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HOUSE FILE No. 1835

FIRST COMMITTEE ENGROSSMENT

March 18, 2009

Authored by Haws

The bill was read for the first time and referred to the Committee on Finance

Referred by Chair to Higher Education and Workforce Development Finance and Policy Division.

March 12, 2010

Returned to the Committee on Finance as Amended.

1.1 A bill for an act
 1.2 relating to workforce development; reducing appropriations for higher education
 1.3 and economic development; modifying loan, grant, and scholarship provisions;
 1.4 increasing bond limits; establishing a central system office; governing credit
 1.5 transfers; requiring bond issues for projects; establishing a pilot project;
 1.6 modifying investment of mineral fund; making technical changes; renaming
 1.7 certain centers and funds; adjusting distributions; modifying certain Board
 1.8 of Barber Examiners provisions; adjusting fees; requiring reports; amending
 1.9 Minnesota Statutes 2008, sections 136A.121, subdivision 6; 136A.1701,
 1.10 subdivision 4; 136A.29, subdivision 9; 154.06; 154.065, subdivision 2; 154.07,
 1.11 by adding a subdivision; 154.15, by adding a subdivision; 326B.148, subdivision
 1.12 1; Minnesota Statutes 2009 Supplement, sections 136A.121, subdivision 9;
 1.13 136F.98, subdivision 1; 154.002; 154.003; 155A.23, by adding a subdivision;
 1.14 155A.24, subdivision 2, by adding subdivisions; 155A.25; 298.294; 299A.45,
 1.15 subdivision 1; Laws 2009, chapter 78, article 1, section 3, subdivision 2; article
 1.16 7, section 2; Laws 2009, chapter 95, article 1, sections 3, subdivisions 6,
 1.17 21; 5, subdivision 2; proposing coding for new law in Minnesota Statutes,
 1.18 chapters 136A; 136F; repealing Minnesota Statutes 2008, sections 136A.127,
 1.19 subdivisions 1, 3, 5, 6, 7, 10, 11; 154.07, subdivision 5; 176.135, subdivision 1b;
 1.20 Minnesota Statutes 2009 Supplement, sections 135A.61; 136A.121, subdivision
 1.21 9b; 136A.127, subdivisions 2, 4, 9, 9b, 10a, 14.

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

1.23 **ARTICLE 1**

1.24 **HIGHER EDUCATION APPROPRIATIONS**

1.25 Section 1. **SUMMARY OF APPROPRIATIONS.**

1.26 Subdivision 1. **Summary Total.** The amounts shown in this section summarize
 1.27 direct appropriations, by fund, made in this article.

| | | <u>2010</u> | | <u>2011</u> | | <u>Total</u> |
|------|-----------------------|--------------------|-------------------------|--------------------|----------------------------|----------------------------|
| 1.28 | | | | | | |
| 1.29 | <u>General</u> | \$ | <u>1,410,000</u> | \$ | <u>(48,155,000)</u> | <u>(46,745,000)</u> |
| 1.30 | <u>Total</u> | \$ | <u>1,410,000</u> | \$ | <u>(48,155,000)</u> | <u>(46,745,000)</u> |

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

| | | <u>2010</u> | | <u>2011</u> | <u>Total</u> |
|---|----|------------------|----|---------------------|---------------------|
| 2.3 <u>Minnesota Office of Higher</u> | | | | | |
| 2.4 <u>Education</u> | \$ | <u>1,410,000</u> | \$ | <u>(1,568,000)</u> | <u>(158,000)</u> |
| 2.5 | | | | | |
| 2.6 <u>Board of Trustees of the</u> | | | | | |
| 2.7 <u>Minnesota State Colleges and</u> | | | | | |
| 2.8 <u>Universities</u> | | -0- | | <u>(10,467,000)</u> | <u>(10,467,000)</u> |
| 2.9 <u>Board of Regents of the</u> | | | | | |
| 2.10 <u>University of Minnesota</u> | | -0- | | <u>(36,120,000)</u> | <u>(36,120,000)</u> |
| 2.11 <u>Total</u> | \$ | <u>1,410,000</u> | \$ | <u>(48,155,000)</u> | <u>(46,745,000)</u> |

2.12 **Sec. 2. APPROPRIATIONS.**

2.13 The sums shown in the columns marked "Appropriations" are added to or, if shown
 2.14 in parentheses, subtracted from the appropriations in Laws 2009, chapter 95, article 1, to
 2.15 the agencies and for the purposes specified in this article. The appropriations are from the
 2.16 general fund, or another named fund, and are available for the fiscal years indicated for
 2.17 each purpose. The figures "2010" and "2011" used in this article mean that the addition
 2.18 to or subtraction from the appropriation listed under them is available for the fiscal year
 2.19 ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and
 2.20 reductions to appropriations for the fiscal year ending June 30, 2010, are effective the
 2.21 day following final enactment.

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

2.26 **Sec. 3. OFFICE OF HIGHER EDUCATION**

2.27 Subdivision 1. Total Appropriation \$ 1,410,000 \$ (1,568,000)

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

2.31 Subd. 2. State Grants -0- (1,487,000)

2.32 The tuition maximum for fiscal year 2011
 2.33 for students in two-year programs and for
 2.34 students in private, for-profit, four-year
 2.35 programs is \$5,364.

3.1 Financial aid changes in this article are
 3.2 expected to achieve savings available to
 3.3 the state grant program for fiscal year 2011
 3.4 as a result of reducing tuition maximums,
 3.5 eliminating eligibility for a ninth semester,
 3.6 and eliminating the high school-to-college
 3.7 developmental transition program grants.
 3.8 Any additional savings necessary to make
 3.9 grants in fiscal year 2011 must be achieved
 3.10 through the application of Minnesota
 3.11 Statutes, section 136A.121, subdivision 7.

3.12 This is a onetime reduction.

| | | | |
|------|--|------------------|-----------------|
| 3.13 | <u>Subd. 3. Interstate Tuition Reciprocity</u> | <u>1,487,000</u> | <u>-0-</u> |
| 3.14 | <u>Subd. 4. Agency Administration</u> | <u>(77,000)</u> | <u>(81,000)</u> |

3.15 **Sec. 4. BOARD OF TRUSTEES OF THE**
 3.16 **MINNESOTA STATE COLLEGES AND**
 3.17 **UNIVERSITIES**

| | | | | | |
|------|---|-----------|------------|-----------|---------------------|
| 3.18 | <u>Subdivision 1. Total Appropriation</u> | <u>\$</u> | <u>-0-</u> | <u>\$</u> | <u>(10,467,000)</u> |
|------|---|-----------|------------|-----------|---------------------|

3.19 The amounts that must be reduced or
 3.20 added for each purpose are specified in the
 3.21 following subdivisions.

| | | | | | |
|------|--|--|------------|--|--------------------|
| 3.22 | <u>Subd. 2. Central Office and Shared Services</u> | | | | |
| 3.23 | <u>Unit</u> | | <u>-0-</u> | | <u>(3,000,000)</u> |

3.24 Reductions under this subdivision must not
 3.25 be allocated to any institution and must not
 3.26 be charged back to any campus or institution.

| | | | | | |
|------|--|--|------------|--|--------------------|
| 3.27 | <u>Subd. 3. Operations and Maintenance</u> | | <u>-0-</u> | | <u>(7,467,000)</u> |
|------|--|--|------------|--|--------------------|

3.28 Each institution must reduce administrative
 3.29 budgets by at least ten percent. The
 3.30 remaining reductions must be allocated
 3.31 proportionately to all institutions to minimize
 3.32 the impact on students and instruction.

5.1 \$18,000 in fiscal year 2011 is a reduction to
 5.2 the appropriation to support up to 12 resident
 5.3 physicians in the St. Cloud Hospital family
 5.4 practice residency program.

5.5 Reductions under this paragraph for
 5.6 the graduate family medicine education
 5.7 programs at Hennepin County Medical
 5.8 Center must be proportional to other
 5.9 reductions under this paragraph.

| | | | |
|------|---|------------|------------------|
| 5.10 | <u>(c) Institute of Technology</u> | <u>-0-</u> | <u>(74,000)</u> |
| 5.11 | <u>(d) System Special</u> | <u>-0-</u> | <u>(328,000)</u> |
| 5.12 | <u>(e) University of Minnesota and Mayo</u> | | |
| 5.13 | <u>Foundation Partnership</u> | <u>-0-</u> | <u>(427,000)</u> |

5.14 Sec. 6. Minnesota Statutes 2008, section 136A.121, subdivision 6, is amended to read:

5.15 Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of
 5.16 allowances specified in law for living and miscellaneous expenses, and an allowance
 5.17 for tuition and fees equal to the lesser of the average tuition and fees charged by the
 5.18 institution, ~~or~~ the tuition and fee maximums established in law, or for students in two-year
 5.19 or four-year private, for-profit programs, the maximum tuition and fee amount for a public
 5.20 two-year institution.

