

A bill for an act

relating to the state budget; balancing proposed general fund spending and anticipated general fund revenue; modifying certain payment schedules to improve cash flow; making reductions in appropriations for E-12 education, higher education, environment and natural resources, energy and commerce, agriculture, economic development, transportation, public safety, state government, human services, and health; modifying calculation of state tax aids and credits; providing for deposit of certain receipts in the special revenue fund rather than the general fund; adding a fourth tier to income tax rates; appropriating money; amending Minnesota Statutes 2008, sections 3.9741, subdivision 2; 8.15, subdivision 3; 13.03, subdivision 10; 16C.23, subdivision 6; 103B.101, subdivision 9; 103I.681, subdivision 11; 116J.551, subdivision 1; 123B.75, subdivisions 5, 9, by adding a subdivision; 126C.48, subdivision 7; 127A.441; 127A.45, subdivisions 2, 13; 127A.46; 190.32; 256B.76, subdivision 4; 257.69, subdivision 2; 260C.331, subdivision 6; 273.1384, subdivision 6, as added; 276.112; 289A.60, by adding a subdivision; 290.06, subdivision 2d; 299C.48; 299E.02; 446A.086, subdivision 2, as amended; 469.177, subdivision 11; 518.165, subdivision 3; 609.3241; 611.20, subdivision 3; Minnesota Statutes 2009 Supplement, sections 123B.54; 137.025, subdivision 1; 256B.056, subdivision 3c; 256B.0659, subdivision 11; 256B.441, subdivision 55; 256B.69, subdivision 5a; 256B.76, subdivision 1; 256B.766; 270.97; 289A.20, subdivision 4; 290.06, subdivision 2c; Laws 1994, chapter 531, section 1; Laws 2009, chapter 79, article 13, sections 3, subdivision 8, as amended; 4, subdivision 4, as amended; Laws 2009, chapter 96, article 1, section 24, subdivisions 2, 5, 6, 7; article 2, section 67, subdivisions 2, 3, 4, 7, 9; article 3, section 21, subdivisions 2, 3, 4, 5; article 4, section 12, subdivisions 2, 3, 4, 6; article 5, section 13, subdivisions 4, 6, 7, 9; article 6, section 11, subdivisions 2, 3, 4, 6, 7, 8, 9, 12; article 7, section 3, subdivision 2; Laws 2010, chapter 215, article 3, section 3, subdivision 6; article 13, section 6; proposing coding for new law in Minnesota Statutes, chapter 477A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

SUMMARY

Section 1. **GENERAL FUND SUMMARY.**

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

2.1 The amounts shown in this section summarize general fund direct and open
2.2 appropriations, and transfers into the general fund from other funds, made in this act, after
2.3 forecast adjustments and after voiding certain allotment reductions.

	<u>2010</u>	<u>2011</u>	<u>Total</u>	
2.4				
2.5	<u>E-12 Education</u>	\$ (1,069,361,000)	\$ (686,073,000)	\$ (1,755,434,000)
2.6	<u>Higher Education</u>	(77,000)	(100,077,000)	(100,154,000)
2.7	<u>Environment and Natural</u>			
2.8	<u>Resources</u>	(1,571,000)	(1,564,000)	(3,135,000)
2.9	<u>Energy</u>	(247,000)	(247,000)	(494,000)
2.10	<u>Agriculture</u>	(493,000)	(492,000)	(985,000)
2.11	<u>Economic Development</u>	(745,000)	(745,000)	(1,490,000)
2.12	<u>Transportation</u>	(1,649,000)	(1,649,000)	(3,298,000)
2.13	<u>Public Safety</u>	(79,000)	(79,000)	(158,000)
2.14	<u>State Government</u>	(1,694,000)	(1,820,000)	(3,514,000)
2.15	<u>Health & Human Services</u>	(74,704,000)	(75,150,000)	(149,854,000)
2.16	<u>Tax Aids and Credits</u>	(103,986,000)	(260,504,000)	(364,490,000)
2.17	<u>Subtotal of Appropriations</u>	(1,254,530,000)	(1,128,400,000)	(2,382,930,000)
2.18	<u>Transfers In</u>	40,418,000	-0-	40,418,000
2.19	<u>Total</u>	\$ (1,294,948,000)	\$ (1,128,400,000)	\$ (2,423,348,000)

2.20 **Sec. 2. ALLOTMENT REDUCTIONS VOID.**

2.21 The allotment reductions made by the commissioner of management and budget
2.22 from July 1, 2009, to the effective date of this section are void.

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

2.24 **ARTICLE 2**

2.25 **CASH FLOW**

2.26 Section 1. Minnesota Statutes 2008, section 127A.46, is amended to read:

2.27 **127A.46 CHANGE IN PAYMENT OF AIDS AND CREDITS.**

2.28 If the commissioner of management and budget determines that modifications in the
2.29 payment schedule would reduce the need for state short-term borrowing, the commissioner
2.30 ~~shall~~ may modify payments to districts according to this section. The modifications must
2.31 begin no sooner than September 1 of each fiscal year, and must remain in effect until no
2.32 later than May 30 of that same fiscal year. In calculating the payment to a district pursuant
2.33 to section 127A.45, subdivision 3, the commissioner may subtract the sum specified in
2.34 that subdivision, plus an additional amount no greater than the following:

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

3.1 (1) the net cash balance in each of the district's operating funds on June 30 of the
3.2 preceding fiscal year; minus

3.3 (2) the product of ~~\$150~~ \$700 times the number of resident pupil units in the
3.4 preceding fiscal year; minus

3.5 (3) the amount of payments made by the county treasurer during the preceding fiscal
3.6 year, pursuant to section 276.11, which is considered revenue for the current school year.
3.7 However, no additional amount shall be subtracted if the total of the net unappropriated
3.8 fund balances in the district's four operating funds on June 30 of the preceding fiscal year,
3.9 is less than the product of ~~\$350~~ \$700 times the number of resident pupil units in the
3.10 preceding fiscal year. The net cash balance must include all cash and investments, less
3.11 certificates of indebtedness outstanding, and orders not paid for want of funds.

3.12 A district may appeal the payment schedule established by this section according to
3.13 the procedures established in section 127A.45, subdivision 4.

3.14 Sec. 2. Minnesota Statutes 2009 Supplement, section 137.025, subdivision 1, is
3.15 amended to read:

3.16 Subdivision 1. **Monthly payments.** The commissioner of management and budget
3.17 shall pay 1/12 of the annual appropriation to the University of Minnesota ~~on~~ by the ~~21st~~
3.18 25th day of each month. If the ~~21st~~ 25th day of the month falls on a Saturday or Sunday,
3.19 the monthly payment must be made ~~on~~ by the first business day immediately following
3.20 the ~~21st~~ 25th day of the month.

3.21 Sec. 3. Minnesota Statutes 2008, section 276.112, is amended to read:

3.22 **276.112 STATE PROPERTY TAXES; COUNTY TREASURER.**

3.23 ~~On or before January 25 each year, for the period ending December 31 of the~~
3.24 ~~prior year, and on or before June 28 each year, for the period ending on the most recent~~
3.25 ~~settlement day determined in section 276.09, and on or before December 2 each year, for~~
3.26 ~~the period ending November 20~~ the estimated payment and settlement dates provided in
3.27 this chapter for the settlement of taxes levied by school districts, the county treasurer must
3.28 make full settlement with the county auditor ~~according to sections 276.09, 276.10, and~~
3.29 ~~276.111~~ for all receipts of state property taxes levied under section 275.025, and must
3.30 transmit those receipts to the commissioner of revenue by electronic means on the dates
3.31 and according to the provisions applicable to distributions to school districts.

3.32 **EFFECTIVE DATE.** This section is effective for distributions beginning October
3.33 1, 2010, and thereafter.

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

4.1 Sec. 4. Minnesota Statutes 2009 Supplement, section 289A.20, subdivision 4, is
4.2 amended to read:

4.3 Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and
4.4 payable to the commissioner monthly on or before the 20th day of the month following
4.5 the month in which the taxable event occurred, or following another reporting period
4.6 as the commissioner prescribes or as allowed under section 289A.18, subdivision 4,
4.7 paragraph (f) or (g), except that:

4.8 (1) use taxes due on an annual use tax return as provided under section 289A.11,
4.9 subdivision 1, are payable by April 15 following the close of the calendar year; and

4.10 (2) except as provided in paragraph (f), for a vendor having a liability of \$120,000
4.11 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the taxes
4.12 imposed by chapter 297A, except as provided in paragraph (b), are due and payable to the
4.13 commissioner monthly in the following manner:

4.14 (i) on or before the 14th day of the month following the month in which the taxable
4.15 event occurred, the vendor must remit to the commissioner 90 percent of the estimated
4.16 liability for the month in which the taxable event occurred; and

4.17 (ii) on or before the 20th day of the month following the month in which the taxable
4.18 event occurred, the vendor must pay any additional amount of tax not remitted on or
4.19 before the 14th day of the month following the month in which the taxable event occurred.

4.20 (b) Notwithstanding paragraph (a), a vendor having a liability of \$120,000 or more
4.21 during a fiscal year ending June 30 must remit the June liability for the next year in the
4.22 following manner:

4.23 (1) Two business days before June 30 of the year, the vendor must remit 90 percent
4.24 of the estimated June liability to the commissioner.

4.25 (2) On or before August 20 of the year, the vendor must pay any additional amount
4.26 of tax not remitted in June.

4.27 (c) A vendor having a liability of:

4.28 ~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~

4.29 ~~(2) \$10,000 or more in the~~ \$10,000 or more in the, but less than \$120,000 during a fiscal year ending June
4.30 30, 2006 2009, and fiscal years thereafter, must remit by electronic means all liabilities on
4.31 returns due for periods beginning in the subsequent calendar year by electronic means
4.32 on or before the 20th day of the month following the month in which the taxable event
4.33 occurred, or on or before the 20th day of the month following the month in which the sale
4.34 is reported under section 289A.18, subdivision 4, except for 90 percent of the estimated
4.35 June liability, which is due two business days before June 30. The remaining amount of
4.36 the June liability is due on August 20; or

5.1 (2) \$120,000 or more, during a fiscal year ending June 30, 2009, and fiscal years
5.2 thereafter, must remit by electronic means all liabilities in the manner provided in
5.3 paragraph (a), clause (2), on returns due for periods beginning in the subsequent calendar
5.4 year, except for 90 percent of the estimated June liability, which is due two business days
5.5 before June 30. The remaining amount of the June liability is due on August 20.

5.6 (d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's
5.7 religious beliefs from paying electronically shall be allowed to remit the payment by mail.
5.8 The filer must notify the commissioner of revenue of the intent to pay by mail before
5.9 doing so on a form prescribed by the commissioner. No extra fee may be charged to a
5.10 person making payment by mail under this paragraph. The payment must be postmarked
5.11 at least two business days before the due date for making the payment in order to be
5.12 considered paid on a timely basis.

5.13 (e) Whenever the liability is \$120,000 or more separately for (1) the tax imposed
5.14 under chapter 297A; (2) a fee that is to be reported on the same return as and paid with the
5.15 chapter 297A taxes; or (3) any other tax that is to be reported on the same return as and
5.16 paid with the chapter 297A taxes, then the payment of all the liabilities on the return must
5.17 be accelerated as provided in this subdivision.

5.18 (f) At the start of the first calendar quarter at least 90 days after the cash flow
5.19 account established in section 16A.152, subdivision 1, and the budget reserve account
5.20 established in section 16A.152, subdivision 1a, reach the amounts listed in section
5.21 16A.152, subdivision 2, paragraph (a), the remittance of estimated sales tax collections
5.22 by the 14th day of a month required under paragraph (a), clause (2), shall be suspended.
5.23 The commissioner of management and budget shall notify the commissioner of revenue
5.24 when the accounts have reached the required amounts. Beginning with the suspension
5.25 of paragraph (a), clause (2), for a vendor with a liability of \$120,000 or more during a
5.26 fiscal year ending June 30, 2009, and fiscal years thereafter, the taxes imposed by chapter
5.27 297A are due and payable to the commissioner on the 20th day of the month following the
5.28 month in which the taxable event occurred. Payments of tax liabilities for taxable events
5.29 occurring in June under paragraph (b) are not changed.

5.30 **EFFECTIVE DATE.** This section is effective for taxes due and payable after
5.31 September 1, 2010.

5.32 Sec. 5. Minnesota Statutes 2008, section 289A.60, is amended by adding a subdivision
5.33 to read:

5.34 **Subd. 31. Accelerated payment of monthly sales tax liability; penalty for**
5.35 **underpayment.** For payments made after September 1, 2010, if a vendor is required

6.1 by section 289A.20, subdivision 4, to remit a 90 percent payment by the 14th day of
6.2 the month following the month in which the taxable event occurred, as an estimation
6.3 of monthly sales tax liabilities, including the liability of any fee or other tax that is to
6.4 be reported on the same return as and paid with the chapter 297A taxes, for the month
6.5 in which the taxable event occurred, the vendor shall pay a penalty equal to ten percent
6.6 of the amount of liability that was required to be paid by the 14th day of the month less
6.7 the amount remitted by the 14th day of the month. The penalty must not be imposed,
6.8 however, if the amount remitted by the 14th day of the month equals the lesser of (1) 90
6.9 percent of the liability for the month preceding the month in which the taxable event
6.10 occurred; (2) 90 percent of the liability for the same month in the previous calendar year
6.11 as the month in which the taxable event occurred; or (3) 90 percent of the average monthly
6.12 liability for the previous calendar year.

6.13 **EFFECTIVE DATE.** This section is effective for taxes due and payable after
6.14 September 1, 2010.

6.15 **ARTICLE 3**

6.16 **E-12 EDUCATION**

6.17 Section 1. Minnesota Statutes 2008, section 123B.75, is amended by adding a
6.18 subdivision to read:

6.19 Subd. 1a. **Definition.** For the purposes of this section, "school district tax settlement
6.20 revenue" means the current, delinquent, and manufactured home property tax receipts
6.21 collected by the county and distributed to the school district.

6.22 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

6.23 Sec. 2. Minnesota Statutes 2008, section 123B.75, subdivision 5, is amended to read:

6.24 ~~Subd. 5. **Levy recognition.** (a) "School district tax settlement revenue" means the~~
6.25 ~~current, delinquent, and manufactured home property tax receipts collected by the county~~
6.26 ~~and distributed to the school district.~~

6.27 ~~(b)~~ For fiscal year ~~2004 and later~~ years 2009 and 2010, in June of each year, the
6.28 school district must recognize as revenue, in the fund for which the levy was made, the
6.29 lesser of:

6.30 (1) the sum of May, June, and July school district tax settlement revenue received in
6.31 that calendar year, plus general education aid according to section 126C.13, subdivision
6.32 4, received in July and August of that calendar year; or

6.33 (2) the sum of:

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

7.1 (i) 31 percent of the referendum levy certified according to section 126C.17, in
7.2 calendar year 2000; and

7.3 (ii) the entire amount of the levy certified in the prior calendar year according to
7.4 section 124D.86, subdivision 4, for school districts receiving revenue under sections
7.5 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph
7.6 (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48,
7.7 subdivision 6; plus

7.8 (iii) zero percent of the amount of the levy certified in the prior calendar year for the
7.9 school district's general and community service funds, plus or minus auditor's adjustments,
7.10 not including the levy portions that are assumed by the state, that remains after subtracting
7.11 the referendum levy certified according to section 126C.17 and the amount recognized
7.12 according to item (ii).

7.13 (b) For fiscal year 2011 and later years, in June of each year, the school district must
7.14 recognize as revenue, in the fund for which the levy was made, the lesser of:

7.15 (1) the sum of May, June, and July school district tax settlement revenue received in
7.16 that calendar year, plus general education aid according to section 126C.13, subdivision
7.17 4, received in July and August of that calendar year; or

7.18 (2) the sum of:

7.19 (i) the greater of 48.6 percent of the referendum levy certified according to section
7.20 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified
7.21 according to section 126C.17 in calendar year 2000; plus

7.22 (ii) the entire amount of the levy certified in the prior calendar year according to
7.23 section 124D.86, subdivision 4, for school districts receiving revenue under sections
7.24 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph
7.25 (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48,
7.26 subdivision 6; plus

7.27 (iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the
7.28 school district's general and community service funds, plus or minus auditor's adjustments,
7.29 not including the levy portions that are assumed by the state, that remains after subtracting
7.30 the referendum levy certified according to section 126C.17 and the amount recognized
7.31 according to item (ii).

7.32 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

7.33 Sec. 3. Minnesota Statutes 2008, section 123B.75, subdivision 9, is amended to read:

7.34 Subd. 9. **Commissioner shall specify fiscal year.** The commissioner shall specify
7.35 the fiscal year or years to which the revenue from any aid or tax levy is applicable if

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

8.1 Minnesota Statutes do not so specify. The commissioner must report to the chairs and
8.2 ranking minority members of the house of representatives and senate committees with
8.3 jurisdiction over education finance by January 15 of each year any adjustments under this
8.4 subdivision in the previous year.

8.5 Sec. 4. Minnesota Statutes 2008, section 126C.48, subdivision 7, is amended to read:

8.6 Subd. 7. **Reporting.** For each tax settlement, the county auditor shall report to each
8.7 school district by fund, the district tax settlement revenue defined in section 123B.75,
8.8 subdivision 5, ~~paragraph (a)~~ 1a, on the form specified in section 276.10. The county auditor
8.9 shall send to the district a copy of the spread levy report specified in section 275.124.

8.10 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

8.11 Sec. 5. Minnesota Statutes 2008, section 127A.441, is amended to read:

8.12 **127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.**

8.13 Each year, the state aids payable to any school district for that fiscal year that are
8.14 recognized as revenue in the school district's general and community service funds shall
8.15 be adjusted by an amount equal to (1) the amount the district recognized as revenue for the
8.16 prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b), minus (2)
8.17 the amount the district recognized as revenue for the current fiscal year pursuant to section
8.18 123B.75, subdivision 5, paragraph (a) or (b). For purposes of making the aid adjustments
8.19 under this section, the amount the district recognizes as revenue for either the prior fiscal
8.20 year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b),
8.21 shall not include any amount levied pursuant to section 124D.86, subdivision 4, for school
8.22 districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3);
8.23 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2;
8.24 126C.457; and 126C.48, subdivision 6. Payment from the permanent school fund shall not
8.25 be adjusted pursuant to this section. The school district shall be notified of the amount of
8.26 the adjustment made to each payment pursuant to this section.

