **Establishment; members.** (a) The commissioner must establish a Community Supervision Advisory Committee to develop and make recommendations to the commissioner on standards for probation, supervised release, and community supervision. The committee consists of 16 members as follows:

(1) two directors appointed by the Minnesota Association of Community Corrections Act Counties;

(2) two probation directors appointed by the Minnesota Association of County Probation Officers;

(3) three county commissioner representatives appointed by the Association of Minnesota Counties;

(4) two behavioral health, treatment, or programming providers who work directly with individuals on correctional supervision, one appointed by the Department of Human Services and one appointed by the Minnesota Association of County Social Service Administrators;

(5) two representatives appointed by the Minnesota Indian Affairs Council;

(6) one commissioner-appointed representative from the Department of Corrections;

(7) the chair of the statewide Evidence-Based Practice Advisory Committee;

(8) three individuals who have been supervised, either individually or collectively, under each of the state's three community supervision delivery systems appointed by the commissioner in consultation with the Minnesota Association of County Probation Officers and the Minnesota Association of Community Corrections Act Counties; and

(9) an advocate for victims of crime appointed by the commissioner.

(b) When an appointing authority selects an individual for membership on the committee, the authority must make reasonable efforts to reflect geographic diversity and to appoint qualified members of protected groups, as defined under section 43A.02, subdivision 33.

(c) The commissioner must convene the first meeting of the committee on or before July 15, 2024.

Subd. 2. **Terms; removal; reimbursement.** (a) If there is a vacancy, the appointing authority must appoint an individual to fill the vacancy. Committee members must elect any officers and create any subcommittees necessary for the efficient discharge of committee duties.

(b) A member may be removed by the appointing authority at any time at the pleasure of the appointing authority.

(c) Each committee member must be reimbursed for all reasonable expenses actually paid or incurred by that member in the performance of official duties in the same manner as other employees of the state. The public members of the committee must be compensated at the rate of \$55 for each day or part of the day spent on committee activities.

Subd. 3. **Duties; committee.** (a) The committee must comply with section 401.10.

(b) By June 30, 2024, the committee must provide written advice and recommendations to the commissioner on developing policy on:

(1) developing statewide supervision standards and definitions to be applied to community supervision provided by CPO counties, CCA counties, the Department of Corrections, and Tribal governments;

(2) requiring community supervision agencies to use the same agreed-upon risk screener and risk and needs assessment tools as the main supervision assessment methods or a universal five-level matrix allowing for consistent supervision levels and that all tools in use be validated on Minnesota's community supervision population and revalidated every five years;

(3) requiring the use of assessment-driven, formalized collaborative case planning to focus case planning goals on identified criminogenic and behavioral health need areas for moderate- and high-risk individuals;

(4) limiting standard conditions required for all people on supervision across all supervision systems and judicial districts, ensuring that conditions of supervision are directly related to the offense of the person on supervision, and tailoring special conditions to people on supervision identified as high-risk and high-need;

(5) providing gender-responsive, culturally appropriate services and trauma-informed approaches;

(6) developing a statewide incentives and sanctions grid to guide responses to client behavior while under supervision to be reviewed and updated every five years to maintain alignment with national best practices;

(7) developing performance indicators for supervision success as well as recidivism;

(8) developing a statewide training, coaching, and quality assurance system overseen by an evidence-based practices coordinator; and

(9) devising a plan, by December 1, 2024, to eliminate the financial penalty incurred by a jurisdiction that successfully discharges an offender from supervision before the offender's term of supervision concludes.

(c) By December 1, 2024, and every six years thereafter, the committee must review and reassess the existing workload study published by the commissioner under subdivision 4 and make recommendations to the commissioner based on the committee's review.

(d) By June 30, 2024, the committee must submit a report on supervision fees to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over corrections policy and funding. The committee must collect data on supervision fees and include the data in the report.

Subd. 4. **Duties; commissioner.** The commissioner, in consultation with the committee, must complete a workload study by December 1, 2024, to develop a capitated rate for equitably funding community supervision throughout the state. The study must be updated every six years after the initial study is completed.