5.21 (b) For a student registering for less than full time, the office shall prorate the cost of
 5.22 attendance to the actual number of credits for which the student is enrolled.

5.23 (c) The recognized cost of attendance for a student who is confined to a Minnesota
 5.24 correctional institution shall consist of the tuition and fee component in paragraph (a),
 5.25 with no allowance for living and miscellaneous expenses.

5.26 (d) For the purpose of this subdivision, "fees" include only those fees that are
 5.27 mandatory and charged to full-time resident students attending the institution. Fees do
 5.28 not include charges for tools, equipment, computers, or other similar materials where the
 5.29 student retains ownership. Fees include charges for these materials if the institution retains
 5.30 ownership. Fees do not include optional or punitive fees.

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

5.32 Sec. 7. Minnesota Statutes 2009 Supplement, section 136A.121, subdivision 9, is
 5.33 amended to read:

6.1 Subd. 9. **Awards.** An undergraduate student who meets the office's requirements
6.2 is eligible to apply for and receive a grant in any year of undergraduate study unless the
6.3 student has obtained a baccalaureate degree or previously has been enrolled full time or
6.4 the equivalent for ~~nine~~ eight semesters or the equivalent, excluding courses taken from a
6.5 Minnesota school or postsecondary institution which is not participating in the state grant
6.6 program and from which a student transferred no credit. A student who withdraws from
6.7 enrollment for active military service, or for a major illness, while under the care of a
6.8 medical professional, that substantially limits the student's ability to complete the term is
6.9 entitled to an additional semester or the equivalent of grant eligibility. A student enrolled
6.10 in a two-year program at a four-year institution is only eligible for the tuition and fee
6.11 maximums established by law for two-year institutions.

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

6.13 Sec. 8. **[136A.129] LEGISLATIVE NOTICE.**

6.14 The office shall notify the chairs of the legislative committees with primary
6.15 jurisdiction over higher education finance of any proposed material change to the
6.16 administration of any of the grant or financial aid programs in sections 136A.095 to
6.17 136A.128.

6.18 Sec. 9. Minnesota Statutes 2008, section 136A.1701, subdivision 4, is amended to read:

6.19 Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such
6.20 terms and conditions as the office may prescribe. ~~The~~ Under the SELF IV program, the
6.21 principal amount of a loan to an undergraduate student for a single academic year shall
6.22 not exceed \$6,000 for grade levels 1 and 2 effective July 1, 2006, through June 30, 2007.
6.23 Effective July 1, 2007, the principal amount of a loan for grade levels 1 and 2 shall not
6.24 exceed \$7,500. The principal amount of a loan for grade levels 3, 4, and 5 shall not exceed
6.25 \$7,500 effective July 1, 2006 \$7,500 per grade level. The aggregate principal amount of
6.26 all loans made under this section to an undergraduate student shall not exceed ~~\$34,500~~
6.27 ~~through June 30, 2007, and \$37,500 after June 30, 2007.~~ The principal amount of a loan
6.28 to a graduate student for a single academic year shall not exceed \$9,000. The aggregate
6.29 principal amount of all loans made under this section to a student as an undergraduate
6.30 and graduate student shall not exceed ~~\$52,500 through June 30, 2007, and \$55,500~~
6.31 ~~after June 30, 2007.~~ The amount of the loan may not exceed the cost of attendance less
6.32 all other financial aid, including PLUS loans or other similar parent loans borrowed on
6.33 the student's behalf. The cumulative SELF loan debt must not exceed the borrowing
6.34 maximums in paragraph (b).

7.1 (b) The cumulative undergraduate borrowing maximums for SELF IV loans are:

7.2 (1) ~~effective July 1, 2006, through June 30, 2007:~~

7.3 ~~(i) grade level 1, \$6,000;~~

7.4 ~~(ii) grade level 2, \$12,000;~~

7.5 ~~(iii) grade level 3, \$19,500;~~

7.6 ~~(iv) grade level 4, \$27,000; and~~

7.7 ~~(v) grade level 5, \$34,500; and~~

7.8 ~~(2) effective July 1, 2007:~~

7.9 ~~(i) grade level 1, \$7,500;~~

7.10 ~~(ii) (2) grade level 2, \$15,000;~~

7.11 ~~(iii) (3) grade level 3, \$22,500;~~

7.12 ~~(iv) (4) grade level 4, \$30,000; and~~

7.13 ~~(v) (5) grade level 5, \$37,500.~~

7.14 (c) The principal amount of a SELF V or subsequent phase loan to students enrolled
7.15 in a bachelor's degree program, postbaccalaureate, or graduate program must not exceed
7.16 \$10,000 per grade level. For all other eligible students, the principal amount of the loan
7.17 must not exceed \$7,500 per grade level. The aggregate principal amount of all loans
7.18 made under this section to a student as an undergraduate and graduate student must not
7.19 exceed \$70,000. The amount of the loan must not exceed the cost of attendance less
7.20 all other financial aid, including PLUS loans or other similar parent loans borrowed on
7.21 the student's behalf. The cumulative SELF loan debt must not exceed the borrowing
7.22 maximums in paragraph (d).

7.23 (d)(1) The cumulative borrowing maximums for SELF V loans and subsequent
7.24 phases for students enrolled in a bachelor's degree program or postbaccalaureate program
7.25 are:

7.26 (i) grade level 1, \$10,000;

7.27 (ii) grade level 2, \$20,000;

7.28 (iii) grade level 3, \$30,000;

7.29 (iv) grade level 4, \$40,000; and

7.30 (v) grade level 5, \$50,000.

7.31 (2) For graduate level students, the borrowing limit is \$10,000 per nine-month
7.32 academic year, with a cumulative maximum for all SELF loan debt of \$70,000.

7.33 (3) For all other eligible students, the cumulative borrowing maximums for SELF V
7.34 loans and subsequent phases are:

7.35 (i) grade level 1, \$7,500;

7.36 (ii) grade level 2, \$15,000;

8.1 (iii) grade level 3, \$22,500;

8.2 (iv) grade level 4, \$30,000; and

8.3 (v) grade level 5, \$37,500.

8.4 Sec. 10. Minnesota Statutes 2008, section 136A.29, subdivision 9, is amended to read:

8.5 Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered
8.6 to issue revenue bonds whose aggregate principal amount at any time shall not exceed
8.7 ~~\$950,000,000~~ \$1,300,000,000 and to issue notes, bond anticipation notes, and revenue
8.8 refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42,
8.9 to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling,
8.10 renovating, improving, furnishing, or equipping one or more projects or parts thereof.

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

8.12 Sec. 11. **[136F.08] CENTRAL SYSTEM OFFICE.**

8.13 Subdivision 1. **Establishment.** A central system office is established for the
8.14 Minnesota State Colleges and Universities to provide central support to the institutions
8.15 enrolling students and to assist the board in fulfilling its missions under section 136F.05.
8.16 The central office must not assume responsibility for services that are most effectively
8.17 and efficiently provided at the institution level. The central system office is under the
8.18 direction of the chancellor.

8.19 Subd. 2. **General duties.** The central system office must coordinate system level
8.20 responsibilities for financial management, personnel management, facilities management,
8.21 information technology, credit transfer, legal affairs, government relations, and auditing.
8.22 The central system office shall coordinate its services with the services provided at the
8.23 institution level so as not to duplicate any functions that are provided by institutions.

8.24 Sec. 12. **[136F.302] CREDIT TRANSFER.**

8.25 The board of trustees must develop and maintain a systemwide effective and
8.26 efficient mechanism for seamless student transfer between system institutions that has a
8.27 goal of minimal loss of credits for transferring students. The Degree Audit and Reporting
8.28 System (DARS) and u.select database (and successor databases) housed within the office
8.29 of the chancellor shall be the official repository of course equivalencies between system
8.30 colleges and universities. Each system college and university shall be responsible for
8.31 ensuring the accuracy and completeness of course equivalencies listed for courses offered
8.32 by that college or university. The development and maintenance of the system must, at a
8.33 minimum, address the following:

- 9.1 (1) alignment of institution curriculum and its communication to stakeholders;
 9.2 (2) transfer between similar programs;
 9.3 (3) documentation for transfer-related agreements between institutions;
 9.4 (4) systemwide transfer information on the Internet that is easily accessible and
 9.5 maintained in a current and accurate status;
 9.6 (5) training for campus-level staff to provide accurate and consistent advice to
 9.7 students;
 9.8 (6) institutional rather than student obligation to provide prompt required
 9.9 documentation for course equivalency determinations; and
 9.10 (7) consistency of transfer policies among institutions in compliance with a system
 9.11 policy.