8.27 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

8.28 Sec. 6. Minnesota Statutes 2008, section 127A.45, subdivision 2, is amended to read:

8.29 Subd. 2. **Definitions.** (a) ~~The term~~ "Other district receipts" means payments by
8.30 county treasurers pursuant to section 276.10, apportionments from the school endowment
8.31 fund pursuant to section 127A.33, apportionments by the county auditor pursuant to

9.1 section 127A.34, subdivision 2, and payments to school districts by the commissioner of
9.2 revenue pursuant to chapter 298.

9.3 (b) ~~The term~~ "Cumulative amount guaranteed" means the product of

9.4 (1) the cumulative disbursement percentage shown in subdivision 3; times

9.5 (2) the sum of

9.6 (i) the current year aid payment percentage of the estimated aid and credit

9.7 entitlements paid according to subdivision 13; plus

9.8 (ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

9.9 (iii) the other district receipts.

9.10 (c) ~~The term~~ "Payment date" means the date on which state payments to districts
9.11 are made by the electronic funds transfer method. If a payment date falls on a Saturday,
9.12 a Sunday, or a weekday which is a legal holiday, the payment shall be made on the
9.13 immediately preceding business day. The commissioner may make payments on dates
9.14 other than those listed in subdivision 3, but only for portions of payments from any
9.15 preceding payment dates which could not be processed by the electronic funds transfer
9.16 method due to documented extenuating circumstances.

9.17 (d) The current year aid payment percentage equals 73 in fiscal years 2010 and
9.18 2011 and 90 in fiscal years 2012 and later.

9.19 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

9.20 Sec. 7. Minnesota Statutes 2008, section 127A.45, subdivision 13, is amended to read:

9.21 Subd. 13. **Aid payment percentage.** Except as provided in subdivisions 11, 12, 12a,
9.22 and 14, each fiscal year, all education aids and credits in this chapter and chapters 120A,
9.23 120B, 121A, 122A, 123A, 123B, 124D, 125A, 125B, 126C, 134, and section 273.1392,
9.24 shall be paid at the current year aid payment percentage of the estimated entitlement during
9.25 the fiscal year of the entitlement. ~~For the purposes of this subdivision, a district's estimated~~
9.26 ~~entitlement for special education excess cost aid under section 125A.79 for fiscal year~~
9.27 ~~2005 equals 70 percent of the district's entitlement for the second prior fiscal year.~~ For the
9.28 purposes of this subdivision, a district's estimated entitlement for special education excess
9.29 cost aid under section 125A.79 for fiscal year 2006 and later equals 74.0 percent of the
9.30 district's entitlement for the current fiscal year. The final adjustment payment, according
9.31 to subdivision 9, must be the amount of the actual entitlement, after adjustment for actual
9.32 data, minus the payments made during the fiscal year of the entitlement.

9.33 Sec. 8. Laws 2009, chapter 96, article 1, section 24, subdivision 2, is amended to read:

10.1 Subd. 2. **General education aid.** For general education aid under Minnesota
10.2 Statutes, section 126C.13, subdivision 4:

10.3 ~~5,195,504,000~~
10.4 \$ 4,291,422,000 2010
10.5 ~~5,626,994,000~~
10.6 \$ 4,947,948,000 2011

10.7 The 2010 appropriation includes ~~\$555,864,000~~ \$553,591,000 for 2009 and
10.8 ~~\$4,639,640,000~~ \$3,737,831,000 for 2010.

10.9 The 2011 appropriation includes ~~\$500,976,000~~ \$1,363,306,000 for 2010 and
10.10 ~~\$5,126,018,000~~ \$3,584,642,000 for 2011.

10.11 Sec. 9. Laws 2009, chapter 96, article 6, section 11, subdivision 6, is amended to read:

10.12 Subd. 6. **Educate parents partnership.** For the educate parents partnership under
10.13 Minnesota Statutes, section 124D.129:

10.14 \$ ~~50,000~~ 49,000 2010
10.15 \$ ~~50,000~~ 49,000 2011

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

10.17 Sec. 10. Laws 2009, chapter 96, article 6, section 11, subdivision 7, is amended to read:

10.18 Subd. 7. **Kindergarten entrance assessment initiative and intervention**
10.19 **program.** For the kindergarten entrance assessment initiative and intervention program
10.20 under Minnesota Statutes, section 124D.162:

10.21 \$ ~~287,000~~ 281,000 2010
10.22 \$ ~~287,000~~ 281,000 2011

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

10.24 Sec. 11. Laws 2009, chapter 96, article 7, section 3, subdivision 2, is amended to read:

10.25 Subd. 2. **Department.** (a) For the Department of Education:

10.26 ~~20,943,000~~
10.27 \$ 20,147,600 2010
10.28 ~~20,943,000~~
10.29 \$ 19,811,000 2011

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

10.31 (b) \$260,000 each year is for the Minnesota Children's Museum.

10.32 (c) \$41,000 each year is for the Minnesota Academy of Science.

10.33 (d) ~~\$632,000~~ \$618,000 each year is for the Board of Teaching. Any balance in the
10.34 first year does not cancel but is available in the second year.

11.1 (e) ~~\$171,000~~ \$167,000 each year is for the Board of School Administrators. Any
11.2 balance in the first year does not cancel but is available in the second year.

11.3 (f) ~~\$40,000 each year~~ \$10,000 is for an early hearing loss intervention coordinator
11.4 under Minnesota Statutes, section 125A.63, subdivision 5. This appropriation is for
11.5 fiscal year 2010 only. If the department expends federal funds to employ a hearing
11.6 loss coordinator under Minnesota Statutes, section 125A.63, subdivision 5, then the
11.7 appropriation under this paragraph is reallocated for purposes of employing a world
11.8 languages coordinator.

11.9 (g) \$50,000 each year is for the Duluth Children's Museum.

11.10 (h) None of the amounts appropriated under this subdivision may be used for
11.11 Minnesota's Washington, D.C., office.

11.12 (i) The expenditures of federal grants and aids as shown in the biennial budget
11.13 document and its supplements are approved and appropriated and shall be spent as
11.14 indicated. The commissioner must provide, to the K-12 Education Finance Division in
11.15 the house of representatives and the E-12 Budget Division in the senate, details about the
11.16 distribution of state incentive grants, education technology state grants, teacher incentive
11.17 funds, and statewide data system funds as outlined in the supplemental federal funds
11.18 submission dated March 25, 2009.

11.19 Sec. 12. **ADVANCE FINAL PAYMENT; FISCAL YEARS 2010 AND 2011.**

11.20 (a) Notwithstanding Minnesota Statutes, section 127A.45, subdivisions 3 and
11.21 7, for fiscal years 2010 and 2011 only, a school district or charter school exceeding its
11.22 expenditure limitations under Minnesota Statutes, section 123B.83, as of June 30, 2009, or
11.23 June 30, 2010, may receive a portion of its final payment for the current fiscal year on
11.24 June 20, if requested by the district or charter school. The amount paid under this section
11.25 must not exceed the lesser of:

11.26 (1) the difference between 90 percent and the current year aid payment percentage
11.27 under Minnesota Statutes, section 127A.45, subdivision 2, paragraph (d), in the current
11.28 fiscal year times the sum of the district or charter school's general education aid plus the
11.29 aid adjustment in Minnesota Statutes, section 127A.50, for the current fiscal year; or

11.30 (2) the amount by which the district or charter school's net negative unreserved
11.31 general fund balance as of June 30 of the prior fiscal year exceeds 2.5 percent of the
11.32 district or charter school's expenditures for that fiscal year.

11.33 (b) The state total advance final payment under this subdivision for any fiscal year
11.34 must not exceed \$7,500,000. If the amount exceeds \$7,500,000, the advance final payment
11.35 for each eligible district must be reduced proportionately.

12.1 EFFECTIVE DATE. This section is effective retroactively from July 1, 2009.

12.2 **ARTICLE 4**

12.3 **E-12 EDUCATION FORECAST ADJUSTMENTS**

12.4 Section 1. Minnesota Statutes 2009 Supplement, section 123B.54, is amended to read:

12.5 **123B.54 DEBT SERVICE APPROPRIATION.**

12.6 (a) ~~\$9,109,000 in fiscal year 2009, \$7,948,000 in fiscal year 2010, \$9,275,000 in~~
12.7 ~~fiscal year 2011, \$9,574,000~~ \$16,900,000 in fiscal year 2012, and ~~\$8,904,000~~ \$19,175,000
12.8 in fiscal year 2013 and later are appropriated from the general fund to the commissioner of
12.9 education for payment of debt service equalization aid under section 123B.53.

12.10 (b) The appropriations in paragraph (a) must be reduced by the amount of any
12.11 money specifically appropriated for the same purpose in any year from any state fund.

12.12 Sec. 2. Laws 2009, chapter 96, article 1, section 24, subdivision 5, is amended to read:

12.13 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota
12.14 Statutes, section 123A.485:

12.15 \$ ~~854,000~~ 684,000 2010

12.16 \$ ~~927,000~~ 590,000 2011

12.17 The 2010 appropriation includes \$0 for 2009 and ~~\$854,000~~ \$684,000 for 2010.

12.18 The 2011 appropriation includes ~~\$94,000~~ \$252,000 for 2010 and ~~\$833,000~~ \$338,000
12.19 for 2011.

12.20 Sec. 3. Laws 2009, chapter 96, article 1, section 24, subdivision 6, is amended to read:

12.21 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
12.22 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

12.23 ~~17,250,000~~
12.24 \$ 12,861,000 2010

12.25 ~~17,889,000~~
12.26 \$ 16,663,000 2011

12.27 The 2010 appropriation includes ~~\$1,647,000~~ \$1,067,000 for 2009 and ~~\$15,603,000~~
12.28 \$11,794,000 for 2010.

12.29 The 2011 appropriation includes ~~\$1,733,000~~ \$4,362,000 for 2010 and ~~\$16,156,000~~
12.30 \$12,301,000 for 2011.

12.31 Sec. 4. Laws 2009, chapter 96, article 1, section 24, subdivision 7, is amended to read:

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

13.1 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
13.2 under Minnesota Statutes, section 123B.92, subdivision 9:

13.3 ~~22,159,000~~
13.4 \$ 17,297,000 2010
13.5 ~~22,712,000~~
13.6 \$ 20,333,000 2011

13.7 The 2010 appropriation includes \$2,077,000 for 2009 and ~~\$20,082,000~~ \$15,220,000
13.8 for 2010.

13.9 The 2011 appropriation includes ~~\$2,231,000~~ \$5,629,000 for 2010 and ~~\$20,481,000~~
13.10 \$14,704,000 for 2011.

13.11 Sec. 5. Laws 2009, chapter 96, article 2, section 67, subdivision 2, is amended to read:

13.12 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
13.13 Statutes, section 124D.11, subdivision 4:

13.14 ~~40,453,000~~
13.15 \$ 34,833,000 2010
13.16 ~~44,775,000~~
13.17 \$ 46,370,000 2011

13.18 The 2010 appropriation includes \$3,704,000 for 2009 and ~~\$36,749,000~~ \$31,129,000
13.19 for 2010.

13.20 The 2011 appropriation includes ~~\$4,083,000~~ \$11,513,000 for 2010 and ~~\$40,692,000~~
13.21 \$34,857,000 for 2011.

13.22 Sec. 6. Laws 2009, chapter 96, article 2, section 67, subdivision 3, is amended to read:

13.23 Subd. 3. **Charter school startup aid.** For charter school startup cost aid under
13.24 Minnesota Statutes, section 124D.11:

13.25 ~~1,488,000~~
13.26 \$ 1,218,000 2010
13.27 ~~1,064,000~~
13.28 \$ 759,000 2011

13.29 The 2010 appropriation includes \$202,000 for 2009 and ~~\$1,286,000~~ \$1,016,000
13.30 for 2010.

13.31 The 2011 appropriation includes ~~\$142,000~~ \$375,000 for 2010 and ~~\$922,000~~
13.32 \$384,000 for 2011.

13.33 Sec. 7. Laws 2009, chapter 96, article 2, section 67, subdivision 4, is amended to read:

13.34 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
13.35 124D.86, subdivision 5:

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

14.1 ~~65,358,000~~
14.2 \$ 50,812,000 2010
14.3 ~~65,484,000~~
14.4 \$ 63,717,000 2011

14.5 The 2010 appropriation includes ~~\$6,110,000~~ \$5,832,000 for 2009 and ~~\$59,248,000~~
14.6 \$44,980,000 for 2010.

14.7 The 2011 appropriation includes ~~\$6,583,000~~ \$16,636,000 for 2010 and ~~\$58,901,000~~
14.8 \$47,081,000 for 2011.

14.9 Sec. 8. Laws 2009, chapter 96, article 2, section 67, subdivision 7, is amended to read:

14.10 Subd. 7. **Success for the future.** For American Indian success for the future grants
14.11 under Minnesota Statutes, section 124D.81:

14.12 ~~2,137,000~~
14.13 \$ 1,774,000 2010
14.14 \$ 2,137,000 2011

14.15 The 2010 appropriation includes \$213,000 for 2009 and ~~\$1,924,000~~ \$1,561,000
14.16 for 2010.

14.17 The 2011 appropriation includes ~~\$213,000~~ \$576,000 for 2010 and ~~\$1,924,000~~
14.18 \$1,561,000 for 2011.

14.19 Sec. 9. Laws 2009, chapter 96, article 2, section 67, subdivision 9, is amended to read:

14.20 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
14.21 Statutes, section 124D.83:

14.22 ~~2,030,000~~
14.23 \$ 1,702,000 2010
14.24 ~~2,211,000~~
14.25 \$ 2,186,000 2011

14.26 The 2010 appropriation includes \$191,000 for 2009 and ~~\$1,839,000~~ \$1,511,000
14.27 for 2010.

14.28 The 2011 appropriation includes ~~\$204,000~~ \$558,000 for 2010 and ~~\$2,007,000~~
14.29 \$1,628,000 for 2011.

14.30 Sec. 10. Laws 2009, chapter 96, article 3, section 21, subdivision 2, is amended to read:

14.31 Subd. 2. **Special education; regular.** For special education aid under Minnesota
14.32 Statutes, section 125A.75:

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

15.1 ~~734,071,000~~
15.2 \$ 609,003,000 2010
15.3 ~~781,497,000~~
15.4 \$ 772,845,000 2011

15.5 The 2010 appropriation includes \$71,947,000 for 2009 and ~~\$662,124,000~~
15.6 \$537,056,000 for 2010.

15.7 The 2011 appropriation includes ~~\$73,569,000~~ \$198,637,000 for 2010 and
15.8 ~~\$707,928,000~~ \$574,208,000 for 2011.

15.9 Sec. 11. Laws 2009, chapter 96, article 3, section 21, subdivision 3, is amended to read:

15.10 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,
15.11 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
15.12 within the district boundaries for whom no district of residence can be determined:

15.13 ~~1,717,000~~
15.14 \$ 1,125,000 2010
15.15 ~~1,895,000~~
15.16 \$ 1,193,000 2011

15.17 If the appropriation for either year is insufficient, the appropriation for the other
15.18 year is available.

15.19 Sec. 12. Laws 2009, chapter 96, article 3, section 21, subdivision 4, is amended to read:

15.20 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
15.21 services under Minnesota Statutes, section 125A.75, subdivision 1:

15.22 \$ ~~258,000~~ 224,000 2010
15.23 \$ ~~282,000~~ 291,000 2011

15.24 The 2010 appropriation includes \$24,000 for 2009 and ~~\$234,000~~ \$200,000 for 2010.

15.25 The 2011 appropriation includes ~~\$26,000~~ \$73,000 for 2010 and ~~\$256,000~~ \$218,000
15.26 for 2011.

15.27 Sec. 13. Laws 2009, chapter 96, article 3, section 21, subdivision 5, is amended to read:

15.28 Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota
15.29 Statutes, section 125A.79, subdivision 7:

15.30 ~~110,871,000~~
15.31 \$ 96,926,000 2010
15.32 ~~110,877,000~~
15.33 \$ 110,871,000 2011

15.34 The 2010 appropriation includes \$37,046,000 for 2009 and ~~\$73,825,000~~ \$59,880,000
15.35 for 2010.

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

16.1 The 2011 appropriation includes ~~\$37,022,000~~ \$50,967,000 for 2010 and ~~\$73,855,000~~
16.2 \$59,904,000 for 2011.

16.3 Sec. 14. Laws 2009, chapter 96, article 4, section 12, subdivision 2, is amended to read:

16.4 Subd. 2. **Health and safety revenue.** For health and safety aid according to
16.5 Minnesota Statutes, section 123B.57, subdivision 5:

16.6 \$ ~~161,000~~ 132,000 2010

16.7 \$ ~~160,000~~ 139,000 2011

16.8 The 2010 appropriation includes \$10,000 for 2009 and ~~\$151,000~~ \$122,000 for 2010.

16.9 The 2011 appropriation includes ~~\$16,000~~ \$44,000 for 2010 and ~~\$144,000~~ \$95,000
16.10 for 2011.

16.11 Sec. 15. Laws 2009, chapter 96, article 4, section 12, subdivision 3, is amended to read:

16.12 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
16.13 Statutes, section 123B.53, subdivision 6:

16.14 ~~7,948,000~~
16.15 \$ 6,608,000 2010

16.16 ~~9,275,000~~
16.17 \$ 8,465,000 2011

16.18 The 2010 appropriation includes \$851,000 for 2009 and ~~\$7,097,000~~ \$5,757,000
16.19 for 2010.

16.20 The 2011 appropriation includes ~~\$788,000~~ \$2,128,000 for 2010 and ~~\$8,487,000~~
16.21 \$6,337,000 for 2011.

16.22 Sec. 16. Laws 2009, chapter 96, article 4, section 12, subdivision 4, is amended to read:

16.23 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,
16.24 according to Minnesota Statutes, section 123B.59, subdivision 1:

16.25 ~~19,287,000~~
16.26 \$ 16,008,000 2010

16.27 \$ 19,287,000 2011

16.28 The 2010 appropriation includes \$1,928,000 for 2009 and ~~\$17,359,000~~ \$14,080,000
16.29 for 2010.

16.30 The 2011 appropriation includes ~~\$1,928,000~~ \$5,207,000 for 2010 and ~~\$17,359,000~~
16.31 \$14,080,000 for 2011.