Subd. 5. **Data collection; report.** (a) By June 1, 2024, the advisory committee, in consultation with the Minnesota Counties Computer Cooperative, must create a method to (1) standardize data classifications across the three delivery systems, and (2) collect data for the commissioner to publish in an annual report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over public safety finance and policy.

(b) The advisory committee's method, at a minimum, must provide for collecting the following data:

(1) the number of offenders placed on probation each year;

(2) the offense levels and offense types for which offenders are placed on probation;

(3) violation and revocation rates and the identified grounds for the violations and revocations, including final disposition of the violation action such as execution of the sentence, imposition of new conditions, or a custodial sanction;

(4) the number of offenders granted early discharge from probation;

(5) the number of offenders restructured on supervision, including imposition of new conditions of release; and

(6) the number of offenders revoked from supervision and the identified grounds for revocation.

(c) On February 1, 2025, and every year thereafter, the commissioner must prepare a report that contains the data collected under the method established by the committee under this subdivision. The report must provide an analysis of the collected data by race, gender, and county.

(d) Nothing in this section overrides the commissioner's authority to require additional data be provided under sections 241.065, 401.06, 401.10, and 401.11.

Subd. 6. **Response.** (a) Within 45 days of receiving the committee's recommendations, the commissioner must respond in writing to the committee's advice and recommendations under subdivision 3. The commissioner's response must explain:

(1) whether the agency will adopt policy changes based on the recommendations;

(2) the timeline for adopting policy changes; and

(3) why the commissioner will not or cannot include any individual recommendations of the committee in the agency's policy.

(b) The commissioner must submit the advice and recommendations of the committee to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety and finance.

Subd. 7. **Staff; meeting room; office equipment.** The commissioner must provide the committee with a committee administrator, staff support, a meeting room, and access to office equipment and services.

Sec. 21. Minnesota Statutes 2022, section 609.14, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** (a) When it appears that the defendant has violated any of the conditions of probation or intermediate sanction, or has otherwise been guilty of misconduct which warrants the imposing or execution of sentence, the court may without notice revoke the stay and direct that the defendant be taken into immediate custody. Revocation should only be used as a last resort when rehabilitation has failed.

(b) When it appears that the defendant violated any of the conditions of probation during the term of the stay, but the term of the stay has since expired, the defendant's probation officer or the prosecutor may ask the court to initiate probation revocation proceedings under the Rules of Criminal Procedure at any time within six months after the expiration of the stay. The court also may initiate proceedings under these circumstances on its own motion. If proceedings are initiated within this six-month period, the court may conduct a revocation hearing and take any action authorized under rule 27.04 at any time during or after the six-month period.

(c) Notwithstanding the provisions of section 609.135 or any law to the contrary, after proceedings to revoke the stay have been initiated by a court order revoking the stay and directing either that the defendant be taken into custody or that a summons be issued in accordance with paragraph (a), the proceedings to revoke the stay may be concluded and the summary hearing provided by subdivision 2 may be conducted after the expiration of the stay or after the six-month period set forth in paragraph (b). The proceedings to revoke the stay shall not be dismissed on the basis that the summary hearing is conducted after the term of the stay or after the six-month period. The ability or inability to locate or apprehend the defendant prior to the expiration of the stay or during or after the six-month period shall not preclude the court from conducting the summary hearing unless the defendant demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to violations that occur on or after that date.

