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**Minnesota
House of
Representatives**
Margaret Anderson Kelliher, Speaker

FOR IMMEDIATE RELEASE
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New Laws Effective July 1, 2007

***Editor's note:** The following is a listing of selected new laws passed during the 2007 legislative session that take effect July 1, 2007. A complete summary of all laws passed by the 2007 Legislature will be available online from House Public Information Services after July 1, 2007. Go to www.house.mn/hinfo/NewLaws/NewLawsmain.asp.*

AGRICULTURE

Funding increases

The Department of Agriculture will see a 20 percent increase in base funding, which translates to more than \$104 million for agriculture-related initiatives over the biennium.

Sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Jim Vickerman (DFL-Tracy), the law includes \$15.2 million in each year for continuation of a program that began in the late-1980s where ethanol producers receive 20 cents for every gallon, up to 15 million gallons, of ethanol produced per year for a maximum of 10 years. (Art. 1, Sec. 3)

Organics are increasingly making a mark on the state's agricultural economy. To ensure the authenticity, farmers pay a fee to have their products certified organic. In each year of the biennium, \$200,000 is allotted for a cost-share program to help pay for the annual certification. (Art. 1, Sec. 3).

In an effort to promote organic products and other agricultural products produced in the state, \$372,000 during the biennium is allotted to the Minnesota Grown project for promotion activities. Growers and producers benefiting from Minnesota Grown promotions and materials asked that their annual \$5 participation fee be raised to \$20. The new law allows for the increase. (Art. 1, Secs. 3, 12)

The law also funds over the biennium:

- \$2 million for continuation of the dairy development and profitability enhancement and business planning grant program;
- \$2 million for mental health counseling support for farm families;
- \$811,000 to help eradicate bovine tuberculosis from state cattle herds; and
- compensation, up to \$20,000, to a livestock owner whose animal is crippled or destroyed by a gray wolf. (Art. 1, Secs. 3-6)

Food shelves will also benefit from the law. Second Harvest Heartland will be the recipient of a \$1 million grant to purchase milk from state producers and processors for its six food banks. (Art. 1, Sec. 3)

HF2227*/SF1925/CH45

EDUCATION

Wide-ranging E-12 law

Sponsored by Rep. Mindy Greiling (DFL-Roseville), the law includes \$13.7 billion in funding over the next biennium, an 8 percent increase.

Early childhood family education spending is increased 14 percent and Head Start funding is increased by 5 percent, said Rep. Nora Slawik (DFL-Maplewood), the House Early Childhood Learning Finance Division chairwoman.

HF2245*/SFnone/CH146

General education

The general basic formula amount increases by 2 percent, or \$93.4 million, in 2008, and 1 percent, or \$150 million, in 2009. It raises the base budget formula allowance from \$4,974 to \$5,074 in fiscal year 2008 and to \$5,124 for fiscal year 2009 and later. It also increases gifted and talented spending from \$9 per pupil unit to \$12 per pupil unit beginning in fiscal year 2008. (Art. 1, Secs. 6, 7)

A major priority in the original House omnibus bill was funding for voluntary all-day kindergarten. The new law provides \$32.5 million for the biennium for the option.

The safe school levy has been increased to \$3 per pupil unit for all school districts and an additional \$10 per pupil unit for districts that are members of intermediate school districts. A school district can now levy to pay the costs for licensed school counselors, nurses, psychologists and specified service providers. (Art. 1, Sec. 14)

A school finance reform task force is also established to, in part, create a standard and index to ensure that the education formula remains adequate over time and simplify the remaining formulas. The task force must submit recommendations to the Legislature by Jan. 15, 2008. (Art. 1, Sec. 23)

School lunch reimbursement aid is increased from 10.5 cents to 12 cents per meal. (Art. 5, Sec. 5)

Education excellence

An early childhood literacy program is established to help Head Start participants become successful readers and increase family participation. The programs are to be based on “involved parents, ongoing professional staff development, and high quality early literacy program standards.” (Art. 2, Sec. 1)

A pilot program for world languages is established to award five world language grants for interested school sites and school districts. The grants will be used to enhance, develop or implement sustainable, high-quality world language programs for kindergarten through grade 12. (Art. 2, Sec. 38)

An advisory task force on Minnesota American Indian tribes and communities and K-12 standards-based reform will be established to examine the impact of state and federal standards with particular attention to the impacts on American Indian students enrolled in Minnesota schools. Recommendations for change are due to the Legislature by Feb. 15, 2008. (Art. 2, Sec. 41)

Special programs

The single greatest increase in funding is for special education, which will receive \$1.6 billion for the biennium. In fiscal year 2008, the statewide total capped amount of special education revenue will increase from \$529 million to \$694 million and to \$719 million in fiscal year 2009. Out-year caps are \$736 million in fiscal year 2010 and \$787 million in fiscal year 2011. (Art. 3, Sec. 13)

The law creates a special education task force to compare state and federal education requirements and see what, if any, state requirements exceed federal requirements. To save money, those that do could be scaled back to meet the minimum federal requirements. By Feb. 15, 2008, the task force must present its findings to the Legislature. (Art. 3, Sec. 23)

Early childhood and adult programs

A phase-in of full-day services in Head Start programs or licensed child care is required so that by fiscal year 2009 at least of 25 percent of the total state-funded enrollment throughout the state must be provided. The minimums increase to 40 percent in fiscal year 2011 and 50 percent in fiscal year 2013.

