

THIRTY-SEVENTH LEGISLATIVE DAY

St. Paul, Minnesota, Wednesday, May 14, 2025

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Pastoral Intern Bethany Ketchem.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

The roll was called, and the following Senators were present:

| | | | | |
|------------|------------|-----------------|----------------|-----------|
| Abeler | Duckworth | Johnson | Mathews | Rarick |
| Anderson | Farnsworth | Johnson Stewart | Maye Quade | Rasmusson |
| Bahr | Fateh | Klein | McEwen | Rest |
| Boldon | Frentz | Koran | Miller | Seeberger |
| Carlson | Green | Kreun | Mitchell | Utke |
| Champion | Gruenhagen | Kunesh | Mohamed | Weber |
| Clark | Gustafson | Kupec | Murphy | Wesenberg |
| Coleman | Hauschild | Lang | Nelson | Westlin |
| Cwodzinski | Hawj | Latz | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Lieske | Pappas | Wiklund |
| Dibble | Hoffman | Limmer | Pha | Xiong |
| Dornink | Housley | Lucero | Port | |
| Draheim | Howe | Mann | Pratt | |
| Drazkowski | Jasinski | Marty | Putnam | |

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 475.

Patrick Duffy Murphy, Chief Clerk, House of Representatives

Transmitted May 13, 2025

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 475: A memorial resolution requesting the Joint Committee on the Library of Congress of the United States Congress to approve replacement of the statue of Henry Mower Rice now on display in National Statuary Hall in the Capitol of the United States.

Senator Frentz, designee of the Chair of the Committee on Rules and Administration, moved that H.F. No. 475 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Senator Frentz moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 119 and 2884. The motion prevailed.

Senator Xiong from the Committee on State and Local Government, to which was referred

S.F. No. 119: A memorial resolution requesting the Joint Committee on the Library of Congress of the United States Congress to approve replacement of the statue of Henry Mower Rice now on display in National Statuary Hall in the Capitol of the United States.

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

Page 2, after line 13, insert:

"WHEREAS, Hubert H. Humphrey worked alongside former University of Minnesota Law student and Republican Senate Minority Leader Everett Dirksen to build a bipartisan coalition to pass the Civil Rights Act of 1964; and"

Page 2, line 28, delete everything after "Capitol"

Page 2, line 29, delete "Varilla"

Page 2, line 32, delete "Minnesota State" and insert "County Board of Rice County, Minnesota"

Page 2, line 33, delete "Historical Society"

And when so amended the resolution do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Senate Concurrent Resolution No. 4, the bill was referred to the Committee on Rules and Administration.

Senator Xiong from the Committee on State and Local Government, to which was referred

S.F. No. 2884: A bill for an act relating to retirement; making administrative changes to statutes governing the retirement plans administered by the Minnesota State Retirement System; making conforming changes to vesting requirements for deferred retirement annuities; modifying the annual reporting requirement for plan operational and other errors; requiring reports; amending Minnesota Statutes 2024, sections 352.22, subdivisions 2b, 3; 356.636, subdivision 3.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1**MINNESOTA STATE RETIREMENT SYSTEM**

Section 1. Minnesota Statutes 2024, section 352.115, subdivision 3, is amended to read:

Subd. 3. **Retirement annuity formula.** (a) This paragraph, in conjunction with section 352.116, subdivision 1, applies to a person who became a covered employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (b), in conjunction with section 352.116, subdivision 1a, produces a higher annuity amount, in which case paragraph (b) applies.

(1) If the employee does not have allowable service after June 30, 2025, the employee's retirement annuity is equal to the employee's average salary, as defined in section 352.01, subdivision 14a, multiplied by 1.2 percent per year of allowable service for the first ten years and 1.7 percent for each later year of allowable service and pro rata for completed months less than a full year determines the amount of the retirement annuity to which the employee is entitled.

(2) If the employee has allowable service after June 30, 2025, the employee's retirement annuity is equal to the employee's average salary multiplied by 1.2 percent per year of allowable service for the first ten years and 1.7 percent for each later year of allowable service through June 30, 2025, and 1.9 percent for each year of allowable service after June 30, 2025, and pro rata for completed months less than a full year.

(b) This paragraph applies to a person who has become at least 55 years old and first became a covered employee after June 30, 1989, and to any other covered employee who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with section 352.116, subdivision 1a, is higher than it is when calculated under paragraph (a), in conjunction with section 352.116, subdivision 1.

(1) If the employee does not have allowable service after June 30, 2025, the employee's retirement annuity is equal to the employee's average salary, as defined in section 352.01, subdivision 14a, multiplied by 1.7 percent for each year of allowable service and pro rata for completed months less than a full year determines the amount of the retirement annuity to which the employee is entitled.

(2) If the employee has allowable service after June 30, 2025, the employee's retirement annuity is equal to the employee's average salary multiplied by 1.7 percent for each year of allowable service

through June 30, 2025, and 1.9 percent for each year of allowable service after June 30, 2025, and pro rata for completed months less than a full year.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 352.22, subdivision 2b, is amended to read:

Subd. 2b. **Refund repayment.** Any person who has received a refund from the state employees retirement plan; or the correctional state employees retirement plan and who is a member of any of the retirement plans specified in section 356.311, paragraph (b), may repay the refund with interest to the ~~state employees retirement plan~~ from which the refund was paid. If a refund is repaid to the plan and more than one refund has been received from the plan, all refunds must be repaid. Repayment must be made as provided in section 352.23, and under terms and conditions consistent with that section as agreed upon with the director.

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

Sec. 3. Minnesota Statutes 2024, section 352.22, subdivision 3, is amended to read:

Subd. 3. **Deferred annuity.** (a) After separation from state service, an employee ~~who has at least three years of allowable service if employed before July 1, 2010, or who has at least five years of allowable service if employed after June 30, 2010, when termination occurs~~ may elect to leave the employee's accumulated contributions in the retirement fund and thereby be entitled to a deferred retirement annuity: if the employee:

(1) is a member of the state employees retirement plan and satisfies the allowable service requirement under section 352.115, subdivision 1, applicable to the employee; or

(2) is a member of the correctional state employees retirement plan and satisfies the allowable service requirement under section 352.925 applicable to the employee.