9.12 Sec. 13. Minnesota Statutes 2009 Supplement, section 136F.98, subdivision 1, is
 9.13 amended to read:

9.14 Subdivision 1. **Issuance of bonds.** The Board of Trustees of the Minnesota State
 9.15 Colleges and Universities or a successor may issue revenue bonds under sections 136F.90
 9.16 to 136F.97 whose aggregate principal amount at any time may not exceed ~~\$200,000,000~~
 9.17 \$275,000,000, and payable from the revenue appropriated to the fund established by
 9.18 section 136F.94, and use the proceeds together with other public or private money that
 9.19 may otherwise become available to acquire land, and to acquire, construct, complete,
 9.20 remodel, and equip structures or portions thereof to be used for dormitory, residence hall,
 9.21 student union, food service, parking purposes, or for any other similar revenue-producing
 9.22 building or buildings of such type and character as the board finds desirable for the good
 9.23 and benefit of the state colleges and universities. Before issuing the bonds or any part
 9.24 of them, the board shall consult with and obtain the advisory recommendations of the
 9.25 chairs of the house of representatives Ways and Means Committee and the senate Finance
 9.26 Committee about the facilities to be financed by the bonds.

9.27 Sec. 14. Minnesota Statutes 2009 Supplement, section 299A.45, subdivision 1, is
 9.28 amended to read:

9.29 Subdivision 1. **Eligibility.** A person is eligible to receive educational benefits under
 9.30 this section if the person:

- 9.31 (1) is certified under section 299A.44 and in compliance with this section and rules
 9.32 of the commissioner of public safety and the Minnesota Office of Higher Education;
 9.33 (2) is enrolled in an undergraduate degree or certificate program after June 30, 1990,
 9.34 at an eligible Minnesota institution as provided in section 136A.101, subdivision 4;

10.1 (3) has not received a baccalaureate degree or been enrolled full time for ~~nine~~
 10.2 eight semesters or the equivalent, except that a student who withdraws from enrollment
 10.3 for active military service is entitled to an additional semester or the equivalent of
 10.4 eligibility; and

10.5 (4) is related in one of the following ways to a public safety officer killed in the
 10.6 line of duty on or after January 1, 1973:

10.7 (i) as a dependent child less than 23 years of age;

10.8 (ii) as a surviving spouse; or

10.9 (iii) as a dependent child less than 30 years of age who has served on active military
 10.10 duty 181 consecutive days or more and has been honorably discharged or released to the
 10.11 dependent child's reserve or National Guard unit.

10.12 Sec. 15. Laws 2009, chapter 95, article 1, section 3, subdivision 6, is amended to read:

| | | | |
|-------|---|-----------|-----------|
| 10.13 | Subd. 6. Achieve Scholarship Program | 4,350,000 | 4,350,000 |
|-------|---|-----------|-----------|

10.14 For scholarships under Minnesota Statutes,
 10.15 section 136A.127, the office shall transfer
 10.16 the appropriation for fiscal year 2011 to the
 10.17 appropriation for state grants.

10.18 Sec. 16. Laws 2009, chapter 95, article 1, section 3, subdivision 21, is amended to read:

10.19 Subd. 21. **Transfers**

10.20 The Minnesota Office of Higher Education
 10.21 may transfer unencumbered balances from
 10.22 the appropriations in this section to the state
 10.23 grant appropriation, the interstate tuition
 10.24 reciprocity appropriation, the child care
 10.25 grant appropriation, the Indian scholarship
 10.26 appropriation, the state work-study
 10.27 appropriation, the achieve scholarship
 10.28 appropriation, the public safety officers'
 10.29 survivors appropriation, and the Minnesota
 10.30 college savings plan appropriation. Transfers
 10.31 from the state grant, child care, or state
 10.32 work-study appropriations may only be made
 10.33 to the extent there is a projected surplus in

11.1 the appropriation. A transfer may be made
 11.2 only with prior written notice to the chairs
 11.3 of the senate and house of representatives
 11.4 committees with jurisdiction over higher
 11.5 education finance.

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

11.7 Sec. 17. Laws 2009, chapter 95, article 1, section 5, subdivision 2, is amended to read:

| | | | |
|------|--|-------------|-------------|
| 11.8 | Subd. 2. Operations and Maintenance | 550,345,000 | 604,239,000 |
|------|--|-------------|-------------|

11.9 (a) This appropriation includes funding for
 11.10 operation and maintenance of the system.

11.11 (b) The Board of Regents shall submit
 11.12 expenditure reduction plans by March 15,
 11.13 2010, to the committees of the legislature
 11.14 with responsibility for higher education
 11.15 finance to achieve the 2012-2013 base
 11.16 established in this section. The plan must
 11.17 focus on protecting direct instruction.

11.18 (c) Appropriations under this subdivision
 11.19 may be used for a new scholarship under
 11.20 Minnesota Statutes, section 137.0225, to
 11.21 complement the University's Founders
 11.22 scholarship.

11.23 (d) This appropriation includes amounts for
 11.24 an Ojibwe Indian language program on the
 11.25 Duluth campus.

11.26 (e) This appropriation includes money for the
 11.27 Dakota language teacher training immersion
 11.28 program on the Twin Cities campus to
 11.29 prepare teachers to teach in Dakota language
 11.30 immersion programs.

11.31 (f) This appropriation includes money for the
 11.32 Veterinary Diagnostic Laboratory to preserve
 11.33 accreditation.

12.1 (g) This appropriation includes money in
12.2 fiscal year 2010 for a onetime grant to the
12.3 Minnesota Wildlife Rehabilitation Center ~~for~~
12.4 ~~their uncompensated expenses~~ in an amount
12.5 equal to the loan balance as of March 11,
12.6 2010, for expenses related to the center's
12.7 move from the campus.

12.8 (h) For fiscal years 2012 and 2013, the
12.9 base for operations and maintenance is
12.10 \$596,930,000 each year.

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

12.12 Sec. 18. **OFFICE OF HIGHER EDUCATION CARRYFORWARD.**

12.13 Notwithstanding Minnesota Statutes, section 136A.125, subdivision 7, or 136A.233,
12.14 subdivision 1, the Office of Higher Education may carry forward to fiscal year 2011, funds
12.15 allocated to an institution for the child care and work study programs that exceed the actual
12.16 need and were refunded to the office from fiscal year 2010. Notwithstanding Minnesota
12.17 Statutes, section 136A.125, subdivision 4c, funds carried forward for the child care
12.18 program in fiscal year 2011 may be used to expand the number of recipients in the program.

12.19 Sec. 19. **REPORT OF CREDIT TRANSFER ACTIVITIES.**

12.20 The Board of Trustees of the Minnesota State Colleges and Universities shall report
12.21 on February 15, 2011, and annually thereafter through 2015, on its activities to achieve
12.22 the credit transfer goals of Minnesota Statutes, section 136F.302, and the results of those
12.23 activities. The report shall be made to the chairs and ranking minority members of the
12.24 legislative committees with primary jurisdiction over higher education policy and finance.
12.25 The goals of Minnesota Statutes, section 136F.302, should be fully achieved as soon as
12.26 possible, but no later than the start of the 2015-2016 academic year.

12.27 Sec. 20. **MNSCU REVENUE BONDS FOR STATE UNIVERSITIES.**

12.28 Notwithstanding Minnesota Statutes, section 136F.98, subdivision 1, for fiscal years
12.29 2010 and 2011, the board of trustees must use the increase in the aggregate revenue bond
12.30 limit in Minnesota Statutes, section 136F.98, subdivision 1, to issue revenue bonds for
12.31 eligible projects at state universities.

13.1 Sec. 21. **PILOT PROJECT; LOCAL DEPOSIT OF RESERVES OF**
13.2 **MINNESOTA STATE COLLEGES AND UNIVERSITIES.**

13.3 Subdivision 1. **Establishment.** To increase the distribution of potential economic
13.4 benefit of deposits of reserve funds of the institutions of the Minnesota State Colleges and
13.5 Universities, a pilot project is established to transfer certain reserve deposits of selected
13.6 institutions from the state treasury to a community financial institution. Notwithstanding
13.7 Minnesota Statutes, section 16A.27, on July 1, 2010, the commissioner of management
13.8 and budget shall transfer the board-required reserve funds of colleges and universities
13.9 selected by the board of trustees under subdivision 2, to a community financial institution
13.10 designated for each of the participating colleges and universities.

13.11 Subd. 2. **Participating colleges and universities.** By June 11, 2010, colleges and
13.12 universities must apply to the Board of Trustees of the Minnesota State Colleges and
13.13 Universities for participation in the pilot project. Each applicant must designate one or
13.14 more community financial institutions for the deposit of board-required reserves, with the
13.15 terms of the deposit for each designated community financial institution. The designated
13.16 community financial institution must be located within 25 miles of a participating campus.
13.17 From the applicants, the board shall select eight postsecondary institutions to participate in
13.18 the local deposit pilot project. In making its selection, the board must consider the size
13.19 of the institution's reserves and the terms offered by the designated community financial
13.20 institutions. Two-year and four-year institutions must be selected to participate in the pilot
13.21 project and at least five of the selected institutions must be located in greater Minnesota.

13.22 By June 25, 2010, the board must notify the commissioner of management and
13.23 budget of the participating colleges and universities and the associated community
13.24 financial institutions.