If a Head Start program or licensed child care center cannot meet federal standards or chooses not to participate, the program may request an exemption from the commissioner. (Art. 9, Sec. 3)

Early childhood family education programs must submit biennial plans to the commissioner, under the new law. The plan should describe how the program provides parenting education and ensures family participation. (Art. 9, Sec. 8)

EMPLOYMENT

Omnibus jobs law

The omnibus jobs and economic development law checks in at approximately \$415.98 million, with \$341.5 million in net General Fund money. It is about \$33 million less than SF2089, the first jobs and economic development bill that was vetoed by Gov. Tim Pawlenty.

Technically, the law is sponsored by Rep. Tom Rukavina (DFL-Virginia) and Sen. David Tomassoni (DFL-Chisholm). However, Rep. Mary Murphy (DFL-Hermantown) was the lead House negotiator, and sponsor of the vetoed bill.

The total package is about an \$87.3 million increase over the 2006-07 biennium with a combination of one-time and ongoing money.

The agreement also calls for a \$5 million increase in the Minnesota Investment Fund, with \$3 million dedicated for a Thomson West expansion in Eagan; \$400,000 for Rogers tornado relief; and a \$350,000 increase in statewide redevelopment grants.

HF122*/SF62/CH135

Job training

Among the highlights are \$2 million for Youthbuild. The appropriation may be used to restore three programs that were eliminated due to budget cuts, plus an inflationary increase, and add seven additional sites to the current 10. It is hoped that the number of students served can increase to 500 per year, compared to 306 in 2006.

The law also allocates:

- \$18.04 million to the state's vocational rehabilitation program to assist with employment for people with significant disabilities;
- \$13.57 million for the Minnesota jobs skills partnership program;
- \$12.5 million for extended employment services for people with disabilities;
- \$11.88 million for state services for the blind activities; and
- \$3.3 million for employment support to people with mental illness.

The law also provides \$10,000 to promote minority employment opportunities, with a particular focus on blacks. A study is due the Legislature by Jan. 15, 2008, including a look at "how to significantly expand the job training available to minorities and promote substantial increases in the wages paid to minorities, at least to a rate well above living wage, and within several years, to equality."

Labor and industry

Prevailing wage enforcement, including outreach and survey participation improvements, is funded with \$660,000. (Art. 1, Sec. 6)

The law also creates the Packinghouse Workers Bill of Rights; prohibits employment of anyone under age 18 where liquor is served in any capacity with certain exceptions; and enactment of the Safe Patient Handling Act to prevent on-the-job injuries for nurses and nursing home and hospital workers through

the proper use of the patient lift equipment. The latter is funded for \$500,000 for the first year, but second year funding was vetoed. (Art. 2, Secs. 19, 21, 25, 36-38)

Hair braiders, other than those that are licensed cosmetologists, must register with the Board of Barber and Cosmetology Examiners and pay a \$20 annual registration fee. (Art. 3, Secs. 2, 3)

The law also increases protection for employee whistleblowers by prohibiting certain retaliatory tactics against a public employee who “communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official.” (Art. 3, Secs. 16, 17)

A State Plumbing Board, Board of High Pressuring Piping and Board of Electricity are each created. (Art. 3, Secs. 19, 21, 40, 41; Art. 4, Sec. 3; Art. 6, Sec. 2)

Northwest mechanics assistance

Included in a law that makes a variety of changes to unemployment law is permission of up to 26 weeks of benefits for former Northwest Airlines mechanics who went on strike in August 2005 and were eligible to establish an unemployment benefit account with the Department of Employment and Economic Development, but did not file a continued benefit request within the required time periods.

The law, sponsored by Rep. Tim Mahoney (DFL St. Paul) and Sen. Dan Sparks (DFL-Austin), does not include a 26-week benefit extension, as the House initially sought.

HF648/SF167*/CH128

ENERGY

Initiatives in omnibus agriculture and veterans law

To reach the goal of at least 25 percent of energy from renewable resources by 2025, the Agricultural Utilization Research Institute is charged with coordinating the state’s next generation energy efforts. The organization will be responsible for conducting a Renewable Energy Roundtable quarterly, bringing experts together to identify bioenergy opportunities. More than \$1.4 million is allocated to the institute for technical assistance and technology needs to help meet its new responsibilities. (Art. 1, Secs. 5, 57)

A Next Gen Energy Board is created in the first year of the biennium to administer \$3 million in grants during the second year to assist locally owned facilities help move the state toward energy independence. Grants, up to \$500,000 each, will be available to help develop, test and research new materials for bioenergy. Priority will be given to a bioenergy facility that is at least 60 percent owned and controlled by farmers or people residing in the area where the facility is located. (Art. 1, Sec. 47)

The provisions are contained in the omnibus agriculture and veterans affairs finance law, sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Jim Vickerman (DFL-Tracy).