(b) The annuity must be computed under the law in effect when the employee separates from state service ~~terminated~~, on the basis of the allowable service credited to the person before the ~~termination of separation from state service~~.

~~(b)~~ (c) An employee on layoff or on leave of absence without pay, except a leave of absence for health reasons, and who does not return to state service must have an annuity, deferred annuity, or other benefit to which the employee may become entitled computed under the law in effect on the employee's last working day.

~~(c)~~ (d) No application for a deferred annuity may be made more than 60 days before the time the former employee reaches the required age for entitlement to the payment of the annuity. The deferred annuity begins to accrue no earlier than 60 days before the date the application is filed in the office of the system, but not (1) before the date on which the employee reaches the required age for entitlement to the annuity nor (2) before the day following the termination of state service in a position which is not covered by the retirement system.

~~(d)~~ (e) Application for the accumulated contributions left on deposit with the fund may be made at any time following the date of the termination of service.

~~(e)~~ (f) Deferred annuities must be augmented as provided in subdivision 3a.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2023.

Sec. 4. Minnesota Statutes 2024, section 356.415, subdivision 1, is amended to read:

Subdivision 1. **Annual postretirement adjustments; Minnesota State Retirement System general state employees retirement plan, legislators retirement plan, and unclassified state employees retirement program.** (a) Recipients of a retirement annuity, disability benefit, or survivor benefit from the general state employees retirement plan, the legislators retirement plan, or the unclassified state employees retirement program are entitled to an annual postretirement adjustment, effective as of each January 1, as follows:

~~(1) effective January 1, 2019, through December 31, 2023, a postretirement increase of one percent must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment;~~

~~(2) effective January 1, 2019, through December 31, 2023, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, a postretirement increase of 1/12 of one percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient;~~

~~(3)~~ (1) effective January 1, 2024 2026, and thereafter, a postretirement increase of ~~1.5~~ 1.75 percent must be applied each year to the amount of the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

~~(4)~~ (2) effective January 1, 2024 2026, and thereafter, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of ~~1.5~~ 1.75 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.

(b) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the ~~covered~~ Minnesota State Retirement plan System requesting that the increase not be made.

EFFECTIVE DATE. This section is effective for postretirement adjustments beginning on or after January 1, 2026.

ARTICLE 2

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 2024, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees; mandatory membership.** (a) Any public employees employee whose salary from one governmental subdivision exceeds is expected to exceed \$425 in any month and who are is not specifically excluded under subdivision 2b or have has not been provided an option to participate under subdivision 2d, whether individually or by action of the governmental subdivision, must participate beginning on the employee's first day of employment as members a member of the association with retirement coverage by the general employees retirement plan under this chapter, the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E, whichever applies. For any employee whose salary is not expected to exceed \$425 in any month, membership commences as a condition of employment on the first day of employment or on the first day that the employee's salary exceeds \$425 and the other eligibility criteria are met, whichever is later. Public employees include but are not limited to:

(1) persons whose salary meets the threshold in this paragraph from employment in one or more positions within one governmental subdivision;

(2) elected county sheriffs;

(3) persons who are appointed, employed, or contracted to perform governmental functions that by law or local ordinance are required of a public officer, including, but not limited to:

(i) town and city clerk or treasurer;

(ii) county auditor, treasurer, or recorder;

(iii) city manager as defined in section 353.028 who does not exercise the option provided under subdivision 2d; or

(iv) emergency management director, as provided under section 12.25;

(4) physicians under section 353D.01, subdivision 2, who do not elect public employees defined contribution plan coverage under section 353D.02, subdivision 2;

(5) full-time employees of the Dakota County Agricultural Society;

(6) employees of the Red Wing Port Authority who were first employed by the Red Wing Port Authority before May 1, 2011, and who are not excluded employees under subdivision 2b;

(7) employees of the Seaway Port Authority of Duluth who are not excluded employees under subdivision 2b;

(8) employees of the Stevens County Housing and Redevelopment Authority who were first employed by the Stevens County Housing and Redevelopment Authority before May 1, 2014, and who are not excluded employees under subdivision 2b;

(9) employees of the Minnesota River Area Agency on Aging who were first employed by a Regional Development Commission before January 1, 2016, and who are not excluded employees under subdivision 2b; and

(10) employees of the Public Employees Retirement Association.

(b) A public employee or elected official who was a member of the association on June 30, 2002, based on employment that qualified for membership coverage by the public employees retirement plan or the public employees police and fire plan under this chapter, or the local government correctional employees retirement plan under chapter 353E as of June 30, 2002, retains that membership for the duration of the person's employment in that position or incumbency in elected office. Except as provided in subdivision 28, the person shall participate as a member until the employee or elected official terminates public employment under subdivision 11a or terminates membership under subdivision 11b.

(c) If the salary of an included public employee is less than \$425 in any subsequent month, the member retains membership eligibility.