Sec. 22. Minnesota Statutes 2022, section 609.14, is amended by adding a subdivision to read:

Subd. 1a. **Violations where policies favor continued rehabilitation.** (a) Correctional treatment is better provided through a community resource than through confinement, it would not unduly depreciate the seriousness of the violation if probation was not revoked, and the policies favoring probation outweigh the need for confinement if a person has not previously violated a condition of probation or intermediate sanction and does any of the following in violation of a condition imposed by the court:

(1) fails to abstain from the use of controlled substances without a valid prescription, unless the person is under supervision for a violation of section:

(i) 169A.20;

(ii) 609.2112, subdivision 1, paragraph (a), clauses (2) to (6); or

(iii) 609.2113, subdivision 1, clauses (2) to (6), 2, clauses (2) to (6), or 3, clauses (2) to (6);

(2) fails to abstain from the use of alcohol, unless the person is under supervision for a violation of section:

(i) 169A.20;

(ii) 609.2112, subdivision 1, paragraph (a), clauses (2) to (6); or

(iii) 609.2113, subdivision 1, clauses (2) to (6), 2, clauses (2) to (6), or 3, clauses (2) to (6);

(3) possesses drug paraphernalia in violation of section 152.092;

(4) fails to obtain or maintain employment;

(5) fails to pursue a course of study or vocational training;

(6) fails to report a change in employment, unless the person is prohibited from having contact with minors and the employment would involve such contact;

(7) violates a curfew;

(8) fails to report contact with a law enforcement agency, unless the person was charged with a misdemeanor, gross misdemeanor, or felony; or

(9) commits any offense for which the penalty is a petty misdemeanor.

(b) A violation by a person described in paragraph (a) does not warrant the imposition or execution of sentence and the court may not direct that the person be taken into immediate custody unless the court receives a written report, signed under penalty of perjury pursuant to section 358.116, showing probable cause to believe the person violated probation and establishing by a preponderance of the evidence that the continued presence of the person in the community would present a risk to public safety. If the court does not direct that the person be taken into custody, the court may request a supplemental report from the supervising agent containing:

(1) the specific nature of the violation;

(2) the response of the person under supervision to the violation, if any; and

(3) the actions the supervising agent has taken or will take to address the violation.

EFFECTIVE DATE. This section is effective August 1, 2023, and applies to violations that occur on or after that date.

Sec. 23. **LOCAL CORRECTIONAL FEES; IMPOSITION ON OFFENDERS.**

By August 1, 2025, each local correctional agency under Minnesota Statutes, section 244.18, must provide a plan for phasing out local correctional fees. A copy of the plan must be provided to all individuals under supervision by the agency. Local correctional fees must not increase from the effective date of this section through August 1, 2025.

Sec. 24. **COMMUNITY SUPERVISION ADVISORY COMMITTEE; REPORT.**

(a) By January 15, 2025, the committee must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on progress toward developing standards and recommendations under Minnesota Statutes, section 401.17, subdivision 3.

(b) By January 15, 2026, the committee must submit a final report to the chairs and ranking minority members of the legislative committees with jurisdiction over public safety policy and finance on the standards and recommendations developed according to Minnesota Statutes, section 401.17, subdivision 3. At a minimum, the recommendations must include a proposed state-level Community Supervision Advisory Board with a governance structure and duties for the board.

Sec. 25. **REPEALER.**

(a) Minnesota Statutes 2022, sections 244.19, subdivisions 6, 7, and 8; 244.22; 244.24; and 244.30, are repealed.

(b) Minnesota Statutes 2022, section 244.18, is repealed.

EFFECTIVE DATE. Paragraph (a) is effective August 1, 2023, and paragraph (b) is effective August 1, 2025."

Amend the title accordingly

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

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

S.F. No. 3187: A bill for an act relating to transportation; rail safety; providing for emergency incident preparedness for rail transport of oil and other hazardous substances; establishing railroad training requirements; expanding training requirements to emergency managers and incident response teams; requiring incident reports; amending data provisions; modifying assessment of railroads; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 115E.042, subdivisions 2, 3, 4, 5, 6; 219.015, subdivision 2; 219.1651; 299A.55; proposing coding for new law in Minnesota Statutes, chapter 219.

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

Page 8, line 16, after the period, insert "Each tabletop and full-scale exercise conducted under this subdivision must be attended by safety representatives of railroad employees governed by the Railway Labor Act, United States Code, title 45, section 151, et seq."

Page 9, line 2, after the period, insert "Each tabletop and full-scale exercise conducted under this subdivision must be attended by safety representatives of railroad employees governed by the Railway Labor Act, United States Code, title 45, section 151, et seq."