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

13.29 Subd. 4. **Evaluation and report.** The commissioner of management and budget and
13.30 the board of trustees shall independently evaluate the effectiveness or harm of the local
13.31 deposit pilot project in increasing the use of community financial institutions and providing
13.32 wider distribution of the economic benefit of the deposit of postsecondary reserves. Each
13.33 evaluation must include the participating colleges, universities, and community financial
13.34 institutions. The commissioner and the board shall report the results of the pilot project
13.35 evaluation to the appropriate committees of the legislature by December 1, 2011, with
13.36 recommendations on the future implementation of the pilot project.

14.1 Sec. 22. **APPROPRIATION REDUCTIONS.**

14.2 Any reduction in appropriations for the biennium ending June 30, 2011, for the
 14.3 central system office of Minnesota State Colleges and Universities must not be passed
 14.4 through to any institution or campus. The board of trustees must not charge any institution
 14.5 for appropriation reductions made to the central office.

14.6 Sec. 23. **REPEALER.**

14.7 (a) Minnesota Statutes 2008, section 136A.127, subdivisions 1, 3, 5, 6, 7, 10, and
 14.8 11, are repealed.

14.9 (b) Minnesota Statutes 2009 Supplement, sections 135A.61; 136A.121, subdivision
 14.10 9b; and 136A.127, subdivisions 2, 4, 9, 9b, 10a, and 14, are repealed.

14.11 **ARTICLE 2**

14.12 **ECONOMIC DEVELOPMENT APPROPRIATIONS**

14.13 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

| | <u>2010</u> | | <u>2011</u> | | <u>Total</u> |
|-------|----------------|----------------|----------------|----|--------------------|
| 14.16 | | | | | |
| 14.17 | <u>General</u> | \$ (1,500,000) | \$ (1,615,000) | \$ | <u>(3,115,000)</u> |
| 14.18 | <u>Total</u> | \$ (1,500,000) | \$ (1,615,000) | \$ | <u>(3,115,000)</u> |

14.19 Sec. 2. **APPROPRIATIONS.**

14.20 The sums shown in the columns marked "Appropriations" are added to or, if shown
 14.21 in parentheses, subtracted from the appropriations in Laws 2009, chapter 78, article 1,
 14.22 unless otherwise specified, to the agencies and for the purposes specified in this article.

14.23 The appropriations are from the general fund, or another named fund, and are available for
 14.24 the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this
 14.25 article mean that the addition to or subtraction from the appropriation listed under them
 14.26 are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively.

14.27 Supplemental appropriations and reductions to appropriations for the fiscal year ending
 14.28 June 30, 2010, are effective the day following final enactment.

| | |
|-------|---|
| 14.29 | <u>APPROPRIATIONS</u> |
| 14.30 | <u>Available for the Year</u> |
| 14.31 | <u>Ending June 30</u> |
| 14.32 | <u>2010</u> <u>2011</u> |

16.1 order to achieve required reductions through
 16.2 June 30, 2011. The general fund base for
 16.3 extended employment services is \$5,405,000
 16.4 in fiscal year 2012 and \$5,405,000 in fiscal
 16.5 year 2013.

16.6 (e) \$49,000 in 2011 is from the appropriation
 16.7 for grants to programs that provide
 16.8 employment support services to persons with
 16.9 mental illness under Minnesota Statutes,
 16.10 sections 268A.13 and 268A.14. \$2,000
 16.11 in each year is from the appropriation for
 16.12 administrative expenses.

16.13 (f) The general fund base for workforce
 16.14 development is \$29,181,000 in fiscal year
 16.15 2012 and \$29,181,000 in fiscal year 2013.

16.16 **Subd. 4. State-Funded Administration** -0- (300,000)

16.17 The general fund base for state-funded
 16.18 administration is \$2,126,000 in fiscal year
 16.19 2012 and \$2,126,000 in fiscal year 2013.

16.20 **Subd. 5. Carryforward** (1,500,000) -0-

16.21 The carryforward reduction is for the job
 16.22 skills partnership program.

16.23 **Subd. 6. Transfers and Cancellations**

16.24 (a) \$367,000 in 2010 and \$367,000 in
 16.25 2011 are transferred from the contaminated
 16.26 cleanup grants appropriation in the petroleum
 16.27 tank release cleanup fund under Minnesota
 16.28 Statutes, section 115C.08, subdivision 4, to
 16.29 the general fund.

16.30 (b) \$80,000 in 2010 is transferred from the
 16.31 unemployment insurance state administration
 16.32 account in the special revenue fund under
 16.33 Minnesota Statutes, section 268.196,
 16.34 subdivision 1, to the general fund.

17.1 (c) \$160,000 in 2010 is transferred from
 17.2 the capital access program account in the
 17.3 special revenue fund under Minnesota
 17.4 Statutes, section 116J.876, subdivision 4, to
 17.5 the general fund.

17.6 (d) The remaining balance from the Laws
 17.7 2007, chapter 135, article 1, section 3,
 17.8 appropriation for a grant to Le Sueur County
 17.9 is canceled.

17.10 **Sec. 4. DEPARTMENT OF LABOR AND**
 17.11 **INDUSTRY; TRANSFERS**

| | | | |
|----|------------|----|------------|
| \$ | <u>-0-</u> | \$ | <u>-0-</u> |
|----|------------|----|------------|

17.12 (a) By June 30, 2010, the commissioner
 17.13 of management and budget shall transfer
 17.14 \$700,000 from the contractor recovery
 17.15 account in the special revenue fund to the
 17.16 general fund.

17.17 (b) By June 30, 2010, the commissioner
 17.18 of management and budget shall transfer
 17.19 \$725,000 from the assigned risk safety
 17.20 account in the worker's compensation fund to
 17.21 the general fund.

17.22 **Sec. 5. BUREAU OF MEDIATION**
 17.23 **SERVICES**

| | | | |
|----|------------|----|-----------------|
| \$ | <u>-0-</u> | \$ | <u>(53,000)</u> |
|----|------------|----|-----------------|

17.24 (a) \$47,000 in 2011 is from the appropriation
 17.25 for mediation services.

17.26 (b) \$6,000 in 2011 is from the appropriation
 17.27 for labor management cooperation grants.

17.28 **Sec. 6. BOARD OF COSMETOLOGIST**
 17.29 **EXAMINERS**

| | | | |
|----|------------|----|----------------|
| \$ | <u>-0-</u> | \$ | <u>225,000</u> |
|----|------------|----|----------------|

17.30 **Sec. 7. BOARD OF BARBER EXAMINERS**

| | | | |
|----|------------|----|---------------|
| \$ | <u>-0-</u> | \$ | <u>60,000</u> |
|----|------------|----|---------------|

17.31 Sec. 8. Laws 2009, chapter 78, article 1, section 3, subdivision 2, is amended to read:

18.1 Subd. 2. **Business and Community**
 18.2 **Development**

8,980,000 8,980,000

18.3 Appropriations by Fund

| | | | |
|------|-------------|-----------|-----------|
| 18.4 | General | 7,941,000 | 7,941,000 |
| 18.5 | Remediation | 700,000 | 700,000 |
| 18.6 | Workforce | | |
| 18.7 | Development | 339,000 | 339,000 |

18.8 (a) \$700,000 the first year and \$700,000 the
 18.9 second year are from the remediation fund for
 18.10 contaminated site cleanup and development
 18.11 grants under Minnesota Statutes, section
 18.12 116J.554. This appropriation is available
 18.13 until expended.

18.14 (b) \$200,000 each year is from the general
 18.15 fund for a grant to WomenVenture for
 18.16 women's business development programs
 18.17 and for programs that encourage and assist
 18.18 women to enter nontraditional careers in the
 18.19 trades; manual and technical occupations;
 18.20 science, technology, engineering, and
 18.21 mathematics-related occupations; and green
 18.22 jobs. This appropriation may be matched
 18.23 dollar for dollar with any resources available
 18.24 from the federal government for these
 18.25 purposes with priority given to initiatives
 18.26 that have a goal of increasing by at least ten
 18.27 percent the number of women in occupations
 18.28 where women currently comprise less than 25
 18.29 percent of the workforce. The appropriation
 18.30 is available until expended.

18.31 (c) \$105,000 each year is from the general
 18.32 fund and \$50,000 each year is from the
 18.33 workforce development fund for a grant to
 18.34 the Metropolitan Economic Development
 18.35 Association for continuing minority business
 18.36 development programs in the metropolitan

19.1 area. This appropriation must be used for the
19.2 sole purpose of providing free or reduced
19.3 fee business consulting services to minority
19.4 entrepreneurs and contractors.