(d) For the purpose of participation in the general employees retirement plan, public employees include employees who were members of the former Minneapolis Employees Retirement Fund on June 29, 2010.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to participate as members of the association with retirement coverage by the general employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire plan:

(1) persons whose salary from one governmental subdivision never exceeds or is never expected to exceed \$425 in a month;

(2) public officers who are elected to a governing body, city mayors, or persons who are appointed to fill a vacancy in an elected office of a governing body, whose term of office commences on or after July 1, 2002, for the service to be rendered in that elected position;

(3) election judges and persons employed solely to administer elections;

(4) patient and inmate personnel who perform services for a governmental subdivision;

(5) except as otherwise specified in subdivision 12a, employees who are employed solely in a temporary position as defined under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days of that resignation in the same governmental subdivision;

(6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster, but if the person becomes a probationary or provisional employee within the same pay period, other than on a temporary basis, the person is a "public employee" retroactively to the beginning of the pay period;

(7) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota State Retirement System, the Teachers Retirement Association, or the St. Paul Teachers Retirement

Fund Association, but this exclusion must not be construed to prevent a person from being a member of and contributing to the Public Employees Retirement Association and also belonging to and contributing to another public pension plan or fund for other service occurring during the same period of time, and a person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement plan on the salary based on the other service or to the Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

(8) persons who are members of a religious order and are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(9) persons who are:

(i) employed by a governmental subdivision who have not reached the age of 23 and who are enrolled on a full-time basis to attend or are attending classes on a full-time basis at an accredited school, college, or university in an undergraduate, graduate, or professional-technical program, or at a public or charter high school;

(ii) employed as resident physicians, medical interns, pharmacist residents, or pharmacist interns and are serving in a degree or residency program in a public hospital or in a public clinic; or

(iii) students who are serving for a period not to exceed five years in an internship or a residency program that is sponsored by a governmental subdivision, including an accredited educational institution;

(10) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;

(11) for the first three years of employment, foreign citizens who are employed by a governmental subdivision, except that the following foreign citizens must be considered included employees under subdivision 2a:

(i) H-1B, H-1B1, and E-3 status holders;

(ii) employees of Hennepin County or Hennepin Healthcare System, Inc.;

(iii) employees legally authorized to work in the United States for three years or more; and

(iv) employees otherwise required to participate under federal law;

(12) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988, to October 1, 1988;

(13) ~~except as provided in section 353.86,~~ volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the Public Employees Retirement

Association and participants in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel;

(14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the Public Employees Retirement Association and a participant in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment activities other than those as a volunteer firefighter;

(15) employees in the building and construction trades, as follows:

(i) pipefitters and associated trades personnel employed by Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters local 455 pension plan who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section 12;

(ii) electrical workers, plumbers, carpenters, and associated trades personnel employed by Independent School District No. 625, St. Paul, or the city of St. Paul, with coverage under a collective bargaining agreement by the electrical workers local 110 pension plan, the plumbers local 34 pension plan, or the carpenters local 322 pension plan who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5;

(iii) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters, allied tradesworkers, and plasterers employed by the city of St. Paul or Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the bricklayers and allied craftworkers local 1 pension plan, the cement masons local 633 pension plan, the glaziers and glassworkers local 1324 pension plan, the painters and allied trades local 61 pension plan, or the plasterers local 265 pension plan who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(iv) plumbers employed by the Metropolitan Airports Commission, with coverage under a collective bargaining agreement by the plumbers local 34 pension plan, who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(v) electrical workers or pipefitters employed by the Minneapolis Park and Recreation Board, with coverage under a collective bargaining agreement by the electrical workers local 292 pension plan or the pipefitters local 539 pension plan, who were first employed before May 2, 2015, and elected to be excluded under Laws 2015, chapter 68, article 11, section 5;

(vi) laborers and associated trades personnel employed by the city of St. Paul or Independent School District No. 625, St. Paul, who are designated as temporary employees with coverage under a collective bargaining agreement by a multiemployer plan as defined in section 356.27, subdivision 1, who were either first employed on or after June 1, 2018, or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter 211, article 16, section 13; and

(vii) employees who are trades employees as defined in section 356.27, subdivision 1, first hired on or after July 1, 2020, by the city of St. Paul or Independent School District No. 625, St. Paul, except for any trades employee for whom contributions are made under section 356.24, subdivision 1, clause (8), (9), or (10), by either employer to a multiemployer plan as defined in section 356.27, subdivision 1;

(16) employees who are hired after June 30, 2002, solely to fill seasonal positions under subdivision 12b which are limited in duration by the employer to a period of six months or less in each year of employment with the governmental subdivision;

(17) persons who are provided supported employment or work-study positions by a governmental subdivision and who participate in an employment or industries program maintained for the benefit of these persons where the governmental subdivision limits the position's duration to up to five years, including persons participating in a federal or state subsidized on-the-job training, work experience, senior citizen, youth, or unemployment relief program where the training or work experience is not provided as a part of, or for, future permanent public employment;

(18) independent contractors and the employees of independent contractors;

(19) reemployed annuitants of the association during the course of that reemployment;

(20) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof;

(21) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 and who are, by virtue of that employment, members of the International Brotherhood of Teamsters Central States pension plan; and

(22) persons employed by the Duluth Transit Authority or any subdivision thereof who are members of the Teamsters General Local Union 346 and who are, by virtue of that employment, members of the Central States Southeast and Southwest Areas Pension Fund.

(b) Any person performing the duties of a public officer in a position defined in subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an employee of an independent contractor.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2024, section 353.01, subdivision 2d, is amended to read:

Subd. 2d. **Optional membership.** (a) Membership in the association is optional by action of the individual employee for the following public employees who meet the conditions set forth in subdivision 2a:

(1) members of the coordinated plan who are also employees of labor organizations as defined in section 353.017, subdivision 1, for their employment by the labor organization only, if they elect to have membership under section 353.017, subdivision 2;

(2) persons who are elected or ~~persons who are~~ appointed to elected positions, other than local governing body elected positions, and who elect to participate within 30 days of taking office by filing completing and signing a written election for membership election on a form prescribed by the executive director of the association and filing the membership election with the association within 60 days of taking office;

(3) members of the association who are appointed by the governor to be a state department head and who elect not to be covered by the general state employees retirement plan of the Minnesota State Retirement System under section 352.021;

(4) city managers as defined in section 353.028, subdivision 1, who do not elect to be excluded from membership in the association under section 353.028, subdivision 2; and

(5) employees of the Port Authority of the city of St. Paul on January 1, 2003, who were at least age 45 on that date, and who elected to participate by ~~filing a written~~ completing and signing a membership election for membership.