HF2227*/SF1925/CH45

Millions for research and development

The omnibus environment, energy and natural resources finance law provides more than \$27 million in new funding for research and development of a wide array of renewable energy technologies for the state.

A program to expand the number of ethanol pumps at gas stations around the state will receive \$3 million for cost-share grants to help offset the cost of installing ethanol tanks and fuel pump equipment. Up to 10 percent of the funds may be used for biodiesel pumps.

A \$750,000 appropriation goes to the Department of Commerce to develop a “renewable hydrogen road map” establishing goals, timelines and strategies for developing and employing hydrogen power in Minnesota. A separate \$3.3 million appropriation will be used for a competitive grant program to that end.

Other highlights include:

- \$4.5 million for a study and other preliminary work on a steam and electricity-producing facility to be connected to the Rock-Tenn paper recycling facility in St. Paul;
- \$4.25 million to the Department of Commerce for a renewable energy research cost-share grant program;
- \$3 million for the Initiative for Renewable Energy and the Environment at the University of Minnesota;
- \$2 million for plug-in hybrid electric vehicle projects, with an emphasis on identifying ways to employ laid-off automotive industry workers in the state;
- \$2 million for establishing a rural wind energy development revolving loan fund to develop community wind energy products; and
- \$1 million for on-farm biogas recovery (methane digester) projects.

Rep. Jean Wagenius (DFL-Mpls) and Sen. Ellen Anderson (DFL-St. Paul) are the sponsors.

HF2410/SF2096*/CH57

ENVIRONMENT

Trust fund allocations made to natural resources projects

A new law appropriates approximately \$23.4 million from the state's environmental trust funds for a variety of projects relating to land, water and air protection.

Sponsored by Rep. Kathy Tingelstad (R-Andover) and Sen. Ellen Anderson (DFL-St. Paul), the law represents the recommendations of the Legislative-Citizen Commission on Minnesota Resources, which makes recommendations to the Legislature on how to use money from the state's environmental trust funds.

In brief, the law appropriates:

- \$14.8 million for land projects, including forest legacy conservation easements, Minnesota habitat corridors partnership continuation, metro conservation corridors continuation, and land acquisitions for state, metro and regional parks and trails;
- \$5.1 million for water resource projects, including local water management grants, protection of rare rock outcrop wetlands and numerous studies;
- \$2 million for natural resource information projects, including continuation of the county biological survey and soil survey; and
- \$160,000 to fund an "emerging issues" account.

The appropriations apply only to fiscal year 2008. The commission is expected to recommend another set of appropriations for fiscal year 2009.

HF293*/SF450/CH30

Environment omnibus finance law

Cleaning up Minnesota's lakes and rivers is the top priority of the omnibus environment, energy and natural resources finance law, which provides funding boosts for several state agencies.

The law, which provides the bulk of Minnesota's environment and energy-related spending for fiscal years 2008-09, authorizes \$49.7 million in funding increases for Clean Water Legacy programs to help restore impaired surface waters.

A total of \$444 million from the General Fund is appropriated by the law — an increase of nearly 37 percent over the previous biennium — which also funds the state's energy programs and the Department of Commerce's financial regulatory programs.

Other notable funding increases include \$3.7 million to combat invasive species and a \$4.3 million increase for state and metro area parks and trails. All agencies affected by the law also receive a 3 percent compensation increase for a total of \$8.8 million.

Rep. Jean Wagenius (DFL-Mpls) sponsors the law with Sen. Ellen Anderson (DFL-St. Paul).

HF2410/SF2096*/CH57

Lakes, rivers and wetlands

The largest chunk of new spending goes toward restoring impaired surface waters. Under the law, \$31 million is appropriated to the Pollution Control Agency, with at least \$12.6 million directed toward conducting Total Maximum Daily Load (TMDL) studies and at least \$18 million toward developing TMDL implementation plans. Additionally, \$4.5 million is appropriated to the Department of Natural Resources and \$14.2 million to the Board of Water and Soil Resources for various Clean Water Legacy programs. (Art. 1, Secs. 3-5)

The law also includes several provisions designed to increase BWSR's oversight of local water management entities, including a provision that the board must routinely evaluate the performance, finances and activities of such entities. (Art. 1, Sec. 104)