Page 11, line 4, strike "Division of Homeland Security and Emergency Management" and insert "State Fire Marshal Division"

Page 13, line 21, delete everything after "effective" and insert "July 1, 2023."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary and Public Safety.

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

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

H.F. No. 1178 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1178	1032				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1178 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1178, the first engrossment; and insert the language after the enacting clause of S.F. No. 1032; further, delete the title of H.F. No. 1178, the first engrossment; and insert the title of S.F. No. 1032.

And when so amended H.F. No. 1178 will be identical to S.F. No. 1032, and further recommends that H.F. No. 1178 be given its second reading and substituted for S.F. No. 1032, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1370 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1370	1394				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 1370 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1370, the second engrossment; and insert the language after the enacting clause of S.F. No. 1394, the second engrossment; further, delete the title of H.F. No. 1370, the second engrossment; and insert the title of S.F. No. 1394, the second engrossment.

And when so amended H.F. No. 1370 will be identical to S.F. No. 1394, and further recommends that H.F. No. 1370 be given its second reading and substituted for S.F. No. 1394, 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. Nos. 1178 and 1370 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Westlin introduced--

S.F. No. 3222: A bill for an act relating to public safety; collecting bail data to improve bail posting practices; appropriating money; amending Minnesota Statutes 2022, section 480.15, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety.

Senator Pratt introduced--

S.F. No. 3223: A bill for an act relating to workforce development; establishing a Shakopee area workforce development scholarship pilot program; appropriating money.

Referred to the Committee on Jobs and Economic Development.

Senators Kunesh and Hawj introduced--

S.F. No. 3224: A bill for an act relating to economic development; appropriating money for a grant to the Minnesota Museum of American Art.

Referred to the Committee on Jobs and Economic Development.

Senator Dibble introduced--

S.F. No. 3225: A bill for an act relating to education finance; providing full funding for transportation of foster students, highly mobile students, and homeless students; appropriating money; amending Minnesota Statutes 2022, sections 123B.92, subdivision 1; 125A.76, subdivision 2c, by adding a subdivision.

Referred to the Committee on Education Finance.

Senators Dibble and Port introduced--

S.F. No. 3226: A bill for an act relating to health; requiring the commissioner of health to establish a program to monitor and assess the impact of long COVID; making appropriations for community health workers, pandemic delayed preventative care, and long COVID; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Senators Hoffman, Pha, Abeler, Lieske, and Westlin introduced--

S.F. No. 3227: A bill for an act relating to arts and cultural heritage; appropriating money for documenting Vietnam War personal and historical accounts.

Referred to the Committee on Environment, Climate, and Legacy.

Senator Mathews introduced--

S.F. No. 3228: A bill for an act relating to taxation; sales and use; providing a refundable construction exemption for Becker Public School District.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Pappas moved that the name of Senator Dziejdzic be added as a co-author to Senate Resolution No. 30. The motion prevailed.

Senator Champion moved that the name of Senator Boldon be added as a co-author to S.F. No. 55. The motion prevailed.

Senator Lucero moved that the name of Senator Gruenhagen be added as a co-author to S.F. No. 2278. The motion prevailed.

Senator Frentz moved that the name of Senator Rasmusson be added as a co-author to S.F. No. 3016. The motion prevailed.

Senator Xiong moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Mitchell be added as chief author to S.F. No. 3039. The motion prevailed.

Senator Murphy moved that the name of Senator McEwen be added as a co-author to S.F. No. 3177. The motion prevailed.

MEMBERS EXCUSED

Senators Bahr, Coleman, Duckworth, Farnsworth, Housley, Lang, Latz, Lucero, Weber, Wesenberg, and Westrom were excused from the Session of today.

ADJOURNMENT

Senator Boldon moved that the Senate do now adjourn until 12:00 noon, Tuesday, April 11, 2023. The motion prevailed.

Thomas S. Bottern, Secretary of the Senate