(b) Membership in the association is optional by action of the governmental subdivision for the employees of the following governmental subdivisions under the conditions specified:

(1) the Minnesota Association of Townships if the board of that association, at its option, certifies to the executive director that its employees who meet the conditions set forth in subdivision 2a are to be included for purposes of retirement coverage, in which case the status of the association as a participating employer is permanent;

(2) a county historical society if the county in which the historical society is located, at its option, certifies to the executive director that the employees of the historical society who meet the conditions set forth in subdivision 2a are to be considered county employees for purposes of retirement coverage under this chapter. The status as a county employee must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society; and

(3) Hennepin Healthcare System, Inc., a public corporation, with respect to employees other than paramedics, emergency medical technicians, and protection officers, if the corporate board establishes alternative retirement plans for certain classes of employees of the corporation and certifies to the association the applicable employees to be excluded from future retirement coverage.

(c) For employees who are covered by paragraph (a), clause (1), (2), or (3), or covered by paragraph (b), clause (1) or (2), if the necessary membership election is not made, the employee is excluded from retirement coverage under this chapter. For employees who are covered by paragraph (a), clause (4), if the necessary election of exclusion is not made, the employee must become a member and have retirement coverage under the applicable provisions of this chapter. For employees specified in paragraph (b), clause (3), membership continues until the exclusion option is exercised for the designated class of employee.

(d) The option to become a member, once exercised under this subdivision, may not be withdrawn until the termination of public service as defined under subdivision 11a.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 4. Minnesota Statutes 2024, section 353.028, subdivision 2, is amended to read:

Subd. 2. **Election.** (a) A city manager first employed by a city may make a onetime, irrevocable election to be excluded from membership in the general employees retirement plan of the association. The election of exclusion must be made within 30 days following the commencement of employment, must be made in writing on a form prescribed by the executive director, ~~and~~ must be approved by a resolution adopted by the governing body of the city, ~~and must be filed with the association within 60 days of commencing employment.~~ The election of exclusion is not effective until it is filed with the executive director. Membership of a city manager in the general employees retirement plan ceases on the date the written election of exclusion is received by the executive director. Employee and employer contributions made during the first ~~30~~ 60 days of employment on behalf of a person exercising the option to be excluded from membership under this paragraph must be refunded or credited in accordance with section 353.27, subdivision 7.

(b) A city manager who has previously been an employee in any position covered by any retirement plan administered by the association to which the city contributed or by any supplemental pension or deferred compensation plan under section 356.24 sponsored by the city is not eligible to make the election under paragraph (a).

(c) Any election under paragraph (a) must include a statement that the individual will not seek authorization to purchase service credit for any period of excluded service.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 5. Minnesota Statutes 2024, section 353.028, subdivision 3, is amended to read:

Subd. 3. **Deferred compensation; city contribution.** (a) If an election of exclusion under subdivision 2 is made, and if the city manager and the governing body of the city additionally agree in writing that the additional compensation is to be deferred and is to be contributed on behalf of the city manager to a deferred compensation program that meets the requirements of section 457 of the Internal Revenue Code of 1986, as amended, and section 356.24, the governing body may compensate the city manager, in addition to the salary allowed under any limitation imposed on salaries by law or charter, in an amount equal to the employer contribution that would be required by section 353.27, subdivision 3, if the city manager were a member of the general employees retirement plan.

(b) Alternatively, if an election of exclusion under subdivision 2 is made, the city manager and the governing body of the city may agree in writing that the equivalent employer contribution to the contribution under section 353.27, subdivision 3, be contributed by the city to the defined contribution plan of the Public Employees Retirement Association under chapter 353D. ~~Any~~ An election and agreement under this paragraph must be entered into within 30 days following the commencement of employment.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 6. Minnesota Statutes 2024, section 353.27, subdivision 3a, is amended to read:

Subd. 3a. **Additional employer contribution.** (a) An additional employer contribution to the general employees retirement fund of the Public Employees Retirement Association must be made

equal to the following applicable percentage of the total salary amount for "basic members" and for "coordinated members":

| | Basic Program | Coordinated Program |
|----------------------------------|---------------|---------------------|
| Effective before January 1, 2006 | 2.68 | .43 |
| Effective January 1, 2006 | 2.68 | .5 |
| Effective January 1, 2009 | 2.68 | .75 |
| Effective January 1, 2010 | 2.68 | 1 |

These contributions must be made from funds available to the employing subdivision by the means and in the manner provided in section 353.28.

~~(b) The coordinated program contribution rates set forth in paragraph (a) effective for January 1, 2010, must not be implemented if, following receipt of the July 1, 2009, annual actuarial valuation report under section 356.215, respectively, the actuarially required contributions are equal to or less than the total rates under this section in effect as of January 1, 2008.~~

~~(e) (b)~~ This subdivision is repealed once the actuarial value of the assets of the general employees retirement plan of the Public Employees Retirement Association equal or exceed 98 percent of the actuarial accrued liability of the plan as determined by the actuary retained under sections 356.214 and 356.215. The repeal is effective on the first day of the first full pay period occurring after March 31 of the calendar year following the issuance of the actuarial valuation upon which the repeal is based.

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

Sec. 7. Minnesota Statutes 2024, section 353.34, subdivision 5, is amended to read:

Subd. 5. **Right to a refund generally unlimited.** The right to a refund provided in this chapter; ~~and laws amendatory thereof,~~ is not restricted as to time ~~unless specifically provided and the statute of limitation does not apply thereto.~~

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

Sec. 8. Minnesota Statutes 2024, section 353E.06, subdivision 1, is amended to read:

Subdivision 1. **Duty disability qualification requirements.** A member who is determined to qualify for a duty disability as defined in section 353E.001, subdivision 1, is entitled to a disability benefit. The disability benefit must be based on covered service under this chapter only and is an amount equal to 47.5 percent of the average salary defined in section 353E.04, subdivision 2, plus ~~an additional 1.9 percent,~~ for each year of covered service under this chapter in excess of 25 years:-

(1) 1.9 percent for each year of allowable service beginning before July 1, 2025; and

(2) 2.2 percent for each year of allowable service beginning after June 30, 2025.