16.32 Sec. 17. Laws 2009, chapter 96, article 4, section 12, subdivision 6, is amended to read:

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

17.1 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
17.2 Minnesota Statutes, section 123B.591, subdivision 4:

17.3 ~~2,302,000~~
17.4 \$ 1,918,000 2010
17.5 ~~2,073,000~~
17.6 \$ 2,211,000 2011

17.7 The 2010 appropriation includes \$260,000 for 2009 and ~~\$2,042,000~~ \$1,658,000
17.8 for 2010.

17.9 The 2011 appropriation includes ~~\$226,000~~ \$613,000 for 2010 and ~~\$1,847,000~~
17.10 \$1,598,000 for 2011.

17.11 Sec. 18. Laws 2009, chapter 96, article 5, section 13, subdivision 4, is amended to read:

17.12 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
17.13 section 124D.118:

17.14 ~~1,098,000~~
17.15 \$ 1,104,000 2010
17.16 ~~1,120,000~~
17.17 \$ 1,126,000 2011

17.18 Sec. 19. Laws 2009, chapter 96, article 5, section 13, subdivision 6, is amended to read:

17.19 Subd. 6. **Basic system support.** For basic system support grants under Minnesota
17.20 Statutes, section 134.355:

17.21 ~~13,570,000~~
17.22 \$ 11,264,000 2010
17.23 \$ 13,570,000 2011

17.24 The 2010 appropriation includes \$1,357,000 for 2009 and ~~\$12,213,000~~ \$9,907,000
17.25 for 2010.

17.26 The 2011 appropriation includes ~~\$1,357,000~~ \$3,663,000 for 2010 and ~~\$12,213,000~~
17.27 \$9,907,000 for 2011.

17.28 Sec. 20. Laws 2009, chapter 96, article 5, section 13, subdivision 7, is amended to read:

17.29 Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota
17.30 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

17.31 ~~1,300,000~~
17.32 \$ 1,079,000 2010
17.33 \$ 1,300,000 2011

17.34 The 2010 appropriation includes \$130,000 for 2009 and ~~\$1,170,000~~ \$949,000 for
17.35 2010.

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

18.1 The 2011 appropriation includes ~~\$130,000~~ \$351,000 for 2010 and ~~\$1,170,000~~
18.2 \$949,000 for 2011.

18.3 Sec. 21. Laws 2009, chapter 96, article 5, section 13, subdivision 9, is amended to read:

18.4 Subd. 9. **Regional library telecommunications aid.** For regional library
18.5 telecommunications aid under Minnesota Statutes, section 134.355:

18.6		2,300,000		
18.7	\$	<u>1,909,000</u>	.....	2010
18.8	\$	2,300,000	.....	2011

18.9 The 2010 appropriation includes \$230,000 for 2009 and ~~\$2,070,000~~ \$1,679,000
18.10 for 2010.

18.11 The 2011 appropriation includes ~~\$230,000~~ \$621,000 for 2010 and ~~\$2,070,000~~
18.12 \$1,679,000 for 2011.

18.13 Sec. 22. Laws 2009, chapter 96, article 6, section 11, subdivision 2, is amended to read:

18.14 Subd. 2. **School readiness.** For revenue for school readiness programs under
18.15 Minnesota Statutes, sections 124D.15 and 124D.16:

18.16		10,095,000		
18.17	\$	<u>8,379,000</u>	.....	2010
18.18	\$	10,095,000	.....	2011

18.19 The 2010 appropriation includes \$1,009,000 for 2009 and ~~\$9,086,000~~ \$7,370,000
18.20 for 2010.

18.21 The 2011 appropriation includes ~~\$1,009,000~~ \$2,725,000 for 2010 and ~~\$9,086,000~~
18.22 \$7,370,000 for 2011.

18.23 Sec. 23. Laws 2009, chapter 96, article 6, section 11, subdivision 3, is amended to read:

18.24 Subd. 3. **Early childhood family education aid.** For early childhood family
18.25 education aid under Minnesota Statutes, section 124D.135:

18.26		22,955,000		
18.27	\$	<u>19,005,000</u>	.....	2010
18.28		22,547,000		
18.29	\$	<u>22,126,000</u>	.....	2011

18.30 The 2010 appropriation includes \$3,020,000 for 2009 and ~~\$19,935,000~~ \$15,985,000
18.31 for 2010.

18.32 The 2011 appropriation includes ~~\$2,214,000~~ \$5,911,000 for 2010 and ~~\$20,333,000~~
18.33 \$16,215,000 for 2011.

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

19.1 Sec. 24. Laws 2009, chapter 96, article 6, section 11, subdivision 4, is amended to read:

19.2 Subd. 4. **Health and developmental screening aid.** For health and developmental
19.3 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

19.4 ~~3,694,000~~
19.5 \$ 2,922,000 2010
19.6 ~~3,800,000~~
19.7 \$ 3,531,000 2011

19.8 The 2010 appropriation includes \$367,000 for 2009 and ~~\$3,327,000~~ \$2,555,000
19.9 for 2010.

19.10 The 2011 appropriation includes ~~\$369,000~~ \$945,000 for 2010 and ~~\$3,431,000~~
19.11 \$2,586,000 for 2011.

19.12 Sec. 25. Laws 2009, chapter 96, article 6, section 11, subdivision 8, is amended to read:

19.13 Subd. 8. **Community education aid.** For community education aid under
19.14 Minnesota Statutes, section 124D.20:

19.15 \$ ~~585,000~~ 476,000 2010
19.16 \$ ~~467,000~~ 486,000 2011

19.17 The 2010 appropriation includes \$73,000 for 2009 and ~~\$512,000~~ \$403,000 for 2010.

19.18 The 2011 appropriation included ~~\$56,000~~ \$148,000 for 2010 and ~~\$411,000~~ \$338,000
19.19 for 2011.

19.20 Sec. 26. Laws 2009, chapter 96, article 6, section 11, subdivision 9, is amended to read:

19.21 Subd. 9. **Adults with disabilities program aid.** For adults with disabilities
19.22 programs under Minnesota Statutes, section 124D.56:

19.23 \$ ~~710,000~~ 588,000 2010
19.24 \$ 710,000 2011

19.25 The 2010 appropriation includes ~~\$71,000~~ \$69,000 for 2009 and ~~\$639,000~~ \$519,000
19.26 for 2010.

19.27 The 2011 appropriation includes ~~\$71,000~~ \$191,000 for 2010 and ~~\$639,000~~ \$519,000
19.28 for 2011.

19.29 Sec. 27. Laws 2009, chapter 96, article 6, section 11, subdivision 12, is amended to
19.30 read:

19.31 Subd. 12. **Adult basic education aid.** For adult basic education aid under
19.32 Minnesota Statutes, section 124D.531:

20.1 ~~42,975,000~~
 20.2 \$ 35,671,000 2010
 20.3 ~~44,258,000~~
 20.4 \$ 44,065,000 2011

20.5 The 2010 appropriation includes \$4,187,000 for 2009 and ~~\$38,788,000~~ \$31,484,000
 20.6 for 2010.

20.7 The 2011 appropriation includes ~~\$4,309,000~~ \$11,644,000 for 2010 and ~~\$39,949,000~~
 20.8 \$32,421,000 for 2011.

20.9 **ARTICLE 5**

20.10 **HIGHER EDUCATION**

20.11 Section 1. **SUMMARY OF APPROPRIATIONS.**

20.12 The amounts shown in this section summarize direct appropriations, by fund, made
 20.13 in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
20.14 <u>General</u>	\$ <u>(77,000)</u>	\$ <u>(100,077,000)</u>	\$ <u>(100,154,000)</u>

20.16 Sec. 2. **APPROPRIATIONS.**

20.17 The sums shown in the columns marked "Appropriations" are added to or, if shown
 20.18 in parentheses, subtracted from the appropriations in Laws 2009, chapter 95, article 1, to
 20.19 the agencies and for the purposes specified in this article. The appropriations are from the
 20.20 general fund, or another named fund, and are available for the fiscal years indicated for
 20.21 each purpose. The figures "2010" and "2011" used in this article mean that the addition
 20.22 to or subtraction from the appropriation listed under them is available for the fiscal year
 20.23 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and
 20.24 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 20.25 day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2010</u>	<u>2011</u>

20.30 Sec. 3. **MINNESOTA OFFICE OF HIGHER**
 20.31 **EDUCATION**

\$	<u>(77,000)</u>	\$	<u>(77,000)</u>
----	-----------------	----	-----------------

20.32 This reduction is from the appropriation for
 20.33 agency administration.

21.1 If an extension of the enhanced federal
 21.2 medical assistance percentage (FMAP) under
 21.3 Public Law 111-5, section 5001, to at least
 21.4 June 30, 2011, is enacted by June 15, 2010,
 21.5 \$36,000,000 is appropriated from the general
 21.6 fund to the Minnesota Office of Higher
 21.7 Education for the state grant program, to be
 21.8 available for the fiscal year ending June 30,
 21.9 2011.

21.10 **Sec. 4. BOARD OF TRUSTEES OF THE**
 21.11 **MINNESOTA STATE COLLEGES AND**
 21.12 **UNIVERSITIES**

\$ -0- \$ (50,000,000)

21.13 \$3,579,000 of the reduction in 2011 is from
 21.14 the central offices and shared services unit
 21.15 appropriation.

21.16 \$46,421,000 of the reduction in 2011
 21.17 is from the operations and maintenance
 21.18 appropriation.

21.19 For fiscal years 2012 and 2013, the base for
 21.20 operations and maintenance is \$580,802,000
 21.21 each year.

21.22 **Sec. 5. BOARD OF REGENTS OF THE**
 21.23 **UNIVERSITY OF MINNESOTA**

21.24 **Subdivision 1. Total Appropriation** **\$ -0- \$ (50,000,000)**

21.25 The appropriation reductions for each
 21.26 purpose are shown in the following
 21.27 subdivisions.

21.28 **Subd. 2. Operations and Maintenance** **-0- (44,606,000)**

21.29 For fiscal years 2012 and 2013, the base for
 21.30 operations and maintenance is \$578,370,000
 21.31 each year.

21.32 **Subd. 3. Special Appropriations**

21.33 **(a) Agriculture and Extension Service** **-0- (3,858,000)**

22.1	<u>(b) Health Sciences</u>	-0-	(389,000)
22.2	<u>\$26,000 of the 2011 reduction is from the St.</u>		
22.3	<u>Cloud family practice residency program.</u>		
22.4	<u>(c) Institute of Technology</u>	-0-	(102,000)
22.5	<u>(d) System Special</u>	-0-	(454,000)
22.6	<u>(e) University of Minnesota and Mayo</u>		
22.7	<u>Foundation Partnership</u>	-0-	(591,000)

ARTICLE 6

ENVIRONMENT AND NATURAL RESOURCES

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize changes to direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
22.14 <u>General</u>	\$ (1,571,000)	\$ (1,564,000)	(3,135,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 37, article 1, 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 "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>

Sec. 3. POLLUTION CONTROL AGENCY

22.30	<u>Subdivision 1. Total Appropriation</u>	\$	(110,000)	\$	(99,000)
-------	---	----	-----------	----	----------

23.1 The appropriation reductions for each
 23.2 purpose are shown in the following
 23.3 subdivisions.

23.4	<u>Subd. 2. Water</u>	<u>(98,000)</u>	<u>(38,000)</u>
------	------------------------------	-----------------	-----------------

23.5 The \$98,000 reduction in fiscal year 2010
 23.6 is from the agency's activities to develop
 23.7 minimal impact design standards for urban
 23.8 stormwater runoff.

23.9	<u>Subd. 3. Land</u>	<u>-0-</u>	<u>(30,000)</u>
------	-----------------------------	------------	-----------------

23.10 The \$30,000 reduction in the second year is
 23.11 from the environmental health tracking and
 23.12 biomonitoring activities of the agency.

23.13	<u>Subd. 4. Environmental</u>		
23.14	<u>Assistance and Cross Media</u>	<u>-0-</u>	<u>(16,000)</u>

23.15	<u>Subd. 5. Administrative</u>		
23.16	<u>Support</u>	<u>(12,000)</u>	<u>(15,000)</u>

23.17 Sec. 4. **NATURAL RESOURCES**

23.18	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>(1,375,000)</u>	<u>\$</u>	<u>(1,379,000)</u>
-------	--	-----------	--------------------	-----------	--------------------

23.19 The appropriation reductions for each
 23.20 purpose are shown in the following
 23.21 subdivisions.

23.22	<u>Subd. 2. Lands and</u>		
23.23	<u>Minerals</u>	<u>(30,000)</u>	<u>(30,000)</u>

23.24	<u>Subd. 3. Water Resources</u>		
23.25	<u>Management</u>	<u>(84,000)</u>	<u>(84,000)</u>

23.26	<u>Subd. 4. Forest</u>		
23.27	<u>Management</u>	<u>(188,000)</u>	<u>(188,000)</u>

23.28 \$53,000 of the reduction each year is from
 23.29 activities supporting the Forest Resources
 23.30 Council with implementation of the
 23.31 Sustainable Forest Resources Act.

23.32	<u>Subd. 5. Parks and Trails</u>		
23.33	<u>Management</u>	<u>(420,000)</u>	<u>(422,000)</u>

24.1	<u>Subd. 6. Fish and Wildlife</u>		
24.2	<u>Management</u>	<u>(265,000)</u>	<u>(265,000)</u>
24.3	<u>\$265,000 of the reduction each year is from</u>		
24.4	<u>activities for preserving, restoring, and</u>		
24.5	<u>enhancing grassland/wetland complexes on</u>		
24.6	<u>public or private land.</u>		
24.7	<u>Subd. 7. Ecological Services</u>	<u>(46,000)</u>	<u>(47,000)</u>
24.8	<u>Subd. 8. Enforcement</u>	<u>(230,000)</u>	<u>(230,000)</u>
24.9	<u>Subd. 9. Operations</u>		
24.10	<u>Support</u>	<u>(112,000)</u>	<u>(113,000)</u>
24.11	Sec. 5. <u>METROPOLITAN COUNCIL</u>	<u>\$ (86,000)</u>	<u>\$ (86,000)</u>

24.12 Sec. 6. Laws 2010, chapter 215, article 3, section 3, subdivision 6, is amended to read:

24.13 Subd. 6. **Transfers In**

24.14 (a) The amounts appropriated from the
 24.15 agency indirect costs account in the special
 24.16 revenue fund are reduced by \$328,000 in
 24.17 fiscal year 2010 and \$462,000 in fiscal year
 24.18 2011, and those amounts must be transferred
 24.19 to the general fund by June 30, 2011. The
 24.20 appropriation reductions are onetime.

24.21 (b) The commissioner of management and
 24.22 budget shall transfer ~~\$8,000,000~~ \$48,000,000
 24.23 in fiscal year 2011 from the closed landfill
 24.24 investment fund in Minnesota Statutes,
 24.25 section 115B.421, to the general fund. The
 24.26 commissioner shall transfer ~~\$4,000,000~~
 24.27 \$12,000,000 on July 1, ~~2013,~~ and ~~\$4,000,000~~
 24.28 ~~on July 1,~~ in each of the years 2014, 2015,
 24.29 2016, and 2017 from the general fund to the
 24.30 closed landfill investment fund. For ~~the July~~
 24.31 ~~1, 2014,~~ each transfer to the closed landfill
 24.32 investment fund, the commissioner shall
 24.33 determine the total amount of interest and

25.1 other earnings that would have accrued to
 25.2 the fund if the transfers to the general fund
 25.3 under this paragraph had not been made and
 25.4 add this amount to the transfer. The amounts
 25.5 necessary for these transfers are appropriated
 25.6 from the general fund in the fiscal years
 25.7 specified for the transfers.

25.8 **ARTICLE 7**

25.9 **ENERGY**

25.10 Section 1. **SUMMARY OF APPROPRIATIONS.**

25.11 The amounts shown in this section summarize direct appropriations, by fund, made
 25.12 in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
25.13 <u>General</u>	\$ <u>(247,000)</u>	\$ <u>(247,000)</u>	\$ <u>(494,000)</u>

25.15 Sec. 2. **APPROPRIATIONS.**

25.16 The sums shown in the columns marked "Appropriations" are added to or, if shown
 25.17 in parentheses, subtracted from the appropriations in Laws 2009, chapter 37, article 2, to
 25.18 the agencies and for the purposes specified in this article. The appropriations are from the
 25.19 general fund, or another named fund, and are available for the fiscal years indicated for
 25.20 each purpose. The figures "2010" and "2011" used in this article mean that the addition
 25.21 to or subtraction from the appropriation listed under them is available for the fiscal year
 25.22 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and
 25.23 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 25.24 day following final enactment.

25.25	<u>APPROPRIATIONS</u>
25.26	<u>Available for the Year</u>
25.27	<u>Ending June 30</u>
25.28	<u>2010</u> <u>2011</u>

25.29 Sec. 3. **DEPARTMENT OF COMMERCE**

25.30 <u>Subdivision 1. Total Appropriation</u>	\$	<u>(247,000)</u>	\$	<u>(247,000)</u>
---	----	-------------------------	----	-------------------------

25.31 The appropriation reductions for each
 25.32 purpose are shown in the following
 25.33 subdivisions.

26.1	<u>Subd. 2. Administrative Services</u>	<u>(97,000)</u>	<u>(97,000)</u>
26.2	<u>Subd. 3. Market Assurance</u>	<u>(150,000)</u>	<u>(150,000)</u>

ARTICLE 8

AGRICULTURE

Section 1. SUMMARY OF APPROPRIATIONS.

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

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ <u>(493,000)</u> \$	<u>(492,000)</u> \$	<u>(985,000)</u>

Sec. 2. AGRICULTURAL APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 94, article 1, 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 "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2010</u>	<u>2011</u>

Sec. 3. DEPARTMENT OF AGRICULTURE

26.25	<u>Subdivision 1. Total Appropriation</u>	\$ <u>(493,000)</u> \$	<u>(492,000)</u>
-------	---	------------------------	------------------

The appropriation reductions for each purpose are shown in the following subdivisions.

26.29	<u>Subd. 2. Protection Services</u>	<u>(228,000)</u>	<u>(228,000)</u>
-------	-------------------------------------	------------------	------------------

\$13,000 in fiscal year 2010 and \$13,000 in fiscal year 2011 are reductions from plant pest surveys.

27.1 Subd. 3. Agricultural Marketing and
 27.2 Development (127,000) (127,000)

27.3 \$77,000 in fiscal year 2010 and \$77,000 in
 27.4 fiscal year 2011 are reductions for integrated
 27.5 pest management activities.

27.6 Subd. 4. Administration and Financial
 27.7 Assistance (138,000) (137,000)

27.8 \$69,000 in fiscal year 2010 and \$69,000 in
 27.9 fiscal year 2011 are reductions from the dairy
 27.10 and profitability enhancement and dairy
 27.11 business planning grant programs established
 27.12 under Laws 1997, chapter 216, section 7,
 27.13 subdivision 2, and Laws 2001, First Special
 27.14 Session chapter 2, section 9, subdivision 2.

27.15 \$1,000 in fiscal year 2010 is a reduction from
 27.16 the appropriation for the administration of
 27.17 the Feeding Minnesota Task Force.