19.5 (d)(1) \$500,000 each year is from the
19.6 general fund for a grant to BioBusiness
19.7 Alliance of Minnesota for bioscience
19.8 business development programs to promote
19.9 and position the state as a global leader
19.10 in bioscience business activities. This
19.11 appropriation is added to the department's
19.12 base. These funds may be used to create,
19.13 recruit, retain, and expand biobusiness
19.14 activity in Minnesota; implement the
19.15 destination 2025 statewide plan; update
19.16 a statewide assessment of the bioscience
19.17 industry and the competitive position of
19.18 Minnesota-based bioscience businesses
19.19 relative to other states and other nations;
19.20 and develop and implement business and
19.21 scenario-planning models to create, recruit,
19.22 retain, and expand biobusiness activity in
19.23 Minnesota.

19.24 (2) The BioBusiness Alliance must report
19.25 each year by February 15 to the committees
19.26 of the house of representatives and the senate
19.27 having jurisdiction over bioscience industry
19.28 activity in Minnesota on the use of funds;
19.29 the number of bioscience businesses and
19.30 jobs created, recruited, retained, or expanded
19.31 in the state since the last reporting period;
19.32 the competitive position of the biobusiness
19.33 industry; and utilization rates and results of
19.34 the business and scenario-planning models
19.35 and outcomes resulting from utilization of
19.36 the business and scenario-planning models.

20.1 (e)(1) Of the money available in the
20.2 Minnesota Investment Fund, Minnesota
20.3 Statutes, section 116J.8731, to the
20.4 commissioner of the Department of
20.5 Employment and Economic Development,
20.6 up to \$3,000,000 is appropriated in fiscal year
20.7 2010 for a loan to an aircraft manufacturing
20.8 and assembly company, associated with the
20.9 aerospace industry, for equipment utilized
20.10 to establish an aircraft completion center
20.11 at the Minneapolis-St. Paul International
20.12 Airport. The finishing center must use the
20.13 state's vocational training programs designed
20.14 specifically for aircraft maintenance training,
20.15 and to the extent possible, work to recruit
20.16 employees from these programs. The center
20.17 must create at least 200 new manufacturing
20.18 jobs within 24 months of receiving the
20.19 loan, and create not less than 500 new
20.20 manufacturing jobs over a five-year period
20.21 in Minnesota.

20.22 (2) This loan is not subject to loan limitations
20.23 under Minnesota Statutes, section 116J.8731,
20.24 subdivision 5. Any match requirements
20.25 under Minnesota Statutes, section 116J.8731,
20.26 subdivision 3, may be made from current
20.27 resources. This is a onetime appropriation
20.28 and is effective the day following final
20.29 enactment.

20.30 (f) \$65,000 each year is from the general
20.31 fund for a grant to the Minnesota Inventors
20.32 Congress, of which at least \$6,500 must be
20.33 used for youth inventors.

21.1 (g) \$200,000 the first year and \$200,000 the
21.2 second year are for the Office of Science and
21.3 Technology. This is a onetime appropriation.

21.4 (h) \$500,000 the first year and \$500,000 the
21.5 second year are for a grant to Enterprise
21.6 Minnesota, Inc., for the small business
21.7 growth acceleration program under
21.8 Minnesota Statutes, section 116O.115. This
21.9 is a onetime appropriation and is available
21.10 until expended.

21.11 (i)(1) \$100,000 each year is from the
21.12 workforce development fund for a grant
21.13 under Minnesota Statutes, section 116J.421,
21.14 to the Rural Policy and Development
21.15 Center at St. Peter, Minnesota. The grant
21.16 shall be used for research and policy
21.17 analysis on emerging economic and social
21.18 issues in rural Minnesota, to serve as a
21.19 policy resource center for rural Minnesota
21.20 communities, to encourage collaboration
21.21 across higher education institutions, to
21.22 provide interdisciplinary team approaches
21.23 to research and problem-solving in rural
21.24 communities, and to administer overall
21.25 operations of the center.

21.26 (2) The grant shall be provided upon the
21.27 condition that each state-appropriated
21.28 dollar be matched with a nonstate dollar.
21.29 Acceptable matching funds are nonstate
21.30 contributions that the center has received and
21.31 have not been used to match previous state
21.32 grants. Any funds not spent the first year are
21.33 available the second year.

21.34 (j) Notwithstanding Minnesota Statutes,
21.35 section 268.18, subdivision 2, \$414,000 of

22.1 funds collected for unemployment insurance
22.2 administration under this subdivision is
22.3 appropriated as follows: \$250,000 to Lake
22.4 County for ice storm damage; \$64,000 is for
22.5 the city of Green Isle for reimbursement of
22.6 fire relief efforts and other expenses incurred
22.7 as a result of the fire in the city of Green Isle;
22.8 and \$100,000 is to develop the construction
22.9 mitigation pilot program to make grants for
22.10 up to five projects statewide available to local
22.11 government units to mitigate the impacts of
22.12 transportation construction on local small
22.13 business. These are onetime appropriations
22.14 and are available until expended.

22.15 (k) Up to \$10,000,000 is appropriated from
22.16 the Minnesota minerals 21st century fund to
22.17 the commissioner of Iron Range resources
22.18 and rehabilitation to make ~~a grant~~ grants
22.19 or forgivable ~~loan~~ loans to ~~a manufacturer~~
22.20 manufacturers of windmill blades, other
22.21 renewable energy manufacturing, or biomass
22.22 products at ~~a facility~~ facilities to be located
22.23 within the taconite tax relief area defined
22.24 in Minnesota Statutes, section 273.134. No
22.25 match is required for the renewable energy
22.26 manufacturing or biomass projects.

22.27 (l) \$1,000,000 is appropriated from the
22.28 Minnesota minerals 21st century fund to
22.29 the Board of Trustees of the Minnesota
22.30 State Colleges and Universities for a grant
22.31 to the Northeast Higher Education District
22.32 for planning, design, and construction of
22.33 classrooms and housing facilities for upper
22.34 division students in the engineering program.

23.1 (m)(1) \$189,000 each year is appropriated
23.2 from the workforce development fund for
23.3 grants of \$63,000 to eligible organizations
23.4 each year to assist in the development of
23.5 entrepreneurs and small businesses. Each
23.6 state grant dollar must be matched with \$1
23.7 of nonstate funds. Any balance in the first
23.8 year does not cancel but is available in the
23.9 second year.

23.10 (2) Three grants must be awarded to
23.11 continue or to develop a program. One
23.12 grant must be awarded to the Riverbend
23.13 Center for Entrepreneurial Facilitation
23.14 in Blue Earth County, and two to other
23.15 organizations serving Faribault and Martin
23.16 Counties. Grant recipients must report to the
23.17 commissioner by February 1 of each year
23.18 that the organization receives a grant with the
23.19 number of customers served; the number of
23.20 businesses started, stabilized, or expanded;
23.21 the number of jobs created and retained; and
23.22 business success rates. The commissioner
23.23 must report to the house of representatives
23.24 and senate committees with jurisdiction
23.25 over economic development finance on the
23.26 effectiveness of these programs for assisting
23.27 in the development of entrepreneurs and
23.28 small businesses.

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

23.30 Sec. 9. **APPROPRIATIONS MADE ONLY ONCE.**

23.31 If the appropriations made in this article are enacted more than once in the 2010
23.32 regular session, these appropriations must be given effect only once.

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

24.1 **ARTICLE 3**24.2 **MINERALS**

24.3 Section 1. Minnesota Statutes 2009 Supplement, section 298.294, is amended to read:

24.4 **298.294 INVESTMENT OF FUND.**

24.5 (a) The trust fund established by section 298.292 shall be invested pursuant to law
24.6 by the State Board of Investment and the net interest, dividends, and other earnings arising
24.7 from the investments shall be transferred, except as provided in paragraph (b), on the first
24.8 day of each month to the trust and shall be included and become part of the trust fund.

24.9 The amounts transferred, including the interest, dividends, and other earnings earned
24.10 prior to July 13, 1982, together with the additional amount of \$10,000,000 for fiscal year
24.11 1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the
24.12 commissioner of Iron Range resources and rehabilitation for deposit in a separate account
24.13 for expenditure for the purposes set forth in section 298.292. Amounts appropriated
24.14 pursuant to this section shall not cancel but shall remain available unless expended.

24.15 (b) For fiscal years 2010 and 2011 only, ~~\$1,000,000~~ \$1,500,000 of the net interest,
24.16 dividends, and other earnings under paragraph (a) shall be transferred to a special account.
24.17 Funds in the special account are available for loans or grants to businesses, with priority
24.18 given to businesses with 25 or fewer employees. Funds may be used for wage subsidies
24.19 for up to 52 weeks of up to \$5 per hour or other activities, including, but not limited to,
24.20 short-term operating expenses and purchase of equipment and materials by businesses
24.21 under financial duress, that will create additional jobs in the taconite assistance area under
24.22 section 273.1341. Expenditures from the special account must be approved by at least
24.23 seven Iron Range Resources and Rehabilitation Board members.

24.24 (c) To qualify for a grant or loan, a business must be currently operating and have
24.25 been operating for one year immediately prior to its application for a loan or grant, and its
24.26 corporate headquarters must be located in the taconite assistance area.