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

Sec. 9. Minnesota Statutes 2024, section 356.415, subdivision 1b, is amended to read:

Subd. 1b. **Annual postretirement adjustments; ~~PERA~~ Public Employees Retirement Association; general employees retirement plan.** (a) Annuities, disability benefits, and survivor benefits being paid from the general employees retirement plan of the Public Employees Retirement Association shall be increased effective each January 1 by the percentage of increase determined under this subdivision. The increase to the annuity or benefit shall be determined by multiplying the monthly amount of the annuity or benefit by the percentage of increase specified in paragraph (b), after taking into account any reduction to the percentage of increase required under paragraph ~~(e)~~ (d).

(b) The percentage of increase shall be one percent unless the federal Social Security Administration has announced a cost-of-living adjustment pursuant to United States Code, title 42, section 415(i), in the last quarter of the preceding calendar year that is greater than ~~two one~~ percent. If the cost-of-living adjustment announced by the federal Social Security Administration is greater than ~~two one~~ percent, the percentage of increase ~~shall be 50 percent of~~ must be the same as the cost-of-living adjustment announced by the federal Social Security Administration, but in no event may the percentage of increase exceed ~~1.5 percent~~ the applicable maximum percentage in effect on January 1 under paragraph (c).

(c) The applicable maximum percentage in effect on January 1 is 1.75 percent, unless either of the following is true, in which case the applicable maximum percentage is 1.5 percent:

(1) the market value of assets equals or is less than 85 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent two consecutive annual actuarial valuations; or

(2) the market value of assets equals or is less than 80 percent of the actuarial accrued liabilities as reported by the plan's actuary in the most recent annual actuarial valuation.

~~(e)~~ (d)(1) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least 12 full months as of the June 30 of the calendar year immediately before the effective date of the increase, there is no reduction in the percentage of increase.

(2) If the recipient of an annuity, disability benefit, or survivor's benefit has been receiving the annuity or benefit for at least one month, but less than 12 full months, as of the June 30 of the calendar year immediately preceding the effective date of the increase, the percentage of increase is multiplied by a fraction, the numerator of which is the number of months the annuity or benefit was received as of June 30 of the preceding calendar year and the denominator of which is 12.

~~(e)~~ (e) An increase in annuity or benefit payments under this ~~section~~ subdivision must be made automatically unless written notice is filed by the recipient with the executive director of the Public Employees Retirement Association requesting that the increase not be made.

EFFECTIVE DATE. This section is effective for postretirement adjustments beginning on or after January 1, 2026.

ARTICLE 3

PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Section 1. Minnesota Statutes 2024, section 353D.02, subdivision 1, is amended to read:

Subdivision 1. **Local government officials.** Eligible elected or appointed local government officials may elect to participate in the defined contribution plan within the first 30 days of ~~being elected or appointed to taking public office by filing~~ completing and signing a membership application election on a form prescribed by the executive director of the association authorizing contributions to be deducted from the official's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership ~~application election~~ or contributions are received in the office of the association, whichever is received first, provided further that the membership ~~application election~~ is received by the association within 60 days of ~~the receipt of the contributions~~ taking office. An election to participate in the plan is irrevocable.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 353D.02, subdivision 2, is amended to read:

Subd. 2. **Eligible physicians.** Eligible physicians may elect to participate in the defined contribution plan within the first 30 days of commencing employment with a government subdivision under section 353.01, subdivision 6, by ~~filing~~ completing and signing a membership application election on a form prescribed by the executive director of the association authorizing contributions to be deducted from the physician's salary and filing the membership election with the association within 60 days of commencing employment. Participation begins on the first day of the pay period for which the contributions were deducted. An election to participate in the defined contribution plan is irrevocable.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2024, section 353D.02, subdivision 3, is amended to read:

Subd. 3. **Eligible ambulance service personnel.** Each public ambulance service with eligible personnel may elect to participate in the plan. If a service elects to participate, its eligible personnel may elect to participate or decline to participate. An individual's membership election must be made within 30 days of the service's election to participate or within 30 days of the date on which the individual began employment with the service or began to provide service for it, whichever date is later. The membership election must be received by the association within 60 days of the service's election to participate or within 60 days of the date on which the individual first began employment, whichever is later. An election by a service or an individual is irrevocable.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 4. Minnesota Statutes 2024, section 353D.02, subdivision 4, is amended to read:

Subd. 4. **Eligible rescue squad personnel.** The municipality or county, as applicable, associated with a rescue squad under section 353D.01, subdivision 2, paragraph (a), clause (4), may elect to participate in the plan. If the municipality or county, as applicable, elects to participate, the eligible personnel may elect to participate or decline to participate. An eligible individual's membership election must be made within 30 days of the ~~service's~~ municipality's or county's election to participate or within 30 days of the date on which the individual first began employment with the rescue squad, whichever is later. The membership election must be received by the association within 60 days of the municipality's or county's election to participate or within 60 days of the date on which the

individual first began employment, whichever is later. Elections under this subdivision by a government unit or individual are irrevocable. The municipality or county, as applicable, must specify by resolution eligibility requirements for rescue squad personnel which must be satisfied if the individual is to be authorized to make the membership election under this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 5. Minnesota Statutes 2024, section 353D.02, subdivision 5, is amended to read:

Subd. 5. **St. Paul Port Authority personnel.** Employees of the Port Authority of the city of St. Paul who do not elect to participate in the general employees retirement plan may elect within the first 30 days of commencing employment to participate in the plan by filing completing and signing a membership application election on a form prescribed by the executive director of the association authorizing contributions to be deducted from the employee's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership application election or the contributions are received in the office of the association, whichever is received first, if provided the membership application election is received by the association within 60 days of the receipt of the contributions commencing employment. An election to participate in the plan is irrevocable.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 6. Minnesota Statutes 2024, section 353D.02, subdivision 6, is amended to read:

Subd. 6. **City managers.** Any city ~~managers~~ manager who elected to be excluded within 30 days of commencing employment from the general employees retirement plan of the Public Employees Retirement Association under section 353.028, subdivision 2, and who ~~elected to participate in the plan~~ entered into an agreement under section 353.028, subdivision 3, paragraph (b), with the governing body of the city that employs the city manager to have the city make contributions to the defined contribution plan under chapter 353D, must file ~~that an~~ election with the ~~executive director~~ association within the first ~~30~~ 60 days of commencing employment to participate in the defined contribution plan. The city manager must complete and sign a membership election on a form prescribed by the executive director of the association. Participation begins on the first day of the pay period next following the date of the coverage election. An election to participate by a city manager is irrevocable.

EFFECTIVE DATE. This section is effective July 1, 2025.

Sec. 7. Minnesota Statutes 2024, section 353D.02, subdivision 7, is amended to read:

Subd. 7. **Certain volunteer firefighters.** Volunteer or on-call firefighters who are serving as members of a municipal fire department or an independent nonprofit firefighting corporation and who are not covered for that firefighting service by the public employees police and fire retirement plan under sections 353.63 to 353.68, by a firefighters relief association under chapter 424A, or by the statewide volunteer firefighter retirement plan under chapter 353G may elect to participate in the plan within the first 30 days of commencing service by completing and signing a membership election on a form prescribed by the executive director of the association. The membership election must be filed with the association within 60 days of commencing service. An eligible firefighter's election is irrevocable. No employer contribution is payable by the fire department or the firefighting

corporation unless the municipal governing body or the firefighting corporation governing body, whichever applies, ratifies the membership election.

EFFECTIVE DATE. This section is effective July 1, 2025.

ARTICLE 4

PERA PRIVATIZATION

Section 1. Minnesota Statutes 2024, section 353F.01, is amended to read:

353F.01 PURPOSE AND INTENT.

The purpose of this chapter is to ensure, to the extent possible, that persons employed ~~at public medical facilities who~~ by governmental subdivisions that are privatized and consequently are excluded from retirement coverage by the Public Employees Retirement Association will be entitled to receive future retirement benefits under the general employees retirement plan of the Public Employees Retirement Association commensurate with the prior contributions made by them or made on their behalf upon the privatization of the ~~medical facility~~ governmental subdivision.

Sec. 2. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 2a. **Association.** "Association" means the Public Employees Retirement Association established under chapter 353.

Sec. 3. Minnesota Statutes 2024, section 353F.02, subdivision 3, is amended to read:

Subd. 3. **Effective date of privatization.** "Effective date of privatization" means the date that ~~the operation of a medical facility is assumed by another~~ a governmental subdivision becomes a privatized employer or the date that a ~~medical facility~~ governmental subdivision is purchased by ~~another employer~~ in a privatization and active membership in the ~~Public Employees Retirement~~ association consequently terminates.

Sec. 4. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 3b. **Funding ratio.** "Funding ratio" means the actuarial value of assets of the general employees retirement fund, divided by the present value of accrued benefits for the fund, expressed as a percentage.

Sec. 5. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 3c. **General employees retirement fund.** "General employees retirement fund" means the general employees retirement fund as defined under section 353.27, subdivision 1.

Sec. 6. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 3d. **General employees retirement plan.** "General employees retirement plan" or "general plan" means the general employees retirement plan of the association established under chapter 353.

Sec. 7. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 3e. **Governmental subdivision.** "Governmental subdivision" has the meaning given in section 353.01, subdivision 6.

Sec. 8. Minnesota Statutes 2024, section 353F.02, subdivision 4b, is amended to read:

Subd. 4b. **Privatization.** "Privatization" means a medical facility that privatizes when the facility the process of privatizing, through which a governmental subdivision ceases to be a governmental subdivision for any reason other than that the ~~medical facility~~ governmental subdivision closes or permanently ceases to operate.

Sec. 9. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 4c. **Privatize or privatizing.** "Privatize" or "privatizing" means to engage in a transaction, including a sale to, acquisition by, or merger with an entity or a sale to or acquisition by one or more individuals, or a series of such transactions that result in a governmental subdivision ceasing to be a governmental subdivision on or after the effective date of privatization. Privatize or privatizing does not mean ceasing to be a governmental subdivision because the subdivision closed or permanently ceased to operate.

Sec. 10. Minnesota Statutes 2024, section 353F.02, subdivision 5a, is amended to read:

Subd. 5a. **Privatized former public employer.** "Privatized former public employer" means a medical facility that was included in the definition of an entity that was a governmental subdivision under section 353.01, subdivision 6, on the day before the effective date of privatization that is privatized and whose employees are certified for participation under this chapter privatized employees.

Sec. 11. Minnesota Statutes 2024, section 353F.02, subdivision 6, is amended to read:

Subd. 6. **Privatized former public employee.** (a) "Privatized former public employee" means a person who, before the effective date of the privatization of a governmental subdivision:

(1) was employed by the privatized former public employer on the day before the effective date of privatization; or governmental subdivision; and

(2) terminated employment with the privatized former public employer on the day before the effective date; and

(3) (2) was a participant in member of the general employees retirement plan of the Public Employees Retirement Association at the time of termination of employment with the privatized former public employer for the period of employment with the governmental subdivision.

(b) Privatized former public employee does not mean a person who, on the day before the effective date of privatization, was simultaneously employed with the privatized former public employer and by a governmental subdivision under section 353.01, subdivision 6, and who, after the effective date of privatization, continues to accrue service credit under section 353.01, subdivision 16, through simultaneous employment with a governmental subdivision.