27.18 **ARTICLE 9**

27.19 **ECONOMIC DEVELOPMENT**

27.20 Section 1. **SUMMARY OF APPROPRIATIONS.**

27.21 The amounts shown in this section summarize direct appropriations, by fund, made
 27.22 in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
27.23						
27.24	<u>General</u>	\$	<u>(489,000)</u>	\$	<u>(745,000)</u>	<u>(1,234,000)</u>

27.25 Sec. 2. **APPROPRIATIONS.**

27.26 The sums shown in the columns marked "Appropriations" are added to, or if shown
 27.27 in parentheses, subtracted from the appropriations in Laws 2009, chapter 78, article 1, to
 27.28 the agencies and for the purposes specified in this article. The appropriations are from the
 27.29 general fund, or another named fund, and are available for the fiscal years indicated for
 27.30 each purpose. The figures "2010" and "2011" used in this article mean that the addition
 27.31 to or subtraction from the appropriation listed under them is available for the fiscal year
 27.32 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and

28.1 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 28.2 day following final enactment.

28.3		<u>APPROPRIATIONS</u>	
28.4		<u>Available for the Year</u>	
28.5		<u>Ending June 30</u>	
28.6		<u>2010</u>	<u>2011</u>

28.7 **Sec. 3. EMPLOYMENT AND ECONOMIC**
 28.8 **DEVELOPMENT**

28.9	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>(285,000)</u>	<u>\$</u>	<u>(285,000)</u>
------	--	------------------	-------------------------	------------------	-------------------------

28.10 The appropriation reductions for each
 28.11 purpose are shown in the following
 28.12 subdivisions.

28.13	<u>Subd. 2. Business and Community</u>				
28.14	<u>Development</u>		<u>(87,000)</u>		<u>(87,000)</u>

28.15 \$25,000 in 2010 and \$25,000 in 2011 are
 28.16 from the appropriation for the Office of
 28.17 Science and Technology.

28.18	<u>Subd. 3. Workforce Development</u>		<u>(115,000)</u>		<u>(115,000)</u>
-------	--	--	-------------------------	--	-------------------------

28.19 \$15,000 in 2010 and \$15,000 in 2011 are
 28.20 from the appropriation for the Minnesota job
 28.21 skills partnership program under Minnesota
 28.22 Statutes, sections 116L.01 to 116L.17.

28.23 \$11,000 in 2010 and \$11,000 in 2011 are from
 28.24 the appropriation for administrative expenses
 28.25 to programs that provide employment
 28.26 support services to persons with mental
 28.27 illness under Minnesota Statutes, sections
 28.28 268A.13 and 268A.14.

28.29 \$89,000 in 2010 and \$89,000 in 2011 are
 28.30 from the appropriation for state services for
 28.31 the blind activities.

28.32	<u>Subd. 4. State-Funded Administration</u>		<u>(83,000)</u>		<u>(83,000)</u>
-------	--	--	------------------------	--	------------------------

28.33	<u>Sec. 4. HOUSING FINANCE AGENCY</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>(256,000)</u>
-------	--	------------------	-------------------	------------------	-------------------------

29.1 This reduction is from the appropriation to
 29.2 the Housing Finance Agency for the housing
 29.3 rehabilitation program under Minnesota
 29.4 Statutes, section 462A.05, subdivision 14,
 29.5 for rental housing developments.

29.6 On or before June 30, 2010, the Housing
 29.7 Finance Agency shall transfer \$256,000
 29.8 from the housing rehabilitation program in
 29.9 the housing development fund to the general
 29.10 fund.

29.11	Sec. 5. <u>DEPARTMENT OF LABOR AND</u>			
29.12	<u>INDUSTRY</u>	\$	<u>(20,000)</u>	\$ <u>(20,000)</u>

29.13 This reduction is from the general
 29.14 fund appropriation for labor
 29.15 standards/apprenticeship.

29.16	Sec. 6. <u>BUREAU OF MEDIATION</u>			
29.17	<u>SERVICES</u>	\$	<u>(16,000)</u>	\$ <u>(16,000)</u>

29.18 This reduction is from the general fund
 29.19 appropriation for mediation services.

29.20	Sec. 7. <u>MINNESOTA HISTORICAL</u>			
29.21	<u>SOCIETY</u>			

29.22	<u>Subdivision 1. Total Appropriation</u>	\$	<u>(168,000)</u>	\$ <u>(168,000)</u>
-------	--	-----------	-------------------------	----------------------------

29.23 The appropriation reductions for each
 29.24 purpose are shown in the following
 29.25 subdivisions.

29.26	<u>Subd. 2. Education and Outreach</u>	<u>(96,000)</u>	<u>(96,000)</u>
-------	---	------------------------	------------------------

29.27	<u>Subd. 3. Preservation and Access</u>	<u>(72,000)</u>	<u>(72,000)</u>
-------	--	------------------------	------------------------

29.28 **ARTICLE 10**

29.29 **TRANSPORTATION**

29.30 Section 1. **SUMMARY OF APPROPRIATIONS.**

29.31 The amounts shown in this section summarize direct appropriations, by fund, made
 29.32 in this article.

30.1		<u>2010</u>		<u>2011</u>		<u>Total</u>
30.2	<u>General</u>	\$	<u>(1,649,000)</u>	\$	<u>(1,649,000)</u>	\$ <u>(3,298,000)</u>

30.3 Sec. 2. **APPROPRIATIONS.**

30.4 The sums shown in the columns marked "Appropriations" are added to or, if shown
 30.5 in parentheses, subtracted from the appropriations in Laws 2009, chapter 36, article 1, to
 30.6 the agencies and for the purposes specified in this article. The appropriations are from the
 30.7 general fund, or another named fund, and are available for the fiscal years indicated for
 30.8 each purpose. The figures "2010" and "2011" used in this article mean that the addition to
 30.9 or subtraction from the appropriation listed under them are available for the fiscal year
 30.10 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and
 30.11 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 30.12 day following final enactment.

30.13		<u>APPROPRIATIONS</u>
30.14		<u>Available for the Year</u>
30.15		<u>Ending June 30</u>
30.16		<u>2010</u> <u>2011</u>

30.17 Sec. 3. **TRANSPORTATION**

30.18	<u>Subdivision 1. Total Appropriation</u>	\$	<u>(24,000)</u>	\$	<u>(24,000)</u>
-------	---	----	-----------------	----	-----------------

30.19 The appropriation reductions for each
 30.20 purpose are shown in the following
 30.21 subdivisions.

30.22 **Subd. 2. Multimodal Systems**

30.23	<u>(a) Transit</u>		<u>(9,000)</u>		<u>(9,000)</u>
-------	--------------------	--	----------------	--	----------------

30.24 This reduction is to the Transit Improvement
 30.25 Administration appropriation.

30.26 The base appropriation from the general fund
 30.27 for fiscal years 2012 and 2013 is \$16,292,000
 30.28 each year.

30.29	<u>(b) Freight</u>		<u>(9,000)</u>		<u>(9,000)</u>
-------	--------------------	--	----------------	--	----------------

30.30 This reduction is to the rail service plan
 30.31 appropriation.

30.32	<u>(c) Electronic Communication</u>		<u>(6,000)</u>		<u>(6,000)</u>
-------	-------------------------------------	--	----------------	--	----------------

32.1 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and
 32.2 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 32.3 day following final enactment.

32.4		<u>APPROPRIATIONS</u>	
32.5		<u>Available for the Year</u>	
32.6		<u>Ending June 30</u>	
32.7		<u>2010</u>	<u>2011</u>

32.8	Sec. 3. <u>HUMAN RIGHTS</u>	\$	<u>(79,000)</u>	\$	<u>(79,000)</u>
------	------------------------------------	-----------	------------------------	-----------	------------------------

ARTICLE 12

STATE GOVERNMENT

32.11 Section 1. **SUMMARY OF APPROPRIATIONS.**

32.12 The amounts shown in this section summarize direct appropriations, by fund, made
 32.13 in this article.

32.14		<u>2010</u>		<u>2011</u>		<u>Total</u>
32.15	<u>General</u>	\$	<u>(1,694,000)</u>	\$	<u>(1,820,000)</u>	<u>(3,514,000)</u>

32.16 Sec. 2. **APPROPRIATIONS.**

32.17 The sums shown in the columns marked "Appropriations" are added to or, if shown
 32.18 in parentheses, subtracted from, the appropriations in Laws 2009, chapter 101, article 1, to
 32.19 the agencies and for the purposes specified in this article. The appropriations are from the
 32.20 general fund, or another named fund, and are available for the fiscal years indicated for
 32.21 each purpose. The figures "2010" and "2011" used in this article mean that the addition
 32.22 to or subtraction from the appropriation listed under them is available for the fiscal year
 32.23 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and
 32.24 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 32.25 day following final enactment.

32.26		<u>APPROPRIATIONS</u>	
32.27		<u>Available for the Year</u>	
32.28		<u>Ending June 30</u>	
32.29		<u>2010</u>	<u>2011</u>

32.30	Sec. 3. <u>GOVERNOR AND LIEUTENANT</u>				
32.31	<u>GOVERNOR</u>	\$	<u>(81,000)</u>	\$	<u>(81,000)</u>

32.32 \$13,000 of the reduction in each of
 32.33 fiscal years 2010 and 2011 are from the

33.1 appropriation for necessary expenses in the
33.2 normal performance of the governor's and
33.3 lieutenant governor's duties for which no
33.4 other reimbursement is provided.

33.5 **Sec. 4. OFFICE OF ENTERPRISE**
33.6 **TECHNOLOGY** **\$ (130,000) \$ (130,000)**

33.7 \$96,000 of the reduction in each of
33.8 fiscal years 2010 and 2011 are from the
33.9 appropriation for information technology
33.10 security.

33.11 **Sec. 5. ADMINISTRATION** **\$ (100,000) \$ (200,000)**

33.12 These reductions are from the Government
33.13 and Citizen Services Program.

33.14 \$162,000 of the balance in the central stores
33.15 fund is transferred to the general fund on
33.16 or before June 30, 2010. This is a onetime
33.17 transfer.

33.18 The base appropriation from the general fund
33.19 for the Government and Citizen Services
33.20 Program for fiscal years 2012 and 2013 is
33.21 \$17,316,000 each year.

33.22 **Sec. 6. MANAGEMENT AND BUDGET** **\$ (459,000) \$ (459,000)**

33.23 **Sec. 7. REVENUE** **\$ (924,000) \$ (950,000)**

33.24 These reductions are from the tax system
33.25 management program.

33.26 **ARTICLE 13**

33.27 **HEALTH AND HUMAN SERVICES**

33.28 **Section 1. SUMMARY OF APPROPRIATIONS.**

33.29 The amounts shown in this section summarize direct appropriations, by fund, made
33.30 in this article.

34.1		<u>2010</u>		<u>2011</u>		<u>Total</u>
34.2	<u>General</u>	\$	<u>(74,704,000)</u>	\$	<u>(75,150,000)</u>	\$ <u>(149,854,000)</u>

34.3 Sec. 2. **APPROPRIATIONS.**

34.4 The sums shown in the columns marked "Appropriations" are added to or, if shown
 34.5 in parentheses, subtracted from the appropriations in Laws 2009, chapter 79, article 13,
 34.6 as amended by Laws 2009, chapter 173, article 2, to the agencies and for the purposes
 34.7 specified in this article. The appropriations are from the general fund and are available
 34.8 for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in
 34.9 this article mean that the addition to or subtraction from the appropriation listed under
 34.10 them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively.
 34.11 Supplemental appropriations and reductions to appropriations for the fiscal year ending
 34.12 June 30, 2010, are effective the day following final enactment unless a different effective
 34.13 date is explicit. All reductions in this article are onetime, unless otherwise stated.

34.14		<u>APPROPRIATIONS</u>	
34.15		<u>Available for the Year</u>	
34.16		<u>Ending June 30</u>	
34.17		<u>2010</u>	<u>2011</u>

34.18 Sec. 3. **DEPARTMENT OF HUMAN**
 34.19 **SERVICES**

34.20	<u>Subdivision 1. Total Appropriation</u>	\$	<u>(74,177,000)</u>	\$	<u>(74,625,000)</u>
-------	---	----	---------------------	----	---------------------

34.21 The appropriation reductions for each
 34.22 purpose are shown in the following
 34.23 subdivisions.

34.24	<u>Subd. 2. Agency Management; Financial</u>				
34.25	<u>Operations</u>		<u>(3,289,000)</u>		<u>(3,282,000)</u>

34.26 The reduction in fiscal year 2011 is a base
 34.27 reduction for fiscal year 2012 and thereafter.

34.28 Subd. 3. Children and Economic Assistance
 34.29 **Grants**

34.30	<u>(a) Child Support Enforcement Grants</u>		<u>(3,400,000)</u>		<u>-0-</u>
34.31	<u>(b) Children's Services Grants</u>		<u>(600,000)</u>		<u>-0-</u>

34.32 **American Indian Child Welfare Projects.**

34.33 Notwithstanding Laws 2009, chapter 79,
 34.34 article 2, section 35, \$600,000 of the fiscal

35.1	<u>year 2009 funds extended in fiscal year 2010</u>		
35.2	<u>cancel to the general fund.</u>		
35.3	<u>(c) Children and Community Services Grants</u>	<u>(16,900,000)</u>	<u>(1,500,000)</u>
35.4	<u>(d) General Assistance Grants</u>	<u>(5,267,000)</u>	<u>(3,190,000)</u>
35.5	<u>(e) Minnesota Supplemental Aid Grants</u>	<u>(733,000)</u>	<u>-0-</u>
35.6	<u>(f) Group Residential Housing Grants</u>	<u>(467,000)</u>	<u>(706,000)</u>
35.7	<u>Subd. 4. Basic Health Care Grants</u>		
35.8	<u>(a) Medical Assistance Basic Health Care</u>		
35.9	<u>Grants - Families and Children</u>	<u>(5,599,000)</u>	<u>(29,163,000)</u>
35.10	<u>(b) Medical Assistance Basic Health Care</u>		
35.11	<u>Grants - Elderly and Disabled</u>	<u>(2,331,000)</u>	<u>(23,114,000)</u>
35.12	<u>Hospital Fee-for-Service Payment Delay.</u>		
35.13	<u>Payments from the Medicaid Management</u>		
35.14	<u>Information System that would otherwise</u>		
35.15	<u>have been made for inpatient hospital</u>		
35.16	<u>services for Minnesota health care program</u>		
35.17	<u>enrollees must be delayed as follows: for</u>		
35.18	<u>fiscal year 2011, June payments must be</u>		
35.19	<u>included in the first payments in fiscal</u>		
35.20	<u>year 2012. The provisions of Minnesota</u>		
35.21	<u>Statutes, section 16A.124, do not apply</u>		
35.22	<u>to these delayed payments. This payment</u>		
35.23	<u>delay includes, and is not in addition to, the</u>		
35.24	<u>payment delay for inpatient hospital services</u>		
35.25	<u>in Laws 2009, chapter 79, article 13, section</u>		
35.26	<u>3, subdivision 6, paragraph (c).</u>		
35.27	<u>Nonhospital Fee-for-Service Payment</u>		
35.28	<u>Delay. Payments from the Medicaid</u>		
35.29	<u>Management Information System that would</u>		
35.30	<u>otherwise have been made for nonhospital</u>		
35.31	<u>acute care services for Minnesota health</u>		
35.32	<u>care program enrollees must be delayed as</u>		
35.33	<u>follows: for fiscal year 2011, June payments</u>		
35.34	<u>must be included in the first payments in</u>		

36.1 fiscal year 2012. This payment delay must
 36.2 not include nursing facilities, intermediate
 36.3 care facilities for persons with developmental
 36.4 disabilities, home and community-based
 36.5 services, prepaid health plans, personal care
 36.6 provider organizations, and home health
 36.7 agencies. The provisions of Minnesota
 36.8 Statutes, section 16A.124, do not apply
 36.9 to these delayed payments. This payment
 36.10 delay includes, and is not in addition to, the
 36.11 payment delay for nonhospital acute care
 36.12 services in Laws 2009, chapter 79, article 13,
 36.13 section 3, subdivision 6, paragraph (c).

36.14 <u>(c) General Assistance Medical Care Grants</u>	<u>(15,879,000)</u>	<u>-0-</u>
--	---------------------	------------

36.15 <u>Subd. 5. Health Care Management;</u>		
36.16 <u>Administration</u>	<u>(180,000)</u>	<u>(360,000)</u>

36.17 **Incentive Program and Outreach Grants.**
 36.18 The general fund appropriation for the
 36.19 incentive program under Laws 2008, chapter
 36.20 358, article 5, section 3, subdivision 4,
 36.21 paragraph (b), is canceled. This paragraph is
 36.22 effective retroactively from January 1, 2010.

36.23 **Subd. 6. Continuing Care Grants**

36.24 <u>(a) Aging and Adult Services Grants</u>	<u>(3,600,000)</u>	<u>(900,000)</u>
---	--------------------	------------------

36.25 **Community Service/Service Development**
 36.26 **Grants Reduction.** Effective retroactively
 36.27 from July 1, 2009, funding for grants made
 36.28 under Minnesota Statutes, sections 256.9754
 36.29 and 256B.0917, subdivision 13, is reduced by
 36.30 \$3,600,000 in fiscal year 2010 and \$900,000
 36.31 in fiscal year 2011. Grants made during
 36.32 fiscal year 2010 under Minnesota Statutes,
 36.33 section 256.9754, shall not be used for new
 36.34 construction or building renovation.

37.1	<u>(b) Medical Assistance Long-Term Care</u>		
37.2	<u>Facilities Grants</u>	<u>(3,827,000)</u>	<u>(2,520,000)</u>
37.3	<u>ICF/MR Variable Rates Suspension.</u>		
37.4	<u>Effective retroactively from July 1, 2009,</u>		
37.5	<u>to June 30, 2010, no new variable rates</u>		
37.6	<u>shall be authorized for intermediate care</u>		
37.7	<u>facilities for persons with developmental</u>		
37.8	<u>disabilities under Minnesota Statutes, section</u>		
37.9	<u>256B.5013, subdivision 1.</u>		
37.10	<u>ICF/MR Occupancy Rate Adjustment</u>		
37.11	<u>Suspension.</u> <u>Effective retroactively from</u>		
37.12	<u>July 1, 2009, to June 30, 2010, approval</u>		
37.13	<u>of new applications for occupancy rate</u>		
37.14	<u>adjustments for unoccupied short-term</u>		
37.15	<u>beds under Minnesota Statutes, section</u>		
37.16	<u>256B.5013, subdivision 7, is suspended.</u>		
37.17	<u>(c) Medical Assistance Long-Term Care</u>	<u>(2,318,000)</u>	<u>(4,477,000)</u>
37.18	<u>Waivers and Home Care Grants</u>		
37.19	<u>Developmental Disability Waiver Acuity</u>		
37.20	<u>Factor.</u> <u>Effective retroactively from January</u>		
37.21	<u>1, 2010, the January 1, 2010, one percent</u>		
37.22	<u>growth factor in the developmental disability</u>		
37.23	<u>waiver allocations under Minnesota Statutes,</u>		
37.24	<u>section 256B.092, subdivisions 4 and 5,</u>		
37.25	<u>that is attributable to changes in acuity, is</u>		
37.26	<u>suspended to June 30, 2011.</u>		
37.27	<u>(d) Adult Mental Health Grants</u>	<u>(5,000,000)</u>	<u>-0-</u>
37.28	<u>(e) Chemical Dependency Entitlement Grants</u>	<u>(3,622,000)</u>	<u>(3,622,000)</u>
37.29	<u>(f) Chemical Dependency Nonentitlement</u>		
37.30	<u>Grants</u>	<u>(393,000)</u>	<u>(393,000)</u>
37.31	<u>Subd. 7. Continuing Care Management</u>	<u>(350,000)</u>	<u>-0-</u>
37.32	<u>County Maintenance of Effort.</u> <u>The general</u>		
37.33	<u>fund appropriation for the State-County</u>		
37.34	<u>Results Accountability and Service Delivery</u>		

38.1 Reform under Minnesota Statutes, chapter
 38.2 402A, is canceled. This paragraph is
 38.3 effective retroactively from July 1, 2009.