Invasive species

Programs to combat aquatic and terrestrial invasive species are fortified with a \$3.7 million boost and the creation of a new "invasive species account." Watercraft license surcharges, nonresident fishing license surcharges and other fees that currently fund the DNR's invasive species programs will now be directed into the newly created invasive species account. Money in the account will be used solely for the purpose of dealing with invasive species. Additionally, the law directs the Forest Resources Council to develop a plan to control invasive tree pests. (Art. 1, Secs. 38, 159)

ATVs and off-road vehicles

Several sections of the law deal with all-terrain vehicles and off-highway vehicle use on state lands, including an increase of \$2.4 million for the DNR for increased grant-in-aid trails, trail specialists, safety programs, law enforcement and ecological services. (Art. 1, Sec. 4)

ATV and other off-road vehicle use on state lands is restricted to only those trails that have been mapped (whenever mapping is available); however, as modified by a subsequent law, the effective date of this provision is delayed until June 30, 2009, for state forests north of U.S. Highway 2, where the bulk of state forests are located. (Art. 1, Sec. 24)

The law also directs the DNR to establish seasons for OHV use on state lands, and raises the three-year registration fee for public use of ATVs to \$45. (Art. 1, Secs. 24, 29)

Venison donation program

A program designed to encourage deer hunters to donate their venison to the needy is established. Administered by the Department of Agriculture, the program will allow meat processors to apply for a \$70 reimbursement for the cost of processing deer meat donated by hunters and delivering it to charitable food assistance organizations. The goal is to encourage hunters to donate their deer to food shelves by letting them do it for free. (Art. 1, Sec. 13)

To fund the program, hunters will be allowed to make a voluntary donation of \$1, \$3 or \$5 when they renew their deer licenses. A \$5 surcharge is also added to all nonresident hunting licenses to help pay for the program. (Art. 1, Secs. 91, 92)

Pollution and environmental health

An environmental health tracking and biomonitoring program, to be run by the Department of Health in consultation with the PCA, is established. The goal is to establish a system of monitoring chemicals and other substances known to have adverse effects on human health. For this purpose, the law establishes a nine-member Environmental Health Tracking and Biomonitoring Advisory Panel to make recommendations to the Legislature and the health commissioner. (Art. 1, Sec. 146)

Also included in the law is a \$600,000 transfer from the state's Remediation Fund to the Health Department for evaluating point-of-use water treatment units on perfluorochemicals — PFOA, PFOS and PFBA — manufactured by 3M and that were recently discovered in drinking water supplies in the eastern Twin Cities metro area. (Art. 1, Sec. 3)

Endocrine disruptors, pollutants that cause male fish to take on female characteristics, are addressed

through a report to be conducted by the PCA and submitted to the Legislature by Jan. 15, 2008. Additionally, the agency is directed to monitor and analyze endocrine disruptors in “at least 20 additional sites” around the state. (Art. 1, Secs. 3, 160)

GAMBLING

Gambling law changes

A new law, sponsored by Rep. Tom Anzelc (DFL-Balsam Township) and Sen. Ann Rest (DFL-New Hope) clarifies game requirements and prizes.

Provisions allow for:

- fraternal organizations to use gambling proceeds to pay taxes on leased facilities and certain utilities;
- linked bingo game prizes, not to exceed \$200, to be carried over from one occasion to another in a progressive linked bingo game; and
- \$5 pull tabs and tip boards.

HF1691/SF1966*/CH145

GOVERNMENT

Heating and cooling state buildings

The Department of Administration commissioner is required to study geothermal and solar thermal applications for use in heating and cooling state buildings.

Sponsored by Rep. Aaron Peterson (DFL-Appleton) and Sen. Gary Kubly (DFL-Granite Falls), the law requires all building projects subject to a pre-design review or that receive state funding to consider installation of the systems when practical.

By requiring system considerations in the pre-design, there is greater chance of incorporating the systems into state developments, Peterson said. He noted that several manufacturers of the systems are located in Minnesota.

HF1034/SF538*/CH77

Omnibus finance law

The omnibus state government finance law appropriates \$661.9 million for fiscal years 2008-09 to fund state agencies, \$2.6 million less than the governor’s recommendation.

Sponsored by (DFL-St. Louis Park) and (DFL-Fridley), all provisions are effective July 1, 2007. (DFL-Mpls) sponsored the original House bill (), and was the lead House negotiator.

The law also appropriates \$145.8 million to the Legislature, which includes the House, Senate and Legislative Coordinating Commission. Both the House and Senate are given one-time money for technology needs, which Kahn said would be used to update servers and equipment. Legislative offices are directed to “whenever possible, implement information technology systems that are compatible and work seamlessly across the legislature.” House, Senate and LCC information technology directors are to submit a report to the Legislature describing their efforts on Jan. 15, 2008, and Jan. 15, 2009. (Art. 1, Sec. 3)

The is appropriated \$24.3 million to fund projects such as information technology security, the first phase of an electronic licensing system and small-agency technology infrastructure projects. (Art. 1, Sec. 10)

Special projects funded within the \$58.6 million appropriation include a real property Web-based management system to track state-owned and -leased property, the creation of an Office of Grants Management to standardize the state grant-making management policies, and a targeted group business study on minorities and female-owned businesses using state contracts. (Art. 1, Sec. 12)

The will receive \$252.6 million, of which a portion is to be used to implement activities to gain \$42.5 million in additional revenue from individuals and businesses that currently do not pay all taxes owed. A report is due the Legislature by March 1, 2008, and Jan. 15, 2009, on performance indicators including the number of corporations, businesses and individuals noncompliant with the tax system.