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

24.28 Sec. 2. Laws 2009, chapter 78, article 7, section 2, is amended to read:

24.29 Sec. 2. **IRON RANGE RESOURCES AND REHABILITATION; EARLY**
24.30 **SEPARATION INCENTIVE PROGRAM AUTHORIZATION.**

24.31 (a) Notwithstanding any law to the contrary, the commissioner of Iron Range
24.32 resources and rehabilitation, in consultation with the commissioner of management and
24.33 budget, ~~may~~ shall offer a targeted early separation incentive program for employees of the

25.1 commissioner who have attained the age of 60 years or who have received credit for at
25.2 least 30 years of allowable service under the provisions of Minnesota Statutes, chapter 352.

25.3 (b) The early separation incentive program may include one or more of the following:

25.4 (1) employer-paid postseparation health, medical, and dental insurance until age
25.5 65; and

25.6 (2) cash incentives that may, but are not required to be, used to purchase additional
25.7 years of service credit through the Minnesota State Retirement System, to the extent that
25.8 the purchases are otherwise authorized by law.

25.9 (c) The commissioner of Iron Range resources and rehabilitation shall establish
25.10 eligibility requirements for employees to receive an incentive.

25.11 (d) The commissioner of Iron Range resources and rehabilitation, consistent with the
25.12 established program provisions under paragraph (b), and with the eligibility requirements
25.13 under paragraph (c), may designate specific programs or employees as eligible to be
25.14 offered the incentive program.

25.15 (e) Acceptance of the offered incentive must be voluntary on the part of the
25.16 employee and must be in writing. The incentive may only be offered at the sole discretion
25.17 of the commissioner of Iron Range resources and rehabilitation.

25.18 (f) The cost of the incentive is payable solely by funds made available to the
25.19 commissioner of Iron Range resources and rehabilitation by law, but only on prior approval
25.20 of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

25.21 (g) This section and section 3 are repealed ~~June 30, 2011~~ December 31, 2012.

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

25.23 **Sec. 3. IRON RANGE HERITAGE CENTER AND PERPICH ARCHIVES.**

25.24 The Iron Range Resources and Rehabilitation Board shall change the name of
25.25 "Ironworld Discovery Center" to "Iron Range Heritage Center and Perpich Archives"
25.26 consistent with the changes in section 5.

25.27 **Sec. 4. 2010 DISTRIBUTIONS ONLY.**

25.28 For distributions in 2010 only, a special fund is established to receive 19.765 cents
25.29 per ton that otherwise would be allocated under Minnesota Statutes, section 298.28,
25.30 subdivision 6, and 6.367 cents per ton that would otherwise be allocated under Minnesota
25.31 Statutes, section 298.28, subdivision 11, to the Douglas J. Johnson economic protection
25.32 fund. The following amounts are distributed to St. Louis County acting as the fiscal agent
25.33 for the recipients for the following specified purposes:

- 26.1 (1) 0.764 cent per ton must be paid to Northern Minnesota Dental to provide
26.2 incentives for at least two dentists to establish dental practices in high-need areas of the
26.3 taconite tax relief area;
- 26.4 (2) 0.955 cent per ton must be paid to the city of Virginia for repairs and geothermal
26.5 heat at the Olcott Park Greenhouse/Virginia Commons project;
- 26.6 (3) 0.637 cent per ton must be paid to the city of Virginia for health and safety
26.7 repairs at the Miners Memorial;
- 26.8 (4) 0.955 cent per ton must be paid to the city of Eveleth for the reconstruction
26.9 of Highway 142/Grant and Park Avenues;
- 26.10 (5) 0.478 cent per ton must be paid to the Greenway Joint Recreation Board for
26.11 upgrades and capital improvements to the Hodgins Berardo Arena in Coleraine;
- 26.12 (6) 0.796 cent per ton must be paid to the city of Calumet for water treatment and
26.13 pumphouse modifications;
- 26.14 (7) 0.159 cent per ton must be paid to the city of Bovey for residential and
26.15 commercial claims for water damage due to water and flood-related damage caused by
26.16 the Canisteo Pit;
- 26.17 (8) 0.637 cent per ton must be paid to the city of Nashwauk for a community and
26.18 child care center;
- 26.19 (9) 0.637 cent per ton must be paid to the city of Keewatin for water and sewer
26.20 upgrades;
- 26.21 (10) 0.637 cent per ton must be paid to the city of Marble for the city hall and
26.22 library project;
- 26.23 (11) 0.955 cent per ton must be paid to the city of Grand Rapids for extension of
26.24 water and sewer services for Lakewood Housing;
- 26.25 (12) 0.159 cent per ton must be paid to the city of Grand Rapids for exhibits at
26.26 the Children's Museum;
- 26.27 (13) 0.637 cent per ton must be paid to the city of Grand Rapids for Block 20/21 soil
26.28 corrections. This amount must be matched by local sources;
- 26.29 (14) 0.605 cent per ton must be paid to the city of Aitkin for three water loops;
- 26.30 (15) 0.048 cent per ton must be paid to the city of Aitkin for signage;
- 26.31 (16) 0.159 cent per ton must be paid to Itasca County for an ATV trail;
- 26.32 (17) 0.637 cent per ton must be paid to the city of Cohasset for the Beiers Road
26.33 railroad crossing;
- 26.34 (18) 0.088 cent per ton must be paid to the city of Clinton for expansion and striping
26.35 of the community center parking lot;
- 26.36 (19) 0.398 cent per ton must be paid to the city of Kinney for water line replacement;

- 27.1 (20) 0.796 cent per ton must be paid to the city of Gilbert for infrastructure
27.2 improvements, milling, and overlay for Summit Street between Alaska Avenue and
27.3 Highway 135;
- 27.4 (21) 0.318 cent per ton must be paid to the city of Gilbert for sanitary sewer main
27.5 replacements and improvements in the Northeast Lower Alley area;
- 27.6 (22) 0.637 cent per ton must be paid to the town of White for replacement of the
27.7 Stepetz Road culvert;
- 27.8 (23) 0.637 cent per ton must be paid to the city of Buhl for reconstruction of Sharon
27.9 Street and associated infrastructure;
- 27.10 (24) 0.637 cent per ton must be paid to the city of Mountain Iron for site
27.11 improvements at the Park Ridge development;
- 27.12 (25) 0.796 cent per ton must be paid to the city of Mountain Iron for infrastructure
27.13 and site preparation for its renewable and sustainable energy park;
- 27.14 (26) 0.637 cent per ton must be paid to the city of Biwabik for sanitary sewer
27.15 improvements;
- 27.16 (27) 0.796 cent per ton must be paid to the city of Aurora for alley and road
27.17 rebuilding for the Summit Addition;
- 27.18 (28) 0.955 cent per ton must be paid to the city of Silver Bay for bioenergy facility
27.19 improvements;
- 27.20 (29) 0.318 cent per ton must be paid to the city of Grand Marais for water and
27.21 sewer infrastructure improvements;
- 27.22 (30) 0.318 cent per ton must be paid to the city of Orr for airport, water, and sewer
27.23 improvements;
- 27.24 (31) 0.318 cent per ton must be paid to the city of Cook for street and bridge
27.25 improvements;
- 27.26 (32) 0.955 cent per ton must be paid to the city of Ely for street, water, and sewer
27.27 improvements;
- 27.28 (33) 0.318 cent per ton must be paid to the city of Tower for water and sewer
27.29 improvements;
- 27.30 (34) 0.955 cent per ton must be paid to the city of Two Harbors for water and sewer
27.31 improvements;
- 27.32 (35) 0.637 cent per ton must be paid to the city of Babbitt for water and sewer
27.33 improvements;
- 27.34 (36) 0.096 cent per ton must be paid to the township of Duluth for infrastructure
27.35 improvements;

28.1 (37) 0.096 cent per ton must be paid to the township of Tofte for infrastructure
 28.2 improvements;

28.3 (38) 3.184 cents per ton must be paid to the city of Hibbing for sewer improvements;

28.4 (39) 1.273 cents per ton must be paid to the city of Chisholm for NW Area Project
 28.5 infrastructure improvements;

28.6 (40) 0.318 cent per ton must be paid to the city of Chisholm for health and safety
 28.7 improvements at the athletic facility; and

28.8 (41) 0.796 cent per ton must be paid to the city of Hoyt Lakes for residential street
 28.9 improvements.

28.10 **EFFECTIVE DATE.** This section is effective for the 2010 distribution, all of which
 28.11 must be made in the August 2010 payment.

28.12 Sec. 5. **REVISOR'S INSTRUCTION.**

28.13 (a) The revisor of statutes shall change the terms "Douglas J. Johnson economic
 28.14 protection trust fund" or similar terms to "Mesabi miners' memorial economic development
 28.15 fund" or similar terms wherever they appear in Minnesota Statutes. The revisor shall also
 28.16 make grammatical changes related to the changes in terms.