38.4	<u>Subd. 8. State-Operated Services; Adult</u>		
38.5	<u>Mental Health Services</u>	<u>(422,000)</u>	<u>(4,588,000)</u>

38.6 Sec. 4. **DEPARTMENT OF HEALTH**

38.7	<u>Subdivision. 1. Total Appropriation</u>	<u>\$</u>	<u>(527,000)</u>	<u>\$</u>	<u>(525,000)</u>
------	---	-----------	------------------	-----------	------------------

38.8 The appropriation reductions for each
 38.9 purpose are shown in the following
 38.10 subdivisions.

38.11 The reductions in fiscal year 2011, other
 38.12 than in subdivision 3, are base reductions for
 38.13 fiscal year 2012 and thereafter.

38.14	<u>Subd. 2. Community and Family Health</u>		
38.15	<u>Promotion</u>	<u>(53,000)</u>	<u>(355,000)</u>

38.16	<u>Subd. 3. Policy Quality and Compliance</u>	<u>(118,000)</u>	<u>(74,000)</u>
-------	--	------------------	-----------------

38.17 **Office of Unlicensed Health Care Practice.**

38.18 Of the general fund reduction \$74,000
 38.19 in fiscal year 2011 is from the Office of
 38.20 Unlicensed Complementary and Alternative
 38.21 Health Care Practice. This is a onetime
 38.22 reduction.

38.23	<u>Subd. 4. Health Protection</u>	<u>(225,000)</u>	<u>(74,000)</u>
-------	--	------------------	-----------------

38.24	<u>Subd. 5. Administrative Support Services</u>	<u>(131,000)</u>	<u>(22,000)</u>
-------	--	------------------	-----------------

38.25 Sec. 5. Laws 2009, chapter 79, article 13, section 3, subdivision 8, as amended by
 38.26 Laws 2009, chapter 173, article 2, section 1, subdivision 8, is amended to read:

38.27 **Subd. 8. Continuing Care Grants**

38.28 The amounts that may be spent from the
 38.29 appropriation for each purpose are as follows:

38.30	(a) Aging and Adult Services Grants	13,499,000	15,805,000
-------	--	------------	------------

39.1 **Base Adjustment.** The general fund base is
39.2 increased by \$5,751,000 in fiscal year 2012
39.3 and \$6,705,000 in fiscal year 2013.

39.4 **Information and Assistance**

39.5 **Reimbursement.** Federal administrative
39.6 reimbursement obtained from information
39.7 and assistance services provided by the
39.8 Senior LinkAge or Disability Linkage lines
39.9 to people who are identified as eligible for
39.10 medical assistance shall be appropriated to
39.11 the commissioner for this activity.

39.12 **Community Service Development Grant**

39.13 **Reduction.** Funding for community service
39.14 development grants must be reduced by
39.15 \$260,000 for fiscal year 2010; \$284,000 in
39.16 fiscal year 2011; \$43,000 in fiscal year 2012;
39.17 and \$43,000 in fiscal year 2013. Base level
39.18 funding shall be restored in fiscal year 2014.

39.19 **Community Service Development Grant**

39.20 **Community Initiative.** Funding for
39.21 community service development grants shall
39.22 be used to offset the cost of aging support
39.23 grants. Base level funding shall be restored
39.24 in fiscal year 2014.

39.25 **Senior Nutrition Use of Federal Funds.**

39.26 For fiscal year 2010, general fund grants
39.27 for home-delivered meals and congregate
39.28 dining shall be reduced by \$500,000. The
39.29 commissioner must replace these general
39.30 fund reductions with equal amounts from
39.31 federal funding for senior nutrition from the
39.32 American Recovery and Reinvestment Act
39.33 of 2009.

39.34 **(b) Alternative Care Grants** 50,234,000 48,576,000

40.1 **Base Adjustment.** The general fund base is
 40.2 decreased by \$3,598,000 in fiscal year 2012
 40.3 and \$3,470,000 in fiscal year 2013.

40.4 **Alternative Care Transfer.** Any money
 40.5 allocated to the alternative care program that
 40.6 is not spent for the purposes indicated does
 40.7 not cancel but must be transferred to the
 40.8 medical assistance account.

40.9	(c) Medical Assistance Grants; Long-Term		
40.10	Care Facilities.	367,444,000	419,749,000

40.11	(d) Medical Assistance Long-Term Care		
40.12	Waivers and Home Care Grants	853,567,000	1,039,517,000

40.13 **Manage Growth in TBI and CADI**

40.14 **Waivers.** During the fiscal years beginning
 40.15 on July 1, 2009, and July 1, 2010, the
 40.16 commissioner shall allocate money for home
 40.17 and community-based waiver programs
 40.18 under Minnesota Statutes, section 256B.49,
 40.19 to ensure a reduction in state spending that is
 40.20 equivalent to limiting the caseload growth of
 40.21 the TBI waiver to 12.5 allocations per month
 40.22 each year of the biennium and the CADI
 40.23 waiver to 95 allocations per month each year
 40.24 of the biennium. Limits do not apply: (1)
 40.25 when there is an approved plan for nursing
 40.26 facility bed closures for individuals under
 40.27 age 65 who require relocation due to the
 40.28 bed closure; (2) to fiscal year 2009 waiver
 40.29 allocations delayed due to unallotment; or (3)
 40.30 to transfers authorized by the commissioner
 40.31 from the personal care assistance program
 40.32 of individuals having a home care rating
 40.33 of "CS," "MT," or "HL." Priorities for the
 40.34 allocation of funds must be for individuals
 40.35 anticipated to be discharged from institutional

41.1 settings or who are at imminent risk of a
41.2 placement in an institutional setting.

41.3 **Manage Growth in DD Waiver.** The
41.4 commissioner shall manage the growth in
41.5 the DD waiver by limiting the allocations
41.6 included in the February 2009 forecast to 15
41.7 additional diversion allocations each month
41.8 for the calendar years that begin on January
41.9 1, 2010, and January 1, 2011. Additional
41.10 allocations must be made available for
41.11 transfers authorized by the commissioner
41.12 from the personal care program of individuals
41.13 having a home care rating of "CS," "MT,"
41.14 or "HL."

41.15 **Adjustment to Lead Agency Waiver**
41.16 **Allocations.** Prior to the availability of the
41.17 alternative license defined in Minnesota
41.18 Statutes, section 245A.11, subdivision 8,
41.19 the commissioner shall reduce lead agency
41.20 waiver allocations for the purposes of
41.21 implementing a moratorium on corporate
41.22 foster care.

41.23 **Alternatives to Personal Care Assistance**
41.24 **Services.** Base level funding of \$3,237,000
41.25 in fiscal year 2012 and \$4,856,000 in
41.26 fiscal year 2013 is to implement alternative
41.27 services to personal care assistance services
41.28 for persons with mental health and other
41.29 behavioral challenges who can benefit
41.30 from other services that more appropriately
41.31 meet their needs and assist them in living
41.32 independently in the community. These
41.33 services may include, but not be limited to, a
41.34 1915(i) state plan option.

41.35 **(e) Mental Health Grants**

42.1	Appropriations by Fund		
42.2	General	77,739,000	77,739,000
42.3	Health Care Access	750,000	750,000
42.4	Lottery Prize	1,508,000	1,508,000

42.5 **Funding Usage.** Up to 75 percent of a fiscal
 42.6 year's appropriation for adult mental health
 42.7 grants may be used to fund allocations in that
 42.8 portion of the fiscal year ending December
 42.9 31.

42.10	(f) Deaf and Hard-of-Hearing Grants	1,930,000	1,917,000
-------	--	-----------	-----------

42.11	(g) Chemical Dependency Entitlement Grants	111,303,000	122,822,000
-------	---	-------------	-------------

42.12 **Payments for Substance Abuse Treatment.**

42.13 For services provided during fiscal years
 42.14 2010 and 2011, county-negotiated rates and
 42.15 provider claims to the consolidated chemical
 42.16 dependency fund must not exceed rates
 42.17 charged for these services on January 1,
 42.18 2009; and rates for fiscal years 2010 and
 42.19 2011 must not exceed 160 percent of the
 42.20 average rate on January 1, 2009, for each
 42.21 group of vendors with similar attributes.

42.22 For services provided in fiscal years 2012
 42.23 and 2013, statewide average rates under
 42.24 the new rate methodology to be developed
 42.25 under Minnesota Statutes, section 254B.12,
 42.26 must not exceed the average rates charged
 42.27 for these services on January 1, 2009, plus a
 42.28 state share increase of \$3,787,000 for fiscal
 42.29 year 2012 and \$5,023,000 for fiscal year
 42.30 2013. Notwithstanding any provision to the
 42.31 contrary in this article, this provision expires
 42.32 on June 30, 2013.

42.33 **Chemical Dependency Special Revenue**

42.34 **Account.** For fiscal year 2010, \$750,000
 42.35 must be transferred from the consolidated

43.1 chemical dependency treatment fund
 43.2 administrative account and deposited into the
 43.3 general fund.

43.4 **County CD Share of MA Costs for**
 43.5 **ARRA Compliance.** Notwithstanding the
 43.6 provisions of Minnesota Statutes, chapter
 43.7 254B, for chemical dependency services
 43.8 provided during the period October 1, 2008,
 43.9 to December 31, 2010, and reimbursed by
 43.10 medical assistance at the enhanced federal
 43.11 matching rate provided under the American
 43.12 Recovery and Reinvestment Act of 2009, the
 43.13 county share is 30 percent of the nonfederal
 43.14 share. This provision is effective the day
 43.15 following final enactment.

43.16	(h) Chemical Dependency Nonentitlement		
43.17	Grants	1,729,000	1,729,000

43.18	(i) Other Continuing Care Grants	19,201,000	17,528,000
-------	---	------------	------------

43.19 **Base Adjustment.** The general fund base is
 43.20 increased by \$2,639,000 in fiscal year 2012
 43.21 and increased by \$3,854,000 in fiscal year
 43.22 2013.

43.23 **Technology Grants.** \$650,000 in fiscal
 43.24 year 2010 and \$1,000,000 in fiscal year
 43.25 2011 are for technology grants, case
 43.26 consultation, evaluation, and consumer
 43.27 information grants related to developing and
 43.28 supporting alternatives to shift-staff foster
 43.29 care residential service models.

43.30 **Other Continuing Care Grants; HIV**
 43.31 **Grants.** Money appropriated for the HIV
 43.32 drug and insurance grant program in fiscal
 43.33 year 2010 may be used in either year of the
 43.34 biennium.

44.1 **Quality Assurance Commission.** Effective
44.2 July 1, 2009, state funding for the quality
44.3 assurance commission under Minnesota
44.4 Statutes, section 256B.0951, is canceled.

44.5 Sec. 6. Laws 2009, chapter 79, article 13, section 4, subdivision 4, as amended by
44.6 Laws 2009, chapter 173, article 2, section 2, subdivision 4, is amended to read:

44.7 Subd. 4. **Health Protection**

44.8	Appropriations by Fund		
44.9	General	9,871,000	9,780,000
44.10	State Government		
44.11	Special Revenue	30,209,000	30,209,000

44.12 **Base Adjustment.** The general fund base is
44.13 reduced by \$50,000 in each of fiscal years
44.14 2012 and 2013.

44.15 **Health Protection Appropriations.** (a)
44.16 \$163,000 each year is for the lead abatement
44.17 grant program.

44.18 (b) \$100,000 each year is for emergency
44.19 preparedness and response activities.

44.20 (c) \$50,000 each year is for tuberculosis
44.21 prevention and control. This is a onetime
44.22 appropriation.

44.23 ~~(d) \$55,000 in fiscal year 2010 is for~~
44.24 ~~pentachlorophenol.~~

44.25 ~~(e) \$20,000 in fiscal year 2010 is for a PFC~~
44.26 ~~Citizens Advisory Group.~~

44.27 **American Recovery and Reinvestment**
44.28 **Act Funds.** Federal funds received
44.29 by the commissioner for immunization
44.30 operations from the American Recovery
44.31 and Reinvestment Act of 2009, Public Law
44.32 111-5, are appropriated to the commissioner
44.33 for the purposes of the grant.

45.1 Sec. 7. Minnesota Statutes 2009 Supplement, section 256B.056, subdivision 3c,
45.2 is amended to read:

45.3 Subd. 3c. **Asset limitations for families and children.** A household of two or
45.4 more persons must not own more than \$20,000 in total net assets except that this asset
45.5 limit shall be \$6,000 for the period January 1, 2011, through June 30, 2011, plus \$200
45.6 for each additional legal dependent, and a household of one person must not own more
45.7 than \$10,000 in total net assets, except that this asset limit shall be \$3,000 for the period
45.8 January 1, 2011, through June 30, 2011. In addition to these maximum amounts, an
45.9 eligible individual or family may accrue interest on these amounts, but they must be
45.10 reduced to the maximum at the time of an eligibility redetermination. The value of assets
45.11 that are not considered in determining eligibility for medical assistance for families and
45.12 children is the value of those assets excluded under the AFDC state plan as of July 16,
45.13 1996, as required by the Personal Responsibility and Work Opportunity Reconciliation
45.14 Act of 1996 (PRWORA), Public Law 104-193, with the following exceptions:

- 45.15 (1) household goods and personal effects are not considered;
- 45.16 (2) capital and operating assets of a trade or business up to \$200,000 are not
45.17 considered, except that a bank account that contains personal income or assets, or is used to
45.18 pay personal expenses, is not considered a capital or operating asset of a trade or business;
- 45.19 (3) one motor vehicle is excluded for each person of legal driving age who is
45.20 employed or seeking employment;
- 45.21 (4) assets designated as burial expenses are excluded to the same extent they are
45.22 excluded by the Supplemental Security Income program;
- 45.23 (5) court-ordered settlements up to \$10,000 are not considered;
- 45.24 (6) individual retirement accounts and funds are not considered; and
- 45.25 (7) assets owned by children are not considered.

45.26 The assets specified in clause (2) must be disclosed to the local agency at the time of
45.27 application and at the time of an eligibility redetermination, and must be verified upon
45.28 request of the local agency.

45.29 **EFFECTIVE DATE.** This section is effective January 1, 2011.

45.30 Sec. 8. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 11,
45.31 is amended to read:

45.32 Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant
45.33 must meet the following requirements:

46.1 (1) be at least 18 years of age with the exception of persons who are 16 or 17 years
46.2 of age with these additional requirements:

46.3 (i) supervision by a qualified professional every 60 days; and

46.4 (ii) employment by only one personal care assistance provider agency responsible
46.5 for compliance with current labor laws;

46.6 (2) be employed by a personal care assistance provider agency;

46.7 (3) enroll with the department as a personal care assistant after clearing a background
46.8 study. Before a personal care assistant provides services, the personal care assistance
46.9 provider agency must initiate a background study on the personal care assistant under
46.10 chapter 245C, and the personal care assistance provider agency must have received a
46.11 notice from the commissioner that the personal care assistant is:

46.12 (i) not disqualified under section 245C.14; or

46.13 (ii) is disqualified, but the personal care assistant has received a set aside of the
46.14 disqualification under section 245C.22;

46.15 (4) be able to effectively communicate with the recipient and personal care
46.16 assistance provider agency;

46.17 (5) be able to provide covered personal care assistance services according to the
46.18 recipient's personal care assistance care plan, respond appropriately to recipient needs,
46.19 and report changes in the recipient's condition to the supervising qualified professional
46.20 or physician;

46.21 (6) not be a consumer of personal care assistance services;

46.22 (7) maintain daily written records including, but not limited to, time sheets under
46.23 subdivision 12;

46.24 (8) effective January 1, 2010, complete standardized training as determined by the
46.25 commissioner before completing enrollment. Personal care assistant training must include
46.26 successful completion of the following training components: basic first aid, vulnerable
46.27 adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of
46.28 personal care assistants including information about assistance with lifting and transfers
46.29 for recipients, emergency preparedness, orientation to positive behavioral practices, fraud
46.30 issues, and completion of time sheets. Upon completion of the training components,
46.31 the personal care assistant must demonstrate the competency to provide assistance to
46.32 recipients;

46.33 (9) complete training and orientation on the needs of the recipient within the first
46.34 seven days after the services begin; and

46.35 (10) be limited to providing and being paid for up to 310 hours per month, except
46.36 that this limit shall be 275 hours per month for the period July 1, 2009, through June 30,

47.1 2010, of personal care assistance services regardless of the number of recipients being
47.2 served or the number of personal care assistance provider agencies enrolled with.

47.3 (b) A legal guardian may be a personal care assistant if the guardian is not being paid
47.4 for the guardian services and meets the criteria for personal care assistants in paragraph (a).

47.5 (c) Effective January 1, 2010, persons who do not qualify as a personal care assistant
47.6 include parents and stepparents of minors, spouses, paid legal guardians, family foster
47.7 care providers, except as otherwise allowed in section 256B.0625, subdivision 19a, or
47.8 staff of a residential setting.