Money is designated to a health care access fund and an integrated tax software technology package to update the computerized systems that track tax processes. (Art. 1, Sec. 16)

Two new commissions are authorized. The Commission on Ethnic Heritage and New Americans is to assist state government in fostering understanding of ethnic and cultural diversity in Minnesota. The Commission on Preparedness for Terrorism and Disasters would advise the Legislature on issues related to homeland security and emergency management. (Art. 2, Secs. 1, 2)

The Minnesota Humanities Commission is to solicit nominations for a poet laureate and make those recommendations to the governor. State agencies and officers are encouraged to use the services of the poet laureate for appropriate ceremonies and celebrations. (Art. 2., Sec. 4)

In response to a January 2007 legislative auditor's report on inconsistencies in how state agencies manage state grants, the law requires the Department of Administration commissioner to create general grants management policies and procedures, including a central point of contact concerning statewide grants management policies and procedures. (Art. 2, Sec. 22)

A publicly searchable database containing state contracts or grants valued at more than \$25,000 is to be created by the commissioner. Information is to include grants and contracts from the beginning of fiscal year 2008 and be retained for 10 years. (Art. 2, Sec. 34)

The cost of registering for a marriage license will rise from \$100 to \$110; those with premarital education will see a license increase from \$30 to \$40. (Art. 2, Sec. 71)

HF548*/SF471/CH148

HEALTH AND HUMAN SERVICES

Omnibus health and human services law

The \$11.4 billion omnibus health and human services finance law takes a step toward making sure that all children in the state are covered by health insurance.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Linda Berglin (DFL-Mpls), the new law restores funding to many health and human services programs that experienced budget cuts in earlier years. Overall, the Human Services and Health departments and several boards will see an approximate 18 percent increase in funding for programming that includes nursing homes, health care, welfare, child care, housing, public health and mental health.

Of the total funding, approximately \$9.8 billion will come from the General Fund. The rest comes from various state revenue funds and the federal government.

HF1078*/SF967/CH147

Covering all kids

A major portion of spending, \$95 million during the 2008-09 biennium and \$223 million in the 2010-11 biennium, is allocated to health care initiatives.

Nearly \$5 million in the 2008-09 biennium and \$50 million in 2010-11 is provided for the Cover all Kids proposal. (Art. 13, Secs. 1-7)

There is also a provision that allows for eligible members of the military and their families, within two years of return from active duty, to apply to have their MinnesotaCare premiums paid by the state for 12 months. (Art. 5, Sec. 32)

Health care reform

The law begins several health care reform efforts, including the establishment of an interoperable, electronic records system in hospitals statewide. The intent is to upgrade information technology and systems to improve patient care, reduce the cost of care, and enable remote monitoring of patients' conditions, especially those with chronic conditions. (Art. 15, Sec. 2)

Funding is provided for planning grants for up to three community collaboratives to develop proposals to provide affordable health care to uninsured and underinsured people with chronic health conditions. (Art. 14, Sec. 18)

A one-time allocation of \$170,000 is to fund a health care transformation task force to advise the governor regarding activities to transform the health care system, and to develop a statewide action plan. (Art. 14, Sec. 21)

Nursing homes

Nursing home funding received 56 percent of ongoing new spending in the health and human services budget.

A share of the funding will go toward cost of living adjustments for employees at these facilities. The law provides for a facility rate increase of 1.87 percent for the rate year beginning Oct. 1, 2007. At least 75 percent of the money must be used for employee compensation-related increases. Nursing facilities could also see a rate increase in 2009 due to rebasing in that year. This formula determines reimbursements to facilities based on actual costs accrued and inflation. (Art. 7, Sec. 22)

The state also allocates \$2.5 million in fiscal year 2008 for sprinkler updates in facilities statewide, many of which do not have systems that meet federal standards. (Art. 7, Sec. 21)

Mental health

Mental health areas are to receive \$34.1 million during the 2008-09 biennium through several initiatives, including grants to counties, American Indian tribes and mental health service providers for services to children with emotional disturbances and for early intervention programming and funding for a Regional Children's Mental Health Initiative pilot project, involving several southern Minnesota counties working to develop a model for children's mental health care delivery. (Art. 8, Secs. 8, 35)

The law also asks the commissioner of human services to undertake a series of reforms to "address the underlying structural, financial and organizational problems in Minnesota's mental health system with the goal of improving the availability, quality and accountability of mental health care in the state." A report is due to the Legislature by Jan. 15, 2008. (Art. 8, Sec. 5)

Hearing impaired

Children up to age 10 that are newly diagnosed with hearing loss could be eligible for new services from a statewide hearing aid and instrument loan bank.