28.17 (b) The revisor of statutes shall change the terms "Ironworld Discovery Center" to
 28.18 "Iron Range Heritage Center and Perpich Archives" wherever they appear in Minnesota
 28.19 Statutes.

28.20 **ARTICLE 4**

28.21 **MISCELLANEOUS**

28.22 Section 1. Minnesota Statutes 2009 Supplement, section 154.002, is amended to read:

28.23 **154.002 OFFICERS; COMPENSATION; FEES; EXPENSES.**

28.24 The Board of Barber Examiners shall annually elect a chair and secretary. It shall
 28.25 adopt and use a common seal for the authentication of its orders and records. The board
 28.26 shall appoint an executive secretary ~~who~~ or enter into an interagency agreement to procure
 28.27 the services of an executive secretary. The executive secretary shall not be a member of
 28.28 the board and ~~who~~ shall be in the unclassified civil service. The position of executive
 28.29 secretary may be a part-time position.

28.30 The executive secretary shall keep a record of all proceedings of the board. The
 28.31 expenses of administering this chapter shall be paid from the appropriations made to
 28.32 the Board of Barber Examiners.

28.33 Each member of the board shall take the oath provided by law for public officers.

29.1 A majority of the board, in meeting assembled, may perform and exercise all the
29.2 duties and powers devolving upon the board.

29.3 The members of the board shall receive compensation for each day spent on board
29.4 activities, but not to exceed 20 days in any calendar month nor 100 days in any calendar
29.5 year.

29.6 The board shall have authority to employ such inspectors, clerks, deputies, and other
29.7 assistants as it may deem necessary to carry out the provisions of this chapter.

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

29.9 Sec. 2. Minnesota Statutes 2009 Supplement, section 154.003, is amended to read:

29.10 **154.003 FEES.**

29.11 (a) The fees collected, as required in this chapter, chapter 214, and the rules of the
29.12 board, shall be paid to the ~~executive secretary of the board~~. The ~~executive secretary~~ board
29.13 shall deposit the fees in the general fund in the state treasury.

29.14 (b) The board shall charge the following fees:

29.15 (1) examination and certificate, registered barber, ~~\$65~~ \$85;

29.16 (2) examination and certificate, apprentice, ~~\$60~~ \$80;

29.17 (3) examination, instructor, ~~\$160~~ \$180;

29.18 (4) certificate, instructor, ~~\$45~~ \$65;

29.19 (5) temporary teacher or apprentice permit, ~~\$60~~ \$80;

29.20 (6) renewal of license, registered barber, ~~\$60~~ \$80;

29.21 (7) renewal of license, apprentice, ~~\$50~~ \$70;

29.22 (8) renewal of license, instructor, ~~\$60~~ \$80;

29.23 (9) renewal of temporary teacher permit, ~~\$45~~ \$65;

29.24 (10) student permit, ~~\$25~~ \$45;

29.25 (11) initial shop registration, ~~\$65~~ \$85;

29.26 (12) initial school registration, ~~\$1,010~~ \$1,030;

29.27 (13) renewal shop registration, ~~\$65~~ \$85;

29.28 (14) renewal school registration, ~~\$260~~ \$280;

29.29 (15) restoration of registered barber license, ~~\$75~~ \$95;

29.30 (16) restoration of apprentice license, ~~\$70~~ \$90;

29.31 (17) restoration of shop registration, ~~\$85~~ \$105;

29.32 (18) change of ownership or location, ~~\$35~~ \$55;

29.33 (19) duplicate license, ~~\$20~~ \$40; and

29.34 (20) home study course, ~~\$75~~; and \$95.

30.1 ~~(21) registration of hair braiders, \$20 per year.~~

30.2 Sec. 3. Minnesota Statutes 2008, section 154.06, is amended to read:

30.3 **154.06 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A**
30.4 **REGISTERED APPRENTICE.**

30.5 Subdivision 1. **Qualifications; duration of registration.** (a) A person is qualified to
30.6 receive a certificate of registration as a registered apprentice:

30.7 (1) who has completed at least ten grades of an approved school;

30.8 (2) who has graduated from a barber school approved by the board; and

30.9 (3) who has passed an examination conducted by the board to determine fitness to
30.10 practice as a registered apprentice.

30.11 (b) An applicant for a certificate of registration to practice as an apprentice who fails
30.12 to pass the examination conducted by the board is required to complete a further course
30.13 of study of at least 500 hours, of not more than eight hours in any one working day,
30.14 in a barber school approved by the board.

30.15 (c) A certificate of registration of an apprentice shall be valid for four years from the
30.16 date the certificate of registration is issued by the board and shall not be renewed. During
30.17 the four-year period the certificate of registration shall remain in full force and effect only
30.18 if the apprentice complies with all the provisions of sections 154.001, 154.002, 154.003,
30.19 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, including the payment of
30.20 an annual fee, and the rules of the board.

30.21 Subd. 2. **Limited extension of registration.** (a) If a registered apprentice, during
30.22 the term in which the certificate of registration is in effect, enters full-time active duty in
30.23 the armed forces of the United States of America, the expiration date of the certificate
30.24 of registration shall be extended by a period of time equal to the period or periods of
30.25 active duty.

30.26 (b) This paragraph applies when a person graduates from a barber school approved
30.27 by the board and is issued a certificate of registration while incarcerated by the Department
30.28 of Corrections or the Federal Bureau of Prisons. The expiration date of the certificate shall
30.29 be extended once so that it expires four years from the date of the person's first release
30.30 from a correctional facility after becoming a registered apprentice.

30.31 Sec. 4. Minnesota Statutes 2008, section 154.065, subdivision 2, is amended to read:

30.32 Subd. 2. **Qualifications.** A person is qualified to receive a certificate of registration
30.33 as an instructor of barbering who:

31.1 (1) is a graduate from an approved high school, or its equivalent, as determined by
31.2 examination by the Department of Education;

31.3 (2) has ~~qualified for a teacher's or instructor's vocational certificate~~ successfully
31.4 completed at least 38 hours of training in a program or programs approved by the board and
31.5 that will provide the knowledge and skills necessary to instruct in the field of barbering;

31.6 (3) ~~has at least three years experience as~~ is currently a registered barber in this state;
31.7 ~~or its equivalent as determined by the board~~ with at least 1,400 hours of experience as
31.8 a registered barber; and

31.9 (4) has passed an examination conducted by the board to determine fitness to
31.10 instruct in barbering.

31.11 A certificate of registration under this section is provisional until a teacher's or
31.12 instructor's vocational certificate has been issued by the Department of Education. A
31.13 provisional certificate of registration is valid for 30 days and is not renewable.

31.14 Sec. 5. Minnesota Statutes 2008, section 154.07, is amended by adding a subdivision
31.15 to read:

31.16 Subd. 7. **Transfer students.** When a student has paid or made arrangement to pay
31.17 all applicable tuition fees to a barbering school, that school shall certify a student's hours
31.18 to another school within ten days of the student's written request. The former school may
31.19 charge a nominal fee for providing this certification and transfer of hours.

31.20 Sec. 6. Minnesota Statutes 2008, section 154.15, is amended by adding a subdivision
31.21 to read:

31.22 Subd. 3. **Continuing education required for registered instructors.** (a) A
31.23 registered instructor of barbering may not renew a certificate of registration without
31.24 satisfying the following continuing education requirements:

31.25 (1) a registered instructor must submit proof of at least five continuing education
31.26 credits earned since the original certification or latest renewal, whichever is latest, unless
31.27 the registered instructor has failed to renew as described in subdivision 2; and

31.28 (2) a registered instructor who fails to renew may not be reinstated under subdivision
31.29 2 without proof of at least five continuing education credits earned since the original
31.30 certification or latest renewal, whichever is latest, plus an additional 2.5 credits for each
31.31 six months, or portion thereof, in excess of the date of the original failure to renew,
31.32 calculated from the date that the board receives the application for renewal.

31.33 (b) For purposes of this subdivision, a registered instructor may earn continuing
31.34 education credits as follows:

32.1 (1) one credit for every five hours of service as a voting member on a board,
32.2 commission, task force, or nonprofit organization;

32.3 (2) one credit for each credit earned for completing a class or course at a
32.4 postsecondary institution, a degree-granting college or university, or a trade and technical
32.5 school that grants associate degrees; and

32.6 (3) one credit for every five hours of attendance at a trade show or formal class
32.7 offered by an organization related to barbering or cosmetology.

32.8 Sec. 7. Minnesota Statutes 2009 Supplement, section 155A.23, is amended by adding a
32.9 subdivision to read:

32.10 Subd. 5a. **Individual license.** "Individual license" means a license described in
32.11 section 155A.25, subdivision 1, paragraph (a), clauses (1) and (2).

32.12 Sec. 8. Minnesota Statutes 2009 Supplement, section 155A.24, subdivision 2, is
32.13 amended to read:

32.14 Subd. 2. **Hiring and assignment of employees.** The board has the authority to hire
32.15 qualified personnel in the classified service to assist in administering the law, including
32.16 those for the testing and licensing of applicants and the continuing inspections required.
32.17 All staff must receive periodic training to improve and maintain customer service skills.