47.9 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

47.10 Sec. 9. Minnesota Statutes 2009 Supplement, section 256B.441, subdivision 55,
47.11 is amended to read:

47.12 Subd. 55. **Phase-in of rebased operating payment rates.** (a) For the rate years
47.13 beginning October 1, 2008, to October 1, 2015, the operating payment rate calculated
47.14 under this section shall be phased in by blending the operating rate with the operating
47.15 payment rate determined under section 256B.434. For purposes of this subdivision, the
47.16 rate to be used that is determined under section 256B.434 shall not include the portion of
47.17 the operating payment rate related to performance-based incentive payments under section
47.18 256B.434, subdivision 4, paragraph (d). For the rate year beginning October 1, 2008, the
47.19 operating payment rate for each facility shall be 13 percent of the operating payment rate
47.20 from this section, and 87 percent of the operating payment rate from section 256B.434.
47.21 ~~For the rate year beginning October 1, 2009, the operating payment rate for each facility~~
47.22 ~~shall be 14 percent of the operating payment rate from this section, and 86 percent of the~~
47.23 ~~operating payment rate from section 256B.434.~~ For rate years beginning October 1, 2009;
47.24 October 1, 2010; October 1, 2011; and October 1, 2012, no rate adjustments shall be
47.25 implemented under this section, but shall be determined under section 256B.434. For the
47.26 rate year beginning October 1, 2013, the operating payment rate for each facility shall be
47.27 65 percent of the operating payment rate from this section, and 35 percent of the operating
47.28 payment rate from section 256B.434. For the rate year beginning October 1, 2014, the
47.29 operating payment rate for each facility shall be 82 percent of the operating payment rate
47.30 from this section, and 18 percent of the operating payment rate from section 256B.434. For
47.31 the rate year beginning October 1, 2015, the operating payment rate for each facility shall
47.32 be the operating payment rate determined under this section. The blending of operating
47.33 payment rates under this section shall be performed separately for each RUG's class.

48.1 (b) For the rate year beginning October 1, 2008, the commissioner shall apply limits
48.2 to the operating payment rate increases under paragraph (a) by creating a minimum
48.3 percentage increase and a maximum percentage increase.

48.4 (1) Each nursing facility that receives a blended October 1, 2008, operating payment
48.5 rate increase under paragraph (a) of less than one percent, when compared to its operating
48.6 payment rate on September 30, 2008, computed using rates with RUG's weight of 1.00,
48.7 shall receive a rate adjustment of one percent.

48.8 (2) The commissioner shall determine a maximum percentage increase that will
48.9 result in savings equal to the cost of allowing the minimum increase in clause (1). Nursing
48.10 facilities with a blended October 1, 2008, operating payment rate increase under paragraph
48.11 (a) greater than the maximum percentage increase determined by the commissioner, when
48.12 compared to its operating payment rate on September 30, 2008, computed using rates with
48.13 a RUG's weight of 1.00, shall receive the maximum percentage increase.

48.14 (3) Nursing facilities with a blended October 1, 2008, operating payment rate
48.15 increase under paragraph (a) greater than one percent and less than the maximum
48.16 percentage increase determined by the commissioner, when compared to its operating
48.17 payment rate on September 30, 2008, computed using rates with a RUG's weight of 1.00,
48.18 shall receive the blended October 1, 2008, operating payment rate increase determined
48.19 under paragraph (a).

48.20 (4) The October 1, 2009, through October 1, 2015, operating payment rate for
48.21 facilities receiving the maximum percentage increase determined in clause (2) shall be
48.22 the amount determined under paragraph (a) less the difference between the amount
48.23 determined under paragraph (a) for October 1, 2008, and the amount allowed under clause
48.24 (2). This rate restriction does not apply to rate increases provided in any other section.

48.25 (c) A portion of the funds received under this subdivision that are in excess of
48.26 operating payment rates that a facility would have received under section 256B.434, as
48.27 determined in accordance with clauses (1) to (3), shall be subject to the requirements in
48.28 section 256B.434, subdivision 19, paragraphs (b) to (h).

48.29 (1) Determine the amount of additional funding available to a facility, which shall be
48.30 equal to total medical assistance resident days from the most recent reporting year times
48.31 the difference between the blended rate determined in paragraph (a) for the rate year being
48.32 computed and the blended rate for the prior year.

48.33 (2) Determine the portion of all operating costs, for the most recent reporting year,
48.34 that are compensation related. If this value exceeds 75 percent, use 75 percent.

48.35 (3) Subtract the amount determined in clause (2) from 75 percent.

49.1 (4) The portion of the fund received under this subdivision that shall be subject to
49.2 the requirements in section 256B.434, subdivision 19, paragraphs (b) to (h), shall equal
49.3 the amount determined in clause (1) times the amount determined in clause (3).

49.4 **EFFECTIVE DATE.** This section is effective retroactively from October 1, 2009.

49.5 Sec. 10. Minnesota Statutes 2009 Supplement, section 256B.69, subdivision 5a,
49.6 is amended to read:

49.7 Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section
49.8 and sections 256L.12 and 256D.03, shall be entered into or renewed on a calendar year
49.9 basis beginning January 1, 1996. Managed care contracts which were in effect on June
49.10 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995
49.11 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The
49.12 commissioner may issue separate contracts with requirements specific to services to
49.13 medical assistance recipients age 65 and older.

49.14 (b) A prepaid health plan providing covered health services for eligible persons
49.15 pursuant to chapters 256B, 256D, and 256L, is responsible for complying with the terms
49.16 of its contract with the commissioner. Requirements applicable to managed care programs
49.17 under chapters 256B, 256D, and 256L, established after the effective date of a contract
49.18 with the commissioner take effect when the contract is next issued or renewed.

49.19 (c) Effective for services rendered on or after January 1, 2003, the commissioner
49.20 shall withhold five percent of managed care plan payments under this section and
49.21 county-based purchasing plan's payment rate under section 256B.692 for the prepaid
49.22 medical assistance and general assistance medical care programs pending completion of
49.23 performance targets. Each performance target must be quantifiable, objective, measurable,
49.24 and reasonably attainable, except in the case of a performance target based on a federal
49.25 or state law or rule. Criteria for assessment of each performance target must be outlined
49.26 in writing prior to the contract effective date. The managed care plan must demonstrate,
49.27 to the commissioner's satisfaction, that the data submitted regarding attainment of
49.28 the performance target is accurate. The commissioner shall periodically change the
49.29 administrative measures used as performance targets in order to improve plan performance
49.30 across a broader range of administrative services. The performance targets must include
49.31 measurement of plan efforts to contain spending on health care services and administrative
49.32 activities. The commissioner may adopt plan-specific performance targets that take into
49.33 account factors affecting only one plan, including characteristics of the plan's enrollee
49.34 population. The withheld funds must be returned no sooner than July of the following

50.1 year if performance targets in the contract are achieved. The commissioner may exclude
50.2 special demonstration projects under subdivision 23.

50.3 (d) Effective for services rendered on or after January 1, 2009, through December 31,
50.4 2009, the commissioner shall withhold three percent of managed care plan payments under
50.5 this section and county-based purchasing plan payments under section 256B.692 for the
50.6 prepaid medical assistance and general assistance medical care programs. The withheld
50.7 funds must be returned no sooner than July 1 and no later than July 31 of the following
50.8 year. The commissioner may exclude special demonstration projects under subdivision 23.

50.9 The return of the withhold under this paragraph is not subject to the requirements of
50.10 paragraph (c).

50.11 (e) Effective for services provided on or after January 1, 2010, the commissioner
50.12 shall require that managed care plans use the assessment and authorization processes,
50.13 forms, timelines, standards, documentation, and data reporting requirements, protocols,
50.14 billing processes, and policies consistent with medical assistance fee-for-service or the
50.15 Department of Human Services contract requirements consistent with medical assistance
50.16 fee-for-service or the Department of Human Services contract requirements for all
50.17 personal care assistance services under section 256B.0659.

50.18 (f) Effective for services rendered on or after January 1, 2010, through December
50.19 31, 2010, the commissioner shall withhold ~~3.5~~ 4.5 percent of managed care plan payments
50.20 under this section and county-based purchasing plan payments under section 256B.692
50.21 for the prepaid medical assistance program. The withheld funds must be returned no
50.22 sooner than July 1 and no later than July 31 of the following year. The commissioner may
50.23 exclude special demonstration projects under subdivision 23.

50.24 (g) Effective for services rendered on or after January 1, 2011, through December 31,
50.25 2011, the commissioner shall withhold ~~four~~ 4.5 percent of managed care plan payments
50.26 under this section and county-based purchasing plan payments under section 256B.692
50.27 for the prepaid medical assistance program. The withheld funds must be returned no
50.28 sooner than July 1 and no later than July 31 of the following year. The commissioner
50.29 may exclude special demonstration projects under subdivision 23. If an extension of the
50.30 enhanced federal medical assistance percentage (FMAP) under Public Law 111-5, section
50.31 5001, is enacted before June 15, 2010, the withhold percentage stated in this paragraph
50.32 shall be 4.0 percent.

50.33 (h) Effective for services rendered on or after January 1, 2012, through December
50.34 31, 2012, the commissioner shall withhold 4.5 percent of managed care plan payments
50.35 under this section and county-based purchasing plan payments under section 256B.692
50.36 for the prepaid medical assistance program. The withheld funds must be returned no

51.1 sooner than July 1 and no later than July 31 of the following year. The commissioner may
51.2 exclude special demonstration projects under subdivision 23.

51.3 (i) Effective for services rendered on or after January 1, 2013, through December 31,
51.4 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under
51.5 this section and county-based purchasing plan payments under section 256B.692 for the
51.6 prepaid medical assistance program. The withheld funds must be returned no sooner than
51.7 July 1 and no later than July 31 of the following year. The commissioner may exclude
51.8 special demonstration projects under subdivision 23.

51.9 (j) Effective for services rendered on or after January 1, 2014, the commissioner
51.10 shall withhold three percent of managed care plan payments under this section and
51.11 county-based purchasing plan payments under section 256B.692 for the prepaid medical
51.12 assistance and prepaid general assistance medical care programs. The withheld funds must
51.13 be returned no sooner than July 1 and no later than July 31 of the following year. The
51.14 commissioner may exclude special demonstration projects under subdivision 23.

51.15 (k) A managed care plan or a county-based purchasing plan under section 256B.692
51.16 may include as admitted assets under section 62D.044 any amount withheld under this
51.17 section that is reasonably expected to be returned.

51.18 (l) Contracts between the commissioner and a prepaid health plan are exempt from
51.19 the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph
51.20 (a), and 7.

51.21 **EFFECTIVE DATE.** The additional withhold percentage in paragraph (f) is
51.22 effective retroactively from January 1, 2010.

51.23 Sec. 11. Minnesota Statutes 2009 Supplement, section 256B.76, subdivision 1, is
51.24 amended to read:

51.25 Subdivision 1. **Physician reimbursement.** (a) Effective for services rendered on
51.26 or after October 1, 1992, the commissioner shall make payments for physician services
51.27 as follows:

51.28 (1) payment for level one Centers for Medicare and Medicaid Services' common
51.29 procedural coding system codes titled "office and other outpatient services," "preventive
51.30 medicine new and established patient," "delivery, antepartum, and postpartum care,"
51.31 "critical care," cesarean delivery and pharmacologic management provided to psychiatric
51.32 patients, and level three codes for enhanced services for prenatal high risk, shall be paid
51.33 at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June
51.34 30, 1992. If the rate on any procedure code within these categories is different than the

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

52.1 rate that would have been paid under the methodology in section 256B.74, subdivision 2,
52.2 then the larger rate shall be paid;

52.3 (2) payments for all other services shall be paid at the lower of (i) submitted charges,
52.4 or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

52.5 (3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th
52.6 percentile of 1989, less the percent in aggregate necessary to equal the above increases
52.7 except that payment rates for home health agency services shall be the rates in effect
52.8 on September 30, 1992.

52.9 (b) Effective for services rendered on or after January 1, 2000, payment rates for
52.10 physician and professional services shall be increased by three percent over the rates
52.11 in effect on December 31, 1999, except for home health agency and family planning
52.12 agency services. The increases in this paragraph shall be implemented January 1, 2000,
52.13 for managed care.

52.14 (c) Effective for services rendered on or after July 1, 2009, payment rates for
52.15 physician and professional services shall be reduced by five percent, except that for the
52.16 period July 1, 2009, through June 30, 2011, payments rates shall be reduced by 6.5 percent
52.17 for the medical assistance and general assistance medical care programs, over the rates
52.18 in effect on June 30, 2009. The additional 1.5 percent reduction in effect for the period
52.19 from July 1, 2010, through June 30, 2011, does not apply to physician services billed by a
52.20 psychiatrist or an advanced practice registered nurse with a specialty in mental health.

52.21 This reduction does not apply to office or other outpatient visits, preventive medicine visits
52.22 and family planning visits billed by physicians, advanced practice nurses, or physician
52.23 assistants in a family planning agency or in one of the following primary care practices:
52.24 general practice, general internal medicine, general pediatrics, general geriatrics, and
52.25 family medicine. This reduction does not apply to federally qualified health centers,
52.26 rural health centers, and Indian health services. Effective October 1, 2009, payments
52.27 made to managed care plans and county-based purchasing plans under sections 256B.69,
52.28 256B.692, and 256L.12 shall reflect the payment reduction described in this paragraph.

52.29 **EFFECTIVE DATE.** The additional rate reductions in this section are effective
52.30 retroactively from July 1, 2009.

52.31 Sec. 12. Minnesota Statutes 2008, section 256B.76, subdivision 4, is amended to read:

52.32 Subd. 4. **Critical access dental providers.** (a) Effective for dental services rendered
52.33 on or after January 1, 2002, the commissioner shall increase reimbursements to dentists
52.34 and dental clinics deemed by the commissioner to be critical access dental providers.
52.35 For dental services rendered on or after July 1, 2007, the commissioner shall increase

53.1 reimbursement by 30 percent above the reimbursement rate that would otherwise be paid to
53.2 the critical access dental provider. The commissioner shall pay the health plan companies
53.3 in amounts sufficient to reflect increased reimbursements to critical access dental providers
53.4 as approved by the commissioner. In determining which dentists and dental clinics shall
53.5 be deemed critical access dental providers, the commissioner shall review:

53.6 (1) the utilization rate in the service area in which the dentist or dental clinic operates
53.7 for dental services to patients covered by medical assistance, general assistance medical
53.8 care, or MinnesotaCare as their primary source of coverage;

53.9 (2) the level of services provided by the dentist or dental clinic to patients covered
53.10 by medical assistance, general assistance medical care, or MinnesotaCare as their primary
53.11 source of coverage; and

53.12 (3) whether the level of services provided by the dentist or dental clinic is critical to
53.13 maintaining adequate levels of patient access within the service area.

53.14 In the absence of a critical access dental provider in a service area, the commissioner may
53.15 designate a dentist or dental clinic as a critical access dental provider if the dentist or
53.16 dental clinic is willing to provide care to patients covered by medical assistance, general
53.17 assistance medical care, or MinnesotaCare at a level which significantly increases access
53.18 to dental care in the service area.

53.19 (b) Notwithstanding paragraph (a), critical access payments must not be made for
53.20 dental services provided from April 1, 2010, through June 30, 2010.

53.21 **EFFECTIVE DATE.** This section is effective retroactively from April 1, 2010.

53.22 Sec. 13. Minnesota Statutes 2009 Supplement, section 256B.766, is amended to read:

53.23 **256B.766 REIMBURSEMENT FOR BASIC CARE SERVICES.**

53.24 (a) Effective for services provided on or after July 1, 2009, total payments for basic
53.25 care services, shall be reduced by three percent, except that for the period July 1, 2009,
53.26 through June 30, 2011, total payments shall be reduced by 4.5 percent for the medical
53.27 assistance and general assistance medical care programs, prior to third-party liability
53.28 and spenddown calculation. Payments made to managed care plans and county-based
53.29 purchasing plans shall be reduced for services provided on or after October 1, 2009,
53.30 to reflect this reduction.

53.31 (b) This section does not apply to physician and professional services, inpatient
53.32 hospital services, family planning services, mental health services, dental services,
53.33 prescription drugs, medical transportation, federally qualified health centers, rural health
53.34 centers, Indian health services, and Medicare cost-sharing.

54.1 EFFECTIVE DATE. The additional rate reductions in this section are effective
54.2 retroactively from July 1, 2009.

54.3 Sec. 14. REDUCTION OF GROUP RESIDENTIAL HOUSING
54.4 SUPPLEMENTAL SERVICE RATE.

54.5 Effective retroactively from November 1, 2009, through June 30, 2011, the
54.6 commissioner of human services shall decrease the group residential housing (GRH)
54.7 supplementary service rate under Minnesota Statutes, section 256I.05, subdivision 1a, by
54.8 five percent for services rendered on or after that date, except that reimbursement rates
54.9 for a GRH facility reimbursed as a nursing facility shall not be reduced. The reduction
54.10 in this paragraph is in addition to the reduction under Laws 2009, chapter 79, article
54.11 8, section 79, paragraph (b), clause (11).

54.12 EFFECTIVE DATE. This section is effective retroactively from November 1, 2009.

54.13 Sec. 15. ARTICLE EFFECTIVE DATE.

54.14 This article is effective the day following final enactment. If an extension of the
54.15 enhanced federal medical assistance percentage (FMAP) under Public Law 111-5, section
54.16 5001, to at least June 30, 2011, is enacted by June 15, 2010, and notwithstanding the
54.17 immediate or retroactive effective dates for various sections of this article, reductions in
54.18 this article effective on or after July 1, 2010, except for reductions to appropriations for
54.19 state agency administrative costs in section 3, subdivision 2, and section 4, shall not
54.20 take effect.

54.21 **ARTICLE 14**

54.22 **AIDS, CREDITS, REFUNDS**

54.23 Section 1. Minnesota Statutes 2008, section 273.1384, subdivision 6, as added by Laws
54.24 2010, chapter 215, article 13, section 2, is amended to read:

54.25 Subd. 6. **Credit reduction.** In 2011 and each year thereafter, the market value
54.26 credit reimbursement amount for each taxing jurisdiction determined under this section
54.27 is reduced by the dollar amount of the reduction in market value credit reimbursements
54.28 for that taxing jurisdiction in 2010 due to ~~unallotment~~ the reductions announced prior
54.29 ~~to February 28, 2010, under section 16A.152~~ under section 477A.0133. No taxing
54.30 jurisdiction's market value credit reimbursements are reduced to less than zero under
54.31 this subdivision. The commissioner of revenue shall pay the annual market value credit

55.1 reimbursement amounts, after reduction under this subdivision, to the affected taxing
55.2 jurisdictions as provided in this section.

55.3 **EFFECTIVE DATE.** This section is effective for taxes payable in 2011 and
55.4 thereafter.

55.5 Sec. 2. **[477A.0133] 2009 AND 2010 AID REDUCTIONS.**

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

55.8 (b) The "2009 revenue base" for a statutory or home rule charter city is the sum of
55.9 the city's certified property tax levy for taxes payable in 2009, plus the amount of local
55.10 government aid under section 477A.013, subdivision 9, that the city was certified to
55.11 receive in 2009, plus the amount of taconite aids under sections 298.28 and 298.282 that
55.12 the city was certified to receive in 2009, including any amounts required to be placed in a
55.13 special fund for distribution in a later year.