Additionally, the health commissioner is charged with establishing a Newborn Hearing Screening Advisory Committee to determine protocol and procedures for a mandatory hearing screening and reporting system for all newborns and a follow up intervention program for the babies when needed. (Art. 16, Sec. 10)

Child care

The 2008-09 biennial budget provides about \$5.5 million for helping reduce child care co-payments from \$10 to \$5 for families whose income is between 75 percent and 100 percent of federal poverty guidelines. Co-payments for parents above that level are also reduced on a sliding-fee scale.

Several million is also given to grants for child care services; family, friend and neighbor providers; and the early childhood professional development system, which provides training strategies and other services for practitioners serving young and school-age children. (Art. 18, Sec. 2)

HIGHER EDUCATION

Funding public colleges, universities

The law provides nearly \$3.17 billion in funding for the University of Minnesota, Minnesota State Colleges and Universities system, Mayo Foundation and the Office of Higher Education. The funding increase is approximately \$361.5 million, or 13 percent, over the November forecast base for the 2008-09 biennium and 14 percent higher in the base for fiscal years 2010-11. Included in the allocation are performance measures for the university and MnSCU.

The law is technically sponsored by Rep. Steve Simon (DFL-St. Louis Park) and Sen. Sandy Pappas

(DFL-St. Paul); however, Rep. Tom Rukavina (DFL-Virginia), sponsored the original House bill (HF797), and was the lead House negotiator.

HF1063*/SF1051/CH144

MnSCU

Of the MnSCU dollars, nearly \$666.88 million is for fiscal year 2008 and \$689.3 million is for fiscal year 2009. This is about an 11.7 percent increase.

The appropriation specifies an expectation expressed by system leaders that tuition increases would stay below 4 percent per year. It also includes funding for initiatives to recruit and retain students from traditionally underrepresented areas, upgrades and investment in technology infrastructure, and a systemwide expansion of science, technology, engineering and math offerings.

Included in the funding is:

- \$6.7 million in one-time money for technology infrastructure improvements to deliver more online programs and services to students;
- \$3.4 million to eliminate nonresident tuition rates through fiscal year 2009 at seven more MnSCU institutions, bringing the total to 19;
- \$750,000 in one-time money for a clean room at St. Paul College for nanotechnology manufacturing instruction; and
- \$500,000 to improve textbook purchasing and pricing.

One percent of system funding will be withheld until it can be demonstrated to the finance commissioner that three of five performance goals have been achieved: increasing by 3 percent the number of students taking science, technology, engineering and math offerings; increasing Centers of Excellence enrollment by 2 percent; increasing the number of students trained on electronic medical record technology by 700; a 10 percent increase in online learning; or a 10 percent increase in rewards to staff or institutions for innovative efficiency ideas. (Art. 1, Sec. 4)

University of Minnesota

The university will receive \$712.62 million in the first year of the biennium and \$706.3 million in the second, a 12.7 percent increase from the 2006-07 biennium.

Included in the funding is:

- \$105.35 million for the agriculture and extension service, including additional dollars to promote alternative livestock research and outreach, and for ongoing organic research and education;
- \$44.5 million for the Academic Health Center;
- \$25 million to support a partnership with the Mayo Medical Foundation for biotechnology and medical genomics research; and
- \$5 million to match scholarships for families with an income of less than \$150,000.

Like MnSCU, 1 percent of university funding will be withheld until it can be demonstrated to the finance commissioner that three of five performance goals have been achieved: increasing financial support for students demonstrating financial need; maintaining or improving the university rank in its national share of research and development expenditures; increasing by at least 5 percent the number of degrees awarded in science, technology, engineering, math and health sciences; increasing by at least 5 percent support for renewable energy research; or improve and increase interaction and research activity beneficial to business and industry. (Art. 1, Sec. 5)

The law requires that no state money can be used for costs related to the early termination of an athletic coach. (Art. 2, Sec. 47)

Mayo Medical Foundation

The law allocates \$2.45 million for the Mayo Medical Foundation.

By law, the state is to pay a capitation each year to help offset tuition costs for Minnesota students attending the Mayo Medical School, which enrolls 42 students per year. The law spends \$591,000 in

fiscal year 2008 and \$615,000 in fiscal year 2009 for this. The amount is a combined \$178,000 above the 2006-07 biennium.

The law also appropriates \$184,000 more to support 27 residents each year in the family practice and graduate residency programs, which are designed to help prepare family physicians to meet the needs of rural and medically underserved populations. (Art. 1, Sec. 6)

More financial aid, other collegiate costs

The Office of Higher Education will receive \$188.29 million in fiscal year 2008 and about \$188.8 million in fiscal year 2009. The approximately 12.6 percent increase, includes \$58.6 million in new financial aid money.