Sec. 12. Minnesota Statutes 2024, section 353F.02, is amended by adding a subdivision to read:

Subd. 6a. **Privatizing active employee.** "Privatizing active employee" means a privatized employee who was employed by the privatizing governmental subdivision on the day before the effective date of the privatization.

Sec. 13. Minnesota Statutes 2024, section 353F.025, is amended to read:

353F.025 CERTIFICATION AND DECERTIFICATION OF MEDICAL FACILITIES AND OTHER PUBLIC EMPLOYING UNITS WITHDRAWAL LIABILITY.

Subdivision 1. **Eligibility determination and calculation of withdrawal liability.** (a) ~~The chief clerk~~ This section applies to any governmental subdivision that privatizes.

(b) ~~Before the effective date of privatization, an officer of a the governmental subdivision may that is privatizing or that has control or ownership of an entity that is privatizing must submit to the executive director a resolution from the governing body to the executive director of the Public Employees Retirement Association which supports providing coverage under this chapter for employees of that governmental subdivision who are privatized, and which states that the governing body will pay for actuarial calculations, as further specified in paragraph (c), of the governmental subdivision stating the following:~~

(1) that it is the intention of the governmental subdivision to privatize or to engage in a privatization that will result in the controlled or owned entity becoming privatized; and

(2) that the governmental subdivision will reimburse the association for the cost to calculate withdrawal liability under paragraph (d).

~~(b) (c) The governing body must also provide to the executive director a copy of any applicable the purchase or, lease, or other transaction agreement and any other information requested by the executive director to allow the executive director to verify that under the proposed employer change, determine whether the new employer does not qualify as, after the privatization, will be a governmental subdivision under section 353.01, subdivision 6 or a privatized employer, making the employees ineligible for continued coverage as active members of the general employees retirement plan of the Public Employees Retirement Association.~~

~~(c) Following (d) If, within 30 days after receipt of a the resolution and a determination by information under paragraph (b), the executive director determines that the new employer is after the privatization will not be a governmental subdivision, the executive director shall must direct the consulting actuary retained by the association under section 356.214 to determine whether the general employees retirement plan of the Public Employees Retirement Association, if coverage under this chapter is provided, is expected to receive a net gain or a net loss if privatization occurs. A net gain is expected if the actuarial liability of the special benefit coverage provided under this chapter, if extended to the applicable employees under the privatization, is less than the actuarial gain otherwise to accrue to the plan. A net loss is expected if the actuarial accrued liability of the special benefit coverage provided under this chapter, if extended to the applicable employees under the privatization, is more than the actuarial gain otherwise to accrue to the plan. The date of the actuarial calculations used to make this determination must be within one year of the effective date of privatization calculate the withdrawal liability to be incurred by the privatized employer on the effective date of the privatization. Withdrawal liability and present value must be calculated as provided in paragraphs (e) and (f), respectively.~~

(e) Withdrawal liability is equal to the present value of accrued benefits attributable to the privatizing active employees minus the product of:

- (1) the present value of accrued benefits attributable to the privatizing active employees; and
- (2) the general plan's funding ratio.

If the withdrawal liability is a negative number, the withdrawal liability is zero. Withdrawal liability must be calculated using the most recently completed actuarial valuation before the effective date of privatization.

(f) Present value of accrued benefits is determined using the actuarial assumptions under section 356.215, subdivision 8, for the general plan. The present value of accrued benefits does not include projected compensation or projected service.

(g) The governmental subdivision must reimburse the association for the cost of calculating the withdrawal liability.

Subd. 1a. **Payment of withdrawal liability.** No later than six months after the effective date of privatization, the privatized employer must pay the withdrawal liability calculated under subdivision 1 to the general employees retirement fund, unless the privatized employer elects a payment plan. In lieu of a single withdrawal liability payment, the privatized employer may elect to pay the withdrawal liability with interest compounded annually at the applicable rate or rates specified in section 356.59, subdivision 3, in equal annual payments for a term of no longer than ten years. The obligation to pay under this subdivision is binding upon the privatized employer and its successors and assignees.

Subd. 2. **Reporting privatizations.** (a) If the actuarial calculations under subdivision 1, paragraph (e), indicate privatization can be approved because a net gain to the general employees retirement plan of the Public Employees Retirement association is expected, or if paragraph (b) applies, the executive director shall, following acceptance of the actuarial calculations by The association must maintain a record of the consulting actuary's calculation of withdrawal liability under subdivision 1 and any associated report. The calculation and any associated report must be made publicly available and provided to:

(1) the board of trustees, forward notice and supporting documentation, including a copy of the actuary's report and findings, to;

(2) the chair and the executive director of the Legislative Commission on Pensions and Retirement; and

(3) the chairs and the ranking minority members of the legislative committees with jurisdiction over governmental operations in the house of representatives and senate.

(b) If the calculations under subdivision 1, paragraph (e), indicate a net loss, the executive director shall recommend to the board of trustees that the privatization be approved if the chief clerical officer of the applicable governmental subdivision submits a resolution from the governing body specifying that a lump sum payment will be made to the Public Employees Retirement Association equal to the net loss, plus interest. The interest must be computed using the applicable

ultimate investment return assumption under section 356.215, subdivision 8, expressed as a monthly rate, from the date of the actuarial valuation from which the actuarial accrued liability data was used to determine the net loss in the actuarial study under subdivision 1, to the date of payment, with annual compounding. Payment must be made on or after the effective date of privatization.

(e) ~~(b)~~ The Public Employees Retirement association must maintain a list that includes the names of all privatized ~~former public~~ employers in the association's annual comprehensive ~~annual~~ financial report and on the association's website. Beginning July 1, 2027, the association must also include in the list the amount of the withdrawal liability determined as of the effective date of privatization and the remaining amount, if any, of withdrawal liability due to be paid for each privatized employer.

Sec. 14. Minnesota Statutes 2024, section 353F.03, is amended to read:

353F.03 VESTING RULE FOR CERTAIN EMPLOYEES.