55.14 (c) The "2009 revenue base" for a county is the sum of the county's certified property
55.15 tax levy for taxes payable in 2009, plus the amount of county program aid under section
55.16 477A.0124 that the county was certified to receive in 2009, plus the amount of taconite
55.17 aids under sections 298.28 and 298.282 that the county was certified to receive in 2009,
55.18 including any amounts required to be placed in a special fund for distribution in a later year.

55.19 (d) The "2009 revenue base" for a town is the sum of the town's certified property
55.20 tax levy for taxes payable in 2009, plus the amount of aid under section 477A.013 that
55.21 the town was certified to receive in 2009, plus the amount of taconite aids under sections
55.22 298.28 and 298.282 that the town was certified to receive in 2009, including any amounts
55.23 required to be placed in a special fund for distribution in a later year.

55.24 (e) "Population" means the population of the county, city, or town for 2007 based on
55.25 information available to the commissioner of revenue in July 2009.

55.26 (f) "Adjusted net tax capacity" means the amount of net tax capacity for the county,
55.27 city, or town, computed using equalized market values according to section 477A.011,
55.28 subdivision 20, for aid payable in 2009.

55.29 (g) "Adjusted net tax capacity per capita" means the jurisdiction's adjusted net tax
55.30 capacity divided by its population.

55.31 Subd. 2. **2009 aid reductions.** (a) The commissioner of revenue must compute a
55.32 2009 aid reduction amount for each county.

55.33 The aid reduction amount is zero for a county with a population of less than 5,000,
55.34 and is zero for a county containing the Shooting Star Casino property that was removed
55.35 from the tax rolls in 2009.

56.1 For all other counties, the aid reduction amount is equal to 1.188968672 percent of
56.2 the county's 2009 revenue base.

56.3 The reduction amount is limited to the sum of the amount of county program aid
56.4 under section 477A.0124 that the county was certified to receive in 2009, plus the amount
56.5 of market value credit reimbursements under section 273.1384 payable to the county in
56.6 2009 before the reductions in this section.

56.7 The reduction amount is applied first to reduce the amount payable to the county
56.8 in 2009 as county program aid under section 477A.013 and then, if necessary, to reduce
56.9 the amount payable to the county in 2009 as market value credit reimbursements under
56.10 section 273.1384.

56.11 No county's aid or reimbursements are reduced to less than zero under this section.

56.12 (b) The commissioner of revenue must compute a 2009 aid reduction amount for
56.13 each city.

56.14 The aid reduction amount is zero for any city with a population of less than 1,000 that
56.15 has an adjusted net tax capacity per capita amount less than the statewide average adjusted
56.16 net tax capacity amount per capita for all cities. The aid reduction amount is also zero for
56.17 a city located outside the seven-county metropolitan area, with a 2006 population greater
56.18 than 3,500, a pre-1940 housing percentage greater than 29 percent, a commercial-industrial
56.19 percentage less than nine percent, and a population decline percentage of zero based on the
56.20 data used to certify the 2009 local government aid distribution under section 477A.013.

56.21 For all other cities, the aid reduction amount is equal to 3.3127634 percent of the
56.22 city's 2009 revenue base.

56.23 The reduction amount is limited to the sum of the amount of local government aid
56.24 under section 477A.013, subdivision 9, that the city was certified to receive in 2009, plus
56.25 the amount of market value credit reimbursements under section 273.1384 payable to the
56.26 city in 2009 before the reductions in this section.

56.27 The reduction amount for a city is further limited to \$22 per capita.

56.28 The reduction amount is applied first to reduce the amount payable to the city in
56.29 2009 as local government aid under section 477A.013 and then, if necessary, to reduce
56.30 the amount payable to the city in 2009 as market value credit reimbursements under
56.31 section 273.1384.

56.32 No city's aid or reimbursements are reduced to less than zero under this section.

56.33 (c) The commissioner of revenue must compute a 2009 aid reduction amount for
56.34 each town.

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

57.1 The aid reduction amount is zero for any town with a population of less than 1,000
57.2 that has an adjusted net tax capacity per capita amount less than the statewide average
57.3 adjusted net tax capacity amount per capita for all towns.

57.4 For all other towns, the aid reduction amount is equal to 1.735103 percent of the
57.5 town's 2009 revenue base.

57.6 The reduction amount is limited to \$5 per capita.

57.7 The reduction amount is applied to reduce the amount payable to the town in 2009
57.8 as market value credit reimbursements under section 273.1384.

57.9 No town's reimbursements are reduced to less than zero under this section.

57.10 Subd. 3. **2010 aid reductions.** (a) The commissioner of revenue must compute a
57.11 2010 aid reduction amount for each county.

57.12 The aid reduction amount is zero for a county with a population of less than 5,000,
57.13 and is zero for a county containing the Shooting Star Casino property that was removed
57.14 from the tax rolls in 2009.

57.15 For all other counties, the aid reduction amount is equal to 2.41396687 percent of
57.16 the county's 2009 revenue base.

57.17 The reduction amount is limited to the sum of the amount of county program aid
57.18 under section 477A.0124 that the county was certified to receive in 2009, plus the amount
57.19 of market value credit reimbursements under section 273.1384 payable to the county in
57.20 2009 before the reductions in this section.

57.21 The reduction amount is applied first to reduce the amount payable to the county
57.22 in 2010 as county program aid under section 477A.013 and then, if necessary, to reduce
57.23 the amount payable to the county in 2010 as market value credit reimbursements under
57.24 section 273.1384.

57.25 No county's aid or reimbursements are reduced to less than zero under this section.

57.26 (b) The commissioner of revenue must compute a 2010 aid reduction amount for
57.27 each city.

57.28 The aid reduction amount is zero for any city with a population of less than 1,000
57.29 that has an adjusted net tax capacity per capita amount less than the statewide average
57.30 adjusted net tax capacity amount per capita for all cities.

57.31 For all other cities, the aid reduction amount is equal to 7.643803025 percent of the
57.32 city's 2009 revenue base.

57.33 The reduction amount is limited to the sum of the amount of local government aid
57.34 under section 477A.013, subdivision 9, that the city was certified to receive in 2010, plus
57.35 the amount of market value credit reimbursements under section 273.1384 payable to the
57.36 city in 2010 before the reductions in this section.

58.1 The reduction amount for a city is further limited to \$55 per capita.

58.2 The reduction amount is applied first to reduce the amount payable to the city in
58.3 2010 as local government aid under section 477A.013 and then, if necessary, to reduce
58.4 the amount payable to the city in 2010 as market value credit reimbursements under
58.5 section 273.1384.

58.6 No city's aid or reimbursements are reduced to less than zero under this section.

58.7 (c) The commissioner of revenue must compute a 2010 aid reduction amount for
58.8 each town.

58.9 The aid reduction amount is zero for any town with a population of less than 1,000
58.10 that has an adjusted net tax capacity per capita amount less than the statewide average
58.11 adjusted net tax capacity amount per capita for all towns.

58.12 For all other towns, the aid reduction amount is equal to 3.660798 percent of the
58.13 town's 2009 revenue base.

58.14 The reduction amount is limited to \$10 per capita.

58.15 The reduction amount is applied to reduce the amount payable to the town in 2010
58.16 as market value credit reimbursements under section 273.1384.

58.17 No town's reimbursements are reduced to less than zero under this section.

58.18 **EFFECTIVE DATE.** This section is effective the day following final enactment
58.19 and is retroactive for aids and credit reimbursements payable in 2009.

58.20 Sec. 3. Laws 2010, chapter 215, article 13, section 6, is amended to read:

58.21 Sec. 6. **477A.0133 ADDITIONAL 2010 AID AND CREDIT REDUCTIONS.**

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

58.24 (b) The "2010 revenue base" for a county is the sum of the county's certified property
58.25 tax levy for taxes payable in 2010, plus the amount of county program aid under section
58.26 477A.0124 that the county was certified to receive in 2010, plus the amount of taconite
58.27 aids under sections 298.28 and 298.282 that the county was certified to receive in 2010
58.28 including any amounts required to be placed in a special fund for distribution in a later year.

58.29 (c) The "2010 revenue base" for a statutory or home rule charter city is the sum of
58.30 the city's certified property tax levy for taxes payable in 2010, plus the amount of local
58.31 government aid under section 477A.013, subdivision 9, that the city was certified to
58.32 receive in 2010, plus the amount of taconite aids under sections 298.28 and 298.282 that
58.33 the city was certified to receive in 2010 including any amounts required to be placed in a
58.34 special fund for distribution in a later year.

59.1 Subd. 2. **2010 reductions; counties and cities.** The commissioner of revenue
59.2 must compute additional 2010 aid and credit reimbursement reduction amounts for each
59.3 county and city under this section, after implementing any reduction of county program
59.4 aid under section 477A.0124, local government aid under section 477A.013, or market
59.5 value credit reimbursements under section 273.1384, to reflect the ~~reduction of allotments~~
59.6 ~~under section 16A.152~~ reductions under section 477A.0133.

59.7 The additional reduction amounts under this section are limited to the sum of the
59.8 amount of county program aid under section 477A.0124, local government aid under
59.9 section 477A.013, and market value credit reimbursements under section 273.1384
59.10 payable to the county or city in 2010 before the reductions in this section, but after the
59.11 reductions ~~for unallotments~~ under section 477A.0133.

59.12 The reduction amount under this section is applied first to reduce the amount
59.13 payable to the county or city in 2010 as market value credit reimbursements under section
59.14 273.1384, and then if necessary, to reduce the amount payable as either county program
59.15 aid under section 477A.0124 in the case of a county, or local government aid under section
59.16 477A.013 in the case of a city.

59.17 No aid or reimbursement amount is reduced to less than zero under this section.

59.18 The additional 2010 aid reduction amount for a county is equal to 1.82767 percent
59.19 of the county's 2010 revenue base. The additional 2010 aid reduction amount for a city
59.20 is equal to the lesser of (1) 3.4287 percent of the city's 2010 revenue base or (2) \$28
59.21 multiplied by the city's 2008 population.

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

59.23 Sec. 4. **REFUNDS AND CREDITS.**

59.24 **Subdivision 1. Political contribution credit.** Notwithstanding the provisions of
59.25 Minnesota Statutes, section 290.06, subdivision 23, or any other law to the contrary, the
59.26 political contribution refund does not apply to contributions made after June 30, 2009,
59.27 and before July 1, 2011.

59.28 **Subd. 2. Property tax refund.** For property tax refunds based on rent paid during
59.29 calendar year 2009 only, but also applying to refunds based on property taxes payable in
59.30 2010 that include gross rent paid in 2009, the following rules apply:

59.31 (1) "rent constituting property taxes" must be calculated by substituting "15 percent"
59.32 for "19 percent" under Minnesota Statutes, section 290A.03, subdivision 11; and

59.33 (2) "property taxes payable" must be calculated under Minnesota Statutes, section
59.34 290A.03, subdivision 13, by substituting "15 percent" for "19 percent" in determining the
59.35 portion of gross rent paid that is included in property taxes payable.

61.1 clause (1), subject to a report of receipts to the chairs of the senate Finance Committee and
61.2 the house of representatives Ways and Means Committee by October 15 each year.

61.3 (b) When entering into an agreement for legal services, the attorney general must
61.4 notify the committees responsible for funding the Office of the Attorney General. When
61.5 the attorney general enters into an agreement with a state agency, the attorney general
61.6 must also notify the committees responsible for funding that agency.

61.7 Funds received under this subdivision must be deposited in ~~the general~~ an account in
61.8 the special revenue fund and are appropriated to the attorney general for the purposes set
61.9 forth in this subdivision.

61.10 Sec. 3. Minnesota Statutes 2008, section 13.03, subdivision 10, is amended to read:

61.11 Subd. 10. **Costs for providing copies of data.** Money may be collected by a
61.12 responsible authority in a state agency for the actual cost to the agency of providing
61.13 copies or electronic transmittal of government data ~~is appropriated to the agency and~~
61.14 ~~added to the appropriations from which the costs were paid.~~ When money collected for
61.15 purposes of this section is of a magnitude sufficient to warrant a separate account in the
61.16 state treasury, that money must be deposited in a fund other than the general fund and is
61.17 appropriated to the agency.

61.18 Sec. 4. Minnesota Statutes 2008, section 16C.23, subdivision 6, is amended to read:

61.19 Subd. 6. **State surplus property.** The commissioner may do any of the following to
61.20 dispose of state surplus property:

- 61.21 (1) transfer it to or between state agencies;
- 61.22 (2) transfer it to a governmental unit or nonprofit organization in Minnesota; or
- 61.23 (3) sell it and charge a fee to cover expenses incurred by the commissioner in the
61.24 disposal of the surplus property.

61.25 The proceeds of the sale less the fee must be deposited in an account in a fund other
61.26 than the general fund and are appropriated to the agency for whose account the sale was
61.27 made, to be used and expended by that agency to purchase similar state property.

61.28 Sec. 5. Minnesota Statutes 2008, section 103B.101, subdivision 9, is amended to read:

61.29 Subd. 9. **Powers and duties.** In addition to the powers and duties prescribed
61.30 elsewhere, the board shall:

- 61.31 (1) coordinate the water and soil resources planning activities of counties, soil and
61.32 water conservation districts, watershed districts, watershed management organizations,

62.1 and any other local units of government through its various authorities for approval of
62.2 local plans, administration of state grants, and by other means as may be appropriate;

62.3 (2) facilitate communication and coordination among state agencies in cooperation
62.4 with the Environmental Quality Board, and between state and local units of government,
62.5 in order to make the expertise and resources of state agencies involved in water and soil
62.6 resources management available to the local units of government to the greatest extent
62.7 possible;

62.8 (3) coordinate state and local interests with respect to the study in southwestern
62.9 Minnesota under United States Code, title 16, section 1009;

62.10 (4) develop information and education programs designed to increase awareness
62.11 of local water and soil resources problems and awareness of opportunities for local
62.12 government involvement in preventing or solving them;

62.13 (5) provide a forum for the discussion of local issues and opportunities relating
62.14 to water and soil resources management;

62.15 (6) adopt an annual budget and work program that integrate the various functions
62.16 and responsibilities assigned to it by law; and

62.17 (7) report to the governor and the legislature by October 15 of each even-numbered
62.18 year with an assessment of board programs and recommendations for any program
62.19 changes and board membership changes necessary to improve state and local efforts
62.20 in water and soil resources management.

62.21 The board may accept grants, gifts, donations, or contributions in money, services,
62.22 materials, or otherwise from the United States, a state agency, or other source to achieve
62.23 an authorized purpose. The board may enter into a contract or agreement necessary or
62.24 appropriate to accomplish the transfer. The board may receive and expend money to
62.25 acquire conservation easements, as defined in chapter 84C, on behalf of the state and
62.26 federal government consistent with the Camp Ripley's Army Compatible Use Buffer
62.27 Project.

62.28 Any money received is hereby deposited in an account in a fund other than the
62.29 general fund and appropriated and dedicated for the purpose for which it is granted.

62.30 Sec. 6. Minnesota Statutes 2008, section 103I.681, subdivision 11, is amended to read:

62.31 Subd. 11. **Permit fee schedule.** (a) The commissioner of natural resources shall
62.32 adopt a permit fee schedule under chapter 14. The schedule may provide minimum fees
62.33 for various classes of permits, and additional fees, which may be imposed subsequent
62.34 to the application, based on the cost of receiving, processing, analyzing, and issuing

63.1 the permit, and the actual inspecting and monitoring of the activities authorized by the
63.2 permit, including costs of consulting services.

63.3 (b) A fee may not be imposed on a state or federal governmental agency applying
63.4 for a permit.

63.5 (c) The fee schedule may provide for the refund of a fee, in whole or in part, under
63.6 circumstances prescribed by the commissioner of natural resources. Fees received must
63.7 be deposited in the state treasury and credited to ~~the general~~ an account in the natural
63.8 resources fund. Permit fees received are appropriated annually from the ~~general~~ natural
63.9 resources fund to the commissioner of natural resources for the costs of inspecting and
63.10 monitoring the activities authorized by the permit, including costs of consulting services.

63.11 Sec. 7. Minnesota Statutes 2008, section 116J.551, subdivision 1, is amended to read:

63.12 Subdivision 1. **Grant account.** A contaminated site cleanup and development grant
63.13 account is created in the ~~general~~ special revenue fund. Money in the account may be used,
63.14 as appropriated by law, to make grants as provided in section 116J.554 and to pay for the
63.15 commissioner's costs in reviewing applications and making grants. Notwithstanding
63.16 section 16A.28, money appropriated to the account for this program from any source
63.17 is available until spent.

63.18 Sec. 8. Minnesota Statutes 2008, section 190.32, is amended to read:

63.19 **190.32 FEDERAL REIMBURSEMENT RECEIPTS.**

63.20 The Department of Military Affairs may deposit federal reimbursement receipts into
63.21 ~~the general fund~~ an account in the special revenue fund, maintenance of military training
63.22 facilities. These receipts are for services, supplies, and materials initially purchased by the
63.23 Camp Ripley maintenance account.

63.24 Sec. 9. Minnesota Statutes 2008, section 257.69, subdivision 2, is amended to read:

63.25 Subd. 2. **Guardian; legal fees.** (a) The court may order expert witness and guardian
63.26 ad litem fees and other costs of the trial and pretrial proceedings, including appropriate
63.27 tests, to be paid by the parties in proportions and at times determined by the court. The
63.28 court shall require a party to pay part of the fees of court-appointed counsel according
63.29 to the party's ability to pay, but if counsel has been appointed the appropriate agency
63.30 shall pay the party's proportion of all other fees and costs. The agency responsible for
63.31 child support enforcement shall pay the fees and costs for blood or genetic tests in a
63.32 proceeding in which it is a party, is the real party in interest, or is acting on behalf of the
63.33 child. However, at the close of a proceeding in which paternity has been established under

64.1 sections 257.51 to 257.74, the court shall order the adjudicated father to reimburse the
64.2 public agency, if the court finds he has sufficient resources to pay the costs of the blood or
64.3 genetic tests. When a party bringing an action is represented by the county attorney, no
64.4 filing fee shall be paid to the court administrator.

64.5 (b) In each fiscal year, the commissioner of management and budget shall deposit
64.6 guardian ad litem reimbursements in the ~~general~~ special revenue fund and credit them to a
64.7 separate account with the trial courts. The balance of this account is appropriated to the
64.8 trial courts and does not cancel but is available until expended. Expenditures by the state
64.9 court administrator's office from this account must be based on the amount of the guardian
64.10 ad litem reimbursements received by the state from the courts in each judicial district.