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

32.19 Sec. 9. Minnesota Statutes 2009 Supplement, section 155A.24, is amended by adding a
32.20 subdivision to read:

32.21 Subd. 3. **Feedback.** The board must provide access on its Web site for customers to
32.22 provide feedback on interaction with the board and board staff. The information posted to
32.23 the Web site by customers must be readily accessible to the public. The board must also
32.24 record each complaint it receives, the board's response, and the time elapsed in responding
32.25 to and resolving each complaint.

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

32.27 Sec. 10. Minnesota Statutes 2009 Supplement, section 155A.24, is amended by adding
32.28 a subdivision to read:

32.29 Subd. 4. **Report.** The board must report by January 15 each year to the standing
32.30 committees of the house of representatives and the senate having jurisdiction over the
32.31 board on its customer service training and its complaint resolution activities.

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

33.2 Sec. 11. Minnesota Statutes 2009 Supplement, section 155A.25, is amended to read:

33.3 **155A.25 COSMETOLOGY FEES; LICENSE EXPIRATION DATE.**

33.4 Subdivision 1. **Schedule.** The fee schedule for licensees is as follows for licenses
33.5 issued prior to July 1, 2010, and after June 30, 2013:

33.6 (a) Three-year license fees:

33.7 (1) cosmetologist, manicurist, esthetician, \$90 for each initial license, and \$60 for
33.8 each renewal;

33.9 (2) instructor, manager, \$120 for each initial license, and \$90 for each renewal;

33.10 (3) salon, \$130 for each initial license, and \$100 for each renewal; and

33.11 (4) school, \$1,500.

33.12 (b) Penalties:

33.13 (1) reinspection fee, variable;

33.14 (2) manager and owner with lapsed practitioner, \$150 each;

33.15 (3) expired cosmetologist, manicurist, esthetician, manager, school manager, and
33.16 instructor license, \$45; and

33.17 (4) expired salon or school license, \$50.

33.18 (c) Administrative fees:

33.19 (1) certificate of identification, \$20;

33.20 (2) school original application, \$150;

33.21 (3) name change, \$20;

33.22 (4) letter of license verification, \$30;

33.23 (5) duplicate license, \$20;

33.24 (6) processing fee, \$10; ~~and~~

33.25 (7) special event permit, \$75 per year; and

33.26 (8) registration of hair braiders, \$20 per year.

33.27 ~~(d) All fees established in this subdivision must be paid to the executive secretary~~
33.28 ~~of the board. The executive secretary of the board shall deposit the fees in the general~~
33.29 ~~fund in the state treasury.~~

33.30 **Subd. 1a. Schedule.** The fee schedule for licensees is as follows for licenses issued
33.31 after June 30, 2010, and prior to July 1, 2013:

33.32 (a) Three-year license fees:

33.33 (1) cosmetologist, manicurist, or esthetician:

33.34 (i) \$90 for each initial license and a \$40 nonrefundable initial license application fee,
33.35 for a total of \$130; and

- 34.1 (ii) \$60 for each renewal and a \$15 nonrefundable renewal application fee, for
34.2 a total of \$75;
- 34.3 (2) instructor or manager:
- 34.4 (i) \$120 for each initial license and a \$40 nonrefundable initial license application
34.5 fee, for a total of \$160; and
- 34.6 (ii) \$90 for each renewal and a \$15 nonrefundable renewal application fee, for a
34.7 total of \$105;
- 34.8 (3) salon:
- 34.9 (i) \$130 for each initial license and a \$100 nonrefundable initial license application
34.10 fee, for a total of \$230; and
- 34.11 (ii) \$100 for each renewal and a \$50 nonrefundable renewal application fee, for a
34.12 total of \$150; and
- 34.13 (4) school:
- 34.14 (i) \$1,500 for each initial license and a \$1,000 nonrefundable initial license
34.15 application fee, for a total of \$2,500; and
- 34.16 (ii) \$1,500 for each renewal and a \$500 nonrefundable renewal application fee,
34.17 for a total of \$2,000.
- 34.18 (b) Penalties:
- 34.19 (1) reinspection fee, variable;
- 34.20 (2) manager and owner with lapsed practitioner, \$150 each;
- 34.21 (3) expired cosmetologist, manicurist, esthetician, manager, school manager, and
34.22 instructor license, \$45; and
- 34.23 (4) expired salon or school license, \$50.
- 34.24 (c) Administrative fees:
- 34.25 (1) certificate of identification, \$20;
- 34.26 (2) name change, \$20;
- 34.27 (3) letter of license verification, \$30;
- 34.28 (4) duplicate license, \$20;
- 34.29 (5) processing fee, \$10;
- 34.30 (6) special event permit, \$75 per year; and
- 34.31 (7) registration of hair braiders, \$20 per year.
- 34.32 Subd. 1b. **Fees disposition; appropriation.** (a) All fees established in subdivisions
34.33 1 and 1a must be paid to the executive secretary of the board.
- 34.34 (b) The executive secretary of the board shall deposit all fees in the general fund
34.35 in the state treasury.

35.1 Subd. 2. **Refunds.** Refunds shall be given in the following situations: overpayment;
35.2 death or permanent disability before the effective date of a license; or an individual's
35.3 ineligibility for licensure. Applicants determined ineligible to receive a license will be
35.4 refunded the license fee minus any processing fee and minus any application fee this
35.5 section requires.

35.6 Subd. 3. **Other licenses.** A licensee who applies for licensing in a second category
35.7 shall pay the full license fee and application fee for the second category of license.

35.8 Subd. 4. **License expiration date.** The board shall, in a manner determined by the
35.9 board and without the need for rulemaking under chapter 14, phase in changes to initial
35.10 and renewal license expiration dates so that by January 1, 2014:

35.11 (1) individual licenses expire on the last day of the licensee's birth month of the
35.12 year due; and

35.13 (2) salon licenses expire on the last day of the month of initial licensure of the
35.14 year due.

35.15 Subd. 5. **Board must approve or deny application; timeline.** Within 15 working
35.16 days of receiving a complete application and the required fees for an initial or renewal
35.17 individual license, the board must (1) either grant or deny the application, and (2) issue the
35.18 license or notify the applicant of the denial.

35.19 Sec. 12. Minnesota Statutes 2008, section 326B.148, subdivision 1, is amended to read:

35.20 Subdivision 1. **Computation.** To defray the costs of administering sections
35.21 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in
35.22 connection with the construction of or addition or alteration to buildings and equipment or
35.23 appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge
35.24 receipts to award grants for code research and development and education.

35.25 If the fee for the permit issued is fixed in amount the surcharge is equivalent to
35.26 one-half mill (.0005) of the fee or 50 cents, except that effective July 1, 2010, until June
35.27 30, 2011, the permit surcharge is equivalent to one-half mill (.0005) of the fee or \$5,
35.28 whichever amount is greater. For all other permits, the surcharge is as follows:

35.29 (1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the
35.30 surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition,
35.31 or alteration;

35.32 (2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths
35.33 mill (.0004) of the value between \$1,000,000 and \$2,000,000;

35.34 (3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths
35.35 mill (.0003) of the value between \$2,000,000 and \$3,000,000;

36.1 (4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth
36.2 mill (.0002) of the value between \$3,000,000 and \$4,000,000;

36.3 (5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth
36.4 mill (.0001) of the value between \$4,000,000 and \$5,000,000; and

36.5 (6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth
36.6 mill (.00005) of the value that exceeds \$5,000,000.

36.7 Sec. 13. **RULEMAKING.**

36.8 Subdivision 1. Conforming changes. The Board of Cosmetologist Examiners
36.9 must amend Minnesota Rules, parts 2105.0200 and 2105.0330, to conform to the license
36.10 expiration date requirements of Minnesota Statutes, section 155A.25, subdivision 4, by
36.11 specifying that individual or salon licenses expire on the last day of an individual's birth
36.12 month of the year due, or on the last day of the month of initial licensure of the year due.

36.13 Subd. 2. Good cause exemption. The Board of Cosmetologist Examiners must use
36.14 the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause
36.15 (3), to adopt the rules required by this section. Minnesota Statutes, section 14.386, does
36.16 not apply except as provided in Minnesota Statutes, section 14.388.

36.17 Sec. 14. **EXPEDITED RULES; PLUMBING BOARD.**

36.18 The Plumbing Board shall have expedited rulemaking authority provided under
36.19 Minnesota Statutes, section 14.389 for expedited rules regarding water-free urinals that
36.20 meet the Minnesota Plumbing Board standards. This authority expires December 31, 2010.

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

36.22 Sec. 15. **REPEALER.**

36.23 Minnesota Statutes 2008, sections 154.07, subdivision 5; and 176.135, subdivision
36.24 1b, are repealed.