Designed to help students, the law changes some of the factors used in calculating a grant award: a 5 percent reduction in the assigned family responsibility factor, an increase in the tuition and fee maximums and an increase in living and miscellaneous expense allowance. (Art. 1, Sec. 3 and Art. 2, Secs. 18, 19)

Additionally, the law calls for a \$2.5 million bump in child care grants, with an increase from \$2,300 to \$2,600 per eligible child per academic year. (Art. 2, Sec. 22)

Banding tuition at the university's Crookston, Duluth and Morris campuses will allow students to pay for only 13 credits, even if they take more. (Art. 1, Sec. 5)

The law also increases by \$100 the matching grant in the college savings program for families with an annual income below \$50,000, and increases from 5 percent to 10 percent the contributions for program participants whose family income is between \$50,000 and \$80,000. (Art. 2, Sec. 44)

Other provisions

The law appropriates \$6 million per year for a new Minnesota GI Bill for undergraduate and graduate students. Eligibility criteria is based on military service since Sept. 11, 2001. (Art. 1, Sec. 7 and Art. 2, Sec. 49)

Postsecondary institutions, including student and alumni organizations, are prohibited from providing contact information of an undergraduate student to credit card issuers or enter into an agreement to market credit cards to undergraduate students at a postsecondary educational institution. This applies to new agreements and extensions of current agreements that expire on or after July 1, 2007. (Art. 2, Sec. 9)

HOUSING

Housing assistance

The omnibus jobs and economic development law calls for \$114.56 million in housing expenses, including a \$12.1 million base increase and \$27.5 million in one-time funds.

The Challenge Grant Program, which provides deferred grants and loans to local governments and nonprofit developers to acquire housing units, will receive a \$15 million one-time bump in addition to its \$9.62 million base. The Housing Trust Fund, which provides no-interest deferred loans to local governments and public and private organizations to finance affordable permanent and supportive rental housing and limited equity cooperative housing, receives \$5 million in one-time money and a \$500,000 biennial base bump.

Also funded is a \$7.5 million base increase for family homelessness prevention; a \$2 million base increase for a program that provides rent assistance for households with an income below 50 percent of the area median level, where at least one adult has a persistent and serious mental illness; and a \$1.3 million one-time allocation and a \$630,000 base increase for a program that provides deferred loans to low-income homeowners that need to correct health and safety hazards in their home. (Art. 1, Sec. 5)

Disabled veterans and people with disabilities are added to those given preference for rental units operated by a housing and redevelopment authority. (Art. 8, Sec. 8)

MILITARY

Military and veterans programming

The portion of the omnibus agriculture and veterans affairs law receiving the most accolades relates to military and Department of Veterans Affairs spending.

Of the total department's 2008-09 allocation, more than \$5 million is for communication and outreach programs to help inform returning veterans of available benefits.

The law, sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Jim Vickerman (DFL-Tracy), expands the educational assistance benefit to include eligible spouses of deceased veterans. A one-time \$52,000 appropriation will fund \$750 annual stipends for those attending a state postsecondary institution. Previously this stipend was only available to children of the deceased. (Art. 2, Sec. 2)

By Nov. 1, 2007, a report is due to the Legislature regarding the psychological status and needs of soldiers returning to the state from Iraq and/or Afghanistan. The report should also focus on the role a new mental health facility in Kandiyohi County could play, which is under planning by the Minnesota Veterans Homes Board. (Art. 2, Sec. 6)

The law also provides \$100,000 each year for information and outreach regarding the availability of depleted uranium testing services provided by the federal government. (Art. 2, Sec. 2)

The Department of Military Affairs receives \$40.2 million over the biennium, with \$20.4 million allocated for military enlistment incentives. (Art. 3, Sec. 2)

The law addresses an unintended consequence for this summer's returning baseball-playing Guard members, who would find themselves benched for playoff games. Rules of the amateur athletic association governing the sport state that players must participate in at least four games to be playoff-eligible. The new law states that a military person will be eligible for play. (Art. 3, Sec. 4)

HF2227*/SF1925/CH45

SAFETY

Public safety finance and policy provisions

Sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Linda Higgins (DFL-Mpls), the omnibus public safety finance law provides more than \$2 billion in funding, stiffer penalties for certain offenses and increased protection for crime victims.