64.11 Sec. 10. Minnesota Statutes 2008, section 260C.331, subdivision 6, is amended to read:

64.12 Subd. 6. **Guardian ad litem fees.** (a) In proceedings in which the court appoints a
64.13 guardian ad litem pursuant to section 260C.163, subdivision 5, clause (a), the court may
64.14 inquire into the ability of the parents to pay for the guardian ad litem's services and,
64.15 after giving the parents a reasonable opportunity to be heard, may order the parents to
64.16 pay guardian fees.

64.17 (b) In each fiscal year, the commissioner of management and budget shall deposit
64.18 guardian ad litem reimbursements in the ~~general~~ special revenue fund and credit them to a
64.19 separate account with the trial courts. The balance of this account is appropriated to the
64.20 trial courts and does not cancel but is available until expended. Expenditures by the state
64.21 court administrator's office from this account must be based on the amount of the guardian
64.22 ad litem reimbursements received by the state from the courts in each judicial district.

64.23 Sec. 11. Minnesota Statutes 2009 Supplement, section 270.97, is amended to read:

64.24 **270.97 DEPOSIT OF REVENUES.**

64.25 The commissioner shall deposit all revenues derived from the tax, interest, and
64.26 penalties received from the county in the contaminated site cleanup and development
64.27 account in the ~~general~~ special revenue fund and is annually appropriated to the
64.28 commissioner of the Department of Employment and Economic Development, for the
64.29 purposes of section 116J.551.

64.30 Sec. 12. Minnesota Statutes 2008, section 299C.48, is amended to read:

64.31 **299C.48 CONNECTION BY AUTHORIZED AGENCY; FEE,**
64.32 **APPROPRIATION.**

65.1 (a) An agency authorized under section 299C.46, subdivision 3, may connect with
65.2 and participate in the criminal justice data communications network upon approval
65.3 of the commissioner of public safety; provided, that the agency shall first agree to pay
65.4 installation charges as may be necessary for connection and monthly operational charges
65.5 as may be established by the commissioner of public safety. Before participation by a
65.6 criminal justice agency may be approved, the agency must have executed an agreement
65.7 with the commissioner providing for security of network facilities and restrictions on
65.8 access to data supplied to and received through the network.

65.9 (b) In addition to any fee otherwise authorized, the commissioner of public safety
65.10 shall impose a fee for providing secure dial-up or Internet access for criminal justice
65.11 agencies and noncriminal justice agencies. The following monthly fees apply:

65.12 (1) criminal justice agency accessing via Internet, \$15;

65.13 (2) criminal justice agency accessing via dial-up, \$35;

65.14 (3) noncriminal justice agency accessing via Internet, \$35; and

65.15 (4) noncriminal justice agency accessing via dial-up, \$35.

65.16 (c) The installation and monthly operational charges collected by the commissioner
65.17 of public safety under paragraphs (a) and (b) must be deposited in an account in the special
65.18 revenue fund and are annually appropriated to the commissioner to administer sections
65.19 299C.46 to 299C.50.

65.20 Sec. 13. Minnesota Statutes 2008, section 299E.02, is amended to read:

65.21 **299E.02 CONTRACT SERVICES; APPROPRIATION.**

65.22 Fees charged for contracted security services provided by the Capitol Complex
65.23 Security Division of the Department of Public Safety must be deposited in an account in
65.24 the special revenue fund and are annually appropriated to the commissioner of public
65.25 safety to administer and provide these services.

65.26 Sec. 14. Minnesota Statutes 2008, section 446A.086, subdivision 2, as amended by
65.27 Laws 2010, chapter 290, section 14, is amended to read:

65.28 Subd. 2. **Application.** (a) This section provides a state guarantee of the payment of
65.29 principal and interest on debt obligations if:

65.30 (1) the obligations are issued for new projects and are not issued for the purposes of
65.31 refunding previous obligations;

65.32 (2) application to the Public Facilities Authority is made before issuance; and

65.33 (3) the obligations are covered by an agreement meeting the requirements of
65.34 subdivision 3.

66.1 (b) Applications to be covered by the provisions of this section must be made in a
66.2 form and contain the information prescribed by the authority. Applications are subject to
66.3 either a fee of \$500 for each bond issue requested by a county or governmental unit or the
66.4 applicable fees under section 446A.087.

66.5 (c) Application fees paid under this section must be deposited in a separate credit
66.6 enhancement bond guarantee account in the ~~general~~ special revenue fund. Money in the
66.7 credit enhancement bond guarantee account is appropriated to the authority for purposes
66.8 of administering this section.

66.9 (d) Neither the authority nor the commissioner is required to promulgate
66.10 administrative rules under this section and the procedures and requirements established by
66.11 the authority or commissioner under this section are not subject to chapter 14.

66.12 Sec. 15. Minnesota Statutes 2008, section 469.177, subdivision 11, is amended to read:

66.13 Subd. 11. **Deduction for enforcement costs; appropriation.** (a) The county
66.14 treasurer shall deduct an amount equal to 0.25 percent of any increment distributed to an
66.15 authority or municipality. The county treasurer shall pay the amount deducted to the
66.16 commissioner of management and budget for deposit in ~~the state general~~ an account in
66.17 the special revenue fund.

66.18 (b) The amounts deducted and paid under paragraph (a) are appropriated to the state
66.19 auditor for the cost of (1) the financial reporting of tax increment financing information
66.20 and (2) the cost of examining and auditing of authorities' use of tax increment financing
66.21 as provided under section 469.1771, subdivision 1. Notwithstanding section 16A.28 or
66.22 any other law to the contrary, this appropriation does not cancel and remains available
66.23 until spent.

66.24 (c) For taxes payable in 2002 and thereafter, the commissioner of revenue shall
66.25 increase the percent in paragraph (a) to a percent equal to the product of the percent in
66.26 paragraph (a) and the amount that the statewide tax increment levy for taxes payable in
66.27 2002 would have been without the class rate changes in this act and the elimination of
66.28 the general education levy in this act divided by the statewide tax increment levy for
66.29 taxes payable in 2002.

66.30 Sec. 16. Minnesota Statutes 2008, section 518.165, subdivision 3, is amended to read:

66.31 Subd. 3. **Fees.** (a) A guardian ad litem appointed under either subdivision 1 or 2
66.32 may be appointed either as a volunteer or on a fee basis. If a guardian ad litem is appointed
66.33 on a fee basis, the court shall enter an order for costs, fees, and disbursements in favor
66.34 of the child's guardian ad litem. The order may be made against either or both parties,

67.1 except that any part of the costs, fees, or disbursements which the court finds the parties
67.2 are incapable of paying shall be borne by the state courts. The costs of court-appointed
67.3 counsel to the guardian ad litem shall be paid by the county in which the proceeding is
67.4 being held if a party is incapable of paying for them. Until the recommendations of the
67.5 task force created in Laws 1999, chapter 216, article 7, section 42, are implemented, the
67.6 costs of court-appointed counsel to a guardian ad litem in the Eighth Judicial District shall
67.7 be paid by the state courts if a party is incapable of paying for them. In no event may the
67.8 court order that costs, fees, or disbursements be paid by a party receiving public assistance
67.9 or legal assistance or by a party whose annual income falls below the poverty line as
67.10 established under United States Code, title 42, section 9902(2).

67.11 (b) In each fiscal year, the commissioner of management and budget shall deposit
67.12 guardian ad litem reimbursements in the ~~general~~ special revenue fund and credit them to a
67.13 separate account with the trial courts. The balance of this account is appropriated to the
67.14 trial courts and does not cancel but is available until expended. Expenditures by the state
67.15 court administrator's office from this account must be based on the amount of the guardian
67.16 ad litem reimbursements received by the state from the courts in each judicial district.

67.17 Sec. 17. Minnesota Statutes 2008, section 609.3241, is amended to read:

67.18 **609.3241 PENALTY ASSESSMENT AUTHORIZED.**

67.19 When a court sentences an adult convicted of violating section 609.322 or 609.324,
67.20 while acting other than as a prostitute, the court shall impose an assessment of not less
67.21 than \$250 and not more than \$500 for a violation of section 609.324, subdivision 2, or a
67.22 misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall impose
67.23 an assessment of not less than \$500 and not more than \$1,000. The mandatory minimum
67.24 portion of the assessment is to be used for the purposes described in section 626.558,
67.25 subdivision 2a, and is in addition to the surcharge required by section 357.021, subdivision
67.26 6. Any portion of the assessment imposed in excess of the mandatory minimum amount
67.27 shall be ~~forwarded to the general~~ deposited in an account in the special revenue fund and
67.28 is appropriated annually to the commissioner of public safety. The commissioner, with the
67.29 assistance of the General Crime Victims Advisory Council, shall use money received under
67.30 this section for grants to agencies that provide assistance to individuals who have stopped
67.31 or wish to stop engaging in prostitution. Grant money may be used to provide these
67.32 individuals with medical care, child care, temporary housing, and educational expenses.

67.33 Sec. 18. Minnesota Statutes 2008, section 611.20, subdivision 3, is amended to read:

68.1 Subd. 3. **Reimbursement.** In each fiscal year, the commissioner of management
68.2 and budget shall deposit the payments in the ~~general~~ special revenue fund and credit them
68.3 to a separate account with the Board of Public Defense. The amount credited to this
68.4 account is appropriated to the Board of Public Defense.

68.5 The balance of this account does not cancel but is available until expended.
68.6 Expenditures by the board from this account for each judicial district public defense office
68.7 must be based on the amount of the payments received by the state from the courts in
68.8 each judicial district. A district public defender's office that receives money under this
68.9 subdivision shall use the money to supplement office overhead payments to part-time
68.10 attorneys providing public defense services in the district. By January 15 of each year,
68.11 the Board of Public Defense shall report to the chairs and ranking minority members of
68.12 the senate and house of representatives divisions having jurisdiction over criminal justice
68.13 funding on the amount appropriated under this subdivision, the number of cases handled
68.14 by each district public defender's office, the number of cases in which reimbursements
68.15 were ordered, the average amount of reimbursement ordered, and the average amount of
68.16 money received by part-time attorneys under this subdivision.

68.17 Sec. 19. Laws 1994, chapter 531, section 1, is amended to read:

68.18 Section 1. **SALE OF WILDLIFE LANDS.**

68.19 Notwithstanding Minnesota Statutes, sections 84.027, subdivision 10; 92.45; 94.09
68.20 to 94.165; 97A.135; 103F.535, or any other law, the commissioner of administration may
68.21 sell lands located in the Gordy Yaeger wildlife management area in Olmsted county. The
68.22 consideration for the lands described in sections 2 and 3 shall be \$950 per acre. The
68.23 conveyances shall be by ~~quitclaim~~ quitclaim deed in a form approved by the attorney
68.24 general and shall reserve to the state all minerals and mineral rights. The proceeds received
68.25 from the sales are to be deposited in an account in the ~~general~~ natural resources fund and
68.26 are appropriated to the commissioner of natural resources for acquisition of replacement
68.27 wildlife management area lands. These sales are pursuant to the recommendation of the
68.28 Gordy Yaeger wildlife management area advisory committee.

68.29 **ARTICLE 16**

68.30 **INCOME TAX**

68.31 Section 1. Minnesota Statutes 2009 Supplement, section 290.06, subdivision 2c,
68.32 is amended to read:

68.33 Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income
68.34 taxes imposed by this chapter upon married individuals filing joint returns and surviving

69.1 spouses as defined in section 2(a) of the Internal Revenue Code must be computed by
69.2 applying to their taxable net income the following schedule of rates:

- 69.3 (1) On the first ~~\$25,680~~ \$33,280, 5.35 percent;
- 69.4 (2) On all over ~~\$25,680~~ \$33,280, but not over ~~\$102,030~~ \$132,220, 7.05 percent;
- 69.5 (3) On all over ~~\$102,030~~ \$132,220, but not over \$200,000, 7.85 percent;
- 69.6 (4) On all over \$200,000, 9.1 percent.

69.7 Married individuals filing separate returns, estates, and trusts must compute their
69.8 income tax by applying the above rates to their taxable income, except that the income
69.9 brackets will be one-half of the above amounts.

69.10 (b) The income taxes imposed by this chapter upon unmarried individuals must be
69.11 computed by applying to taxable net income the following schedule of rates:

- 69.12 (1) On the first ~~\$17,570~~ \$22,770, 5.35 percent;
- 69.13 (2) On all over ~~\$17,570~~ \$22,770, but not over ~~\$57,710~~ \$74,780, 7.05 percent;
- 69.14 (3) On all over ~~\$57,710~~ \$74,780, but not over \$113,110, 7.85 percent;
- 69.15 (4) On all over \$113,110, 9.1 percent.

69.16 (c) The income taxes imposed by this chapter upon unmarried individuals qualifying
69.17 as a head of household as defined in section 2(b) of the Internal Revenue Code must be
69.18 computed by applying to taxable net income the following schedule of rates:

- 69.19 (1) On the first ~~\$21,630~~ \$28,030, 5.35 percent;
- 69.20 (2) On all over ~~\$21,630~~ \$28,030, but not over ~~\$86,910~~ \$112,620, 7.05 percent;
- 69.21 (3) On all over ~~\$86,910~~ \$112,620, but not over \$170,350, 7.85 percent;
- 69.22 (4) On all over \$170,350, 9.1 percent.

69.23 (d) In lieu of a tax computed according to the rates set forth in this subdivision, the
69.24 tax of any individual taxpayer whose taxable net income for the taxable year is less than
69.25 an amount determined by the commissioner must be computed in accordance with tables
69.26 prepared and issued by the commissioner of revenue based on income brackets of not
69.27 more than \$100. The amount of tax for each bracket shall be computed at the rates set
69.28 forth in this subdivision, provided that the commissioner may disregard a fractional part of
69.29 a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

69.30 (e) An individual who is not a Minnesota resident for the entire year must compute
69.31 the individual's Minnesota income tax as provided in this subdivision. After the
69.32 application of the nonrefundable credits provided in this chapter, the tax liability must
69.33 then be multiplied by a fraction in which:

- 69.34 (1) the numerator is the individual's Minnesota source federal adjusted gross income
69.35 as defined in section 62 of the Internal Revenue Code and increased by the additions
69.36 required under section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), (12),

H.F. No. 2037, 4th Engrossment - 86th Legislative Session (2009-2010) [H2037-4]

70.1 (13), (16), and (17), and reduced by the Minnesota assignable portion of the subtraction
70.2 for United States government interest under section 290.01, subdivision 19b, clause
70.3 (1), and the subtractions under section 290.01, subdivision 19b, clauses (9), (10), (14),
70.4 (15), (16), and (18), after applying the allocation and assignability provisions of section
70.5 290.081, clause (a), or 290.17; and

70.6 (2) the denominator is the individual's federal adjusted gross income as defined in
70.7 section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in
70.8 section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), (12), (13), (16), and (17),
70.9 and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1), (9),
70.10 (10), (14), (15), (16), and (18).

70.11 (f) For taxable years beginning after December 31, 2013, the maximum tax rate
70.12 under this section is 7.85 percent, if the commissioner of management and budget
70.13 estimates in the February 2013 economic forecast that the unrestricted general fund
70.14 balance at the end of fiscal year 2013 equals or exceeds \$500,000,000.

70.15 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
70.16 December 31, 2009.

70.17 Sec. 2. Minnesota Statutes 2008, section 290.06, subdivision 2d, is amended to read:

70.18 Subd. 2d. **Inflation adjustment of brackets.** (a) For taxable years beginning after
70.19 December 31, ~~2000~~ 2010, the minimum and maximum dollar amounts for each rate
70.20 bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the
70.21 percentage determined under paragraph (b). For the purpose of making the adjustment as
70.22 provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the
70.23 rate brackets as they existed for taxable years beginning after December 31, ~~1999~~ 2009,
70.24 and before January 1, ~~2001~~ 2011. The rate applicable to any rate bracket must not be
70.25 changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes
70.26 in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10
70.27 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

70.28 (b) The commissioner shall adjust the rate brackets and by the percentage determined
70.29 pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in
70.30 section 1(f)(3)(B) the word "~~1999~~" "2009" shall be substituted for the word "1992." For
70.31 ~~2001~~ 2011, the commissioner shall then determine the percent change from the 12 months
70.32 ending on August 31, ~~1999~~ 2009, to the 12 months ending on August 31, ~~2000~~ 2010, and
70.33 in each subsequent year, from the 12 months ending on August 31, ~~1999~~ 2009, to the 12
70.34 months ending on August 31 of the year preceding the taxable year. The determination of

71.1 the commissioner pursuant to this subdivision shall not be considered a "rule" and shall
71.2 not be subject to the Administrative Procedure Act contained in chapter 14.

71.3 No later than December 15 of each year, the commissioner shall announce the
71.4 specific percentage that will be used to adjust the tax rate brackets.

71.5 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
71.6 December 31, 2009.

71.7 Sec. 3. **ACCELERATED REINSTATEMENT OF PHASEOUT OF PERSONAL**
71.8 **AND DEPENDENT EXEMPTIONS AND LIMITATION OF ITEMIZED**
71.9 **DEDUCTIONS.**

71.10 In determining net taxable income under Minnesota Statutes, section 290.01, for
71.11 taxable years beginning after December 31, 2009, and before January 1, 2011, sections 102
71.12 and 103 of Public Law 107-16, relating to the repeal of phaseout of personal exemptions
71.13 and the phaseout of overall limitation on itemized deductions, do not apply.

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

APPENDIX
Article locations in H2037-4

ARTICLE 1	SUMMARY	Page.Ln 1.32
ARTICLE 2	CASH FLOW	Page.Ln 2.24
ARTICLE 3	E-12 EDUCATION	Page.Ln 6.15
ARTICLE 4	E-12 EDUCATION FORECAST ADJUSTMENTS	Page.Ln 12.2
ARTICLE 5	HIGHER EDUCATION	Page.Ln 20.9
ARTICLE 6	ENVIRONMENT AND NATURAL RESOURCES	Page.Ln 22.8
ARTICLE 7	ENERGY	Page.Ln 25.8
ARTICLE 8	AGRICULTURE	Page.Ln 26.3
ARTICLE 9	ECONOMIC DEVELOPMENT	Page.Ln 27.18
ARTICLE 10	TRANSPORTATION	Page.Ln 29.28
ARTICLE 11	PUBLIC SAFETY	Page.Ln 31.18
ARTICLE 12	STATE GOVERNMENT	Page.Ln 32.9
ARTICLE 13	HEALTH AND HUMAN SERVICES	Page.Ln 33.26
ARTICLE 14	AIDS, CREDITS, REFUNDS	Page.Ln 54.21
ARTICLE 15	SPECIAL REVENUE FUND	Page.Ln 60.15
ARTICLE 16	INCOME TAX	Page.Ln 68.29