The Department of Corrections receives \$936.7 million, with funds for staff retention, county programs, probation caseload reduction, mentoring grants for incarcerated parents and offender reentry programs. (Art. 1, Secs. 14, 16, 19)

Trial courts will receive \$500.9 million to provide for seven new judgeships, and maintain existing drug courts at their current level. (Art. 1, Sec. 4)

The Department of Public Safety gets \$304.8 million, which provides additional funding for CrimNet and 14 to 15 additional forensic scientists for the Bureau of Criminal Apprehension. Part of the resources will also go to the Office of Justice Programs for crime victim reparations, child advocacy centers, squad car cameras, auto theft emergency grants, youth intervention programs and legal advocacy for trafficking victims. (Art. 1, Sec. 10)

The Board of Public Defense receives \$135.8 million, allowing for 34 new full-time attorneys and 11 new full-time support staff. (Art. 1, Sec. 9)

The Supreme Court receives \$90.5 million, which includes a 3 percent pay increase for Supreme Court justices and judges of the court of appeals and district courts. (Art. 1, Sec. 3)

Under the supervision of the public safety commissioner, a two-year ignition interlock device pilot project will be conducted for DWI offenders. The law creates a temporary exception to the mandatory DWI sentencing laws and provides that a judge may require a person as a condition of probation to drive only motor vehicles with ignition interlock devices. Preliminary reports are due to the Legislature Feb. 1, 2008, and Dec. 1, 2008. A final report is due Sept. 1, 2009. (Art. 3, Sec. 1)

If a tenant of a residential property is a victim of domestic abuse and fears future abuse, he or she may terminate the lease without penalty or liability. The tenant is responsible for the full-month rent in which the lease is terminated, plus one additional month's rent. (Art. 4, Sec. 3)

An employer must allow a violent crime victim, the victim's spouse or immediate family members, reasonable time off from work to attend criminal proceedings related to the victim's case. (Art. 4, Secs. 5, 6)

The corrections commissioner must develop a uniform method to calculate the average department-wide per diem cost for housing offenders in county and regional jails. This data will be part of the department's annual performance report to the Legislature. (Art. 6, Sec. 5)

[HF829*/SF650/CH54](#)

TOURISM

Explore Minnesota

The omnibus jobs and economic development law provides more than \$22.3 million to Explore Minnesota Tourism in fiscal years 2008-09.

The Minnesota Film and TV Board is given \$650,000 over the biennium for the Minnesota Snowbate program, which helps bring film and television production to the state. It is also appropriated \$325,000 in each year for operating costs. This has a requirement that the money be made available only after \$1 of nonstate money or in-kind contributions is received for every \$3 provided by the state.

One-time funding of \$150,000 is for a feasibility study and planning activities for the St. Louis County Heritage and Arts Center at the Duluth Depot. The study and planning activities must include establishment of a heritage tourism center, a look at the costs and benefits of relocation the Northeast Minnesota Office of Tourism to the depot, developing a multimodal operational plan to include rail and bus service, and a look at services needed to return the depot to a working railroad station and cultural getaway to the city and county. (Art. 1, Sec. 4)

[HF122*/SF62/CH135](#)

TRANSPORTATION

Roads and transit funding

The nearly \$3.8 billion transportation package, sponsored by Rep. Bernie Lieder (DFL-Crookston) and Sen. Steve Murphy (DFL-Red Wing), is about \$380 million less than the earlier vetoed proposal. That bill contained a 7.5-cent gas tax increase, \$1.5 billion in bonding over the next decade, an increase in license tab fees and a possible metropolitan area tax increase for transportation needs.

The new law allocates \$1.1 billion for state road construction; \$869.88 million for the county-state aid highway system; \$423.26 million for infrastructure operations and maintenance; \$347.8 million for infrastructure investment support, including \$5 million for a pilot project "to demonstrate technologies that will allow for the future replacement of the gas tax with a fuel-neutral mileage charge;" and \$234.87 million for the municipal state-aid street system.

Further, the law allocates \$40.6 million for airport development and assistance.

Also included is \$2.5 million in fiscal year 2008 to implement the town sign replacement program. The appropriation is to satisfy any matching requirement necessary to receive federal funds. (Art. 1, Sec. 3)

The Metropolitan Council is to receive \$73.45 million each year for bus system operations. To keep the Metro Transit system from reducing service, the law provides \$20 million in one-time money in fiscal year 2008. Further, the law provides \$5.3 million each year to fund half the operating costs of the Hiawatha Light Rail Transit line, after operating revenue and federal funds are spent. Remaining costs, up to \$5.3 million per year, are to be paid by Hennepin County. (Art. 1, Sec. 4)

Language is also included in the law to ensure that state funds are available so the Northstar Commuter Rail project continues without delay. (Art. 1, Sec. 10)

In November 2006, Minnesota voters approved a constitutional amendment to dedicate all funds from the state motor vehicle sales tax to transportation purposes. The law sets forth a gradual percentage

change so that beginning July 1, 2011, 60 percent of the revenue will go towards highways, 36 percent for metropolitan area transit and 4 percent for Greater Minnesota transit. (Art. 2, Sec. 5)

Driver and vehicle services fees are raised in the law, primarily a 75-cent increase in a driver's license, instruction permit and state identification card. The goal is to make the **Driver and Vehicle Services Division of the Department of Public Safety** a fee-based service. (Art. 3, Secs. 1-4, 6)

HF562*/SF360/CH143