Notwithstanding any provision of chapter 353 to the contrary, a privatized ~~former public~~ employee is eligible to receive a retirement annuity under section 353.29 of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, without regard to the requirement specified in section 353.01, subdivision 47.

Sec. 15. Minnesota Statutes 2024, section 353F.04, is amended to read:

353F.04 AUGMENTATION INTEREST RATES FOR PRIVATIZED ~~FORMER PUBLIC~~ EMPLOYEES.

Subdivision 1. **Enhanced augmentation rates.** (a) The deferred annuity of a privatized ~~former public~~ employee is subject to augmentation under section 353.34, subdivision 3, except that the rate of augmentation is as specified in this section.

(b) This paragraph applies if the effective date of privatization was on or before January 1, 2007, and also applies to Hutchinson Area Health Care with a privatization effective date of January 1, 2008. For a privatized ~~former public~~ employee, the augmentation rate is 5.5 percent compounded annually until January 1 following the year in which the person privatized employee attains age 55. After that date, the augmentation rate is 7.5 percent compounded annually.

(c) If paragraph (b) is not applicable, and if the effective date of the privatization is after January 1, 2007, and before January 1, 2011, then the augmentation rate is four percent compounded annually until January 1, following the year in which the person privatized employee attains age 55. After that date, the augmentation rate is six percent compounded annually.

(d) If the effective date of the privatization is after December 31, 2010, the augmentation rate depends on the result of computations specified in section 353F.025, subdivision 1. If those computations indicate no loss or a net gain to the fund of the general employees retirement plan of the Public Employees Retirement Association fund, the augmentation rate is two percent compounded annually. If the computations under that subdivision indicate a net loss to the fund if a two percent augmentation rate is used, but a net gain or no loss if a one percent rate is used, then the augmentation rate is one percent compounded annually.

(e) Notwithstanding paragraphs (b) to (d), after June 30, 2020, and before January 1, 2024, the augmentation rate for all privatized ~~former public~~ employees under paragraphs (b) to (d) is two percent compounded annually. After December 31, 2023, no additional augmentation is applied to the deferred annuities of privatized ~~former public employee's deferred annuity~~ employees.

Subd. 2. **Exceptions.** The augmentation rates specified in subdivision 1 do not apply to a privatized ~~former public~~ employee:

(1) beginning the first of the month in which the privatized ~~former public~~ employee becomes covered again by a retirement plan enumerated in section 356.30, subdivision 3, if the employee accrues at least six months of credited service in any single plan enumerated in section 356.30, subdivision 3, except clause (6);

(2) beginning the first of the month in which the privatized ~~former public~~ employee becomes covered again by the general employees retirement plan of the ~~Public Employees Retirement Association~~;

(3) beginning the first of the month after a privatized ~~former public~~ employee terminates service with the privatized ~~former public~~ employer;

(4) if the privatized ~~former public~~ employee begins receipt of a retirement annuity while employed by the privatized ~~former public~~ employer; or

(5) if the effective date of privatization occurs after June 30, 2020.

Sec. 16. Minnesota Statutes 2024, section 353F.05, is amended to read:

353F.05 AUTHORIZATION FOR ADDITIONAL ALLOWABLE SERVICE FOR EARLY RETIREMENT PURPOSES.

(a) For the purpose of determining eligibility for early retirement benefits provided under section 353.30, subdivision 1a, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, and notwithstanding any provision of chapter 353; to the contrary, the years of allowable service for a privatized ~~former public~~ employee who transfers employment on the effective date of privatization and does not apply for a refund of contributions under section 353.34, subdivision 1, of the edition of Minnesota Statutes published in the year before the year in which the privatization occurred, or any similar provision, includes service with the privatized ~~former public~~ employer following the effective date. The privatized ~~former public~~ employer shall provide any reports that the executive director of the ~~Public Employees Retirement Association~~ may reasonably request to permit calculation of benefits.

(b) To be eligible for early retirement benefits under this section, the individual privatized employee must separate from service with the privatized ~~former public~~ employer. The privatized ~~former public~~ employee, or an individual authorized to act on behalf of that employee, may apply for an annuity following application procedures under section 353.29, subdivision 4.

Sec. 17. Minnesota Statutes 2024, section 353F.051, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** A privatized ~~former public~~ employee who is totally and permanently disabled under section 353.01, subdivision 19, and who had a medically documented preexisting condition of the disability before the termination of coverage, may apply for a disability benefit.

Sec. 18. Minnesota Statutes 2024, section 353F.051, subdivision 2, is amended to read:

Subd. 2. **Calculation of benefits.** A person qualifying under subdivision 1 is entitled to receive a disability benefit calculated under section 353.33, subdivision 3. ~~The disability benefit must be augmented under section 353.71, subdivision 2, from the date of termination to the date the disability benefit begins to accrue.~~

Sec. 19. Minnesota Statutes 2024, section 353F.052, is amended to read:

353F.052 APPLICATION OF SURVIVING SPOUSE, DEPENDENT CHILD PROVISION.

Notwithstanding any provisions of law to the contrary, subdivisions within section 353.32 of the edition of Minnesota Statutes published in the year before the year in which a privatization occurred, applicable to the surviving spouse or dependent children of a former member as defined in section 353.01, subdivision 7a, apply to the survivors of a privatized ~~former public~~ employee.

Sec. 20. Minnesota Statutes 2024, section 353F.057, is amended to read:

353F.057 TERMINATION FROM SERVICE REQUIREMENT.

Upon termination of service from the privatized ~~former public~~ employer after the effective date of privatization, a privatized ~~former public~~ employee must separate from any employment relationship with the privatized ~~former public~~ employer for at least 30 days to qualify to receive a retirement annuity under this chapter.

Sec. 21. Minnesota Statutes 2024, section 353F.06, is amended to read:

353F.06 APPLICATION OF REEMPLOYED ANNUITANT EARNINGS LIMITATIONS.

If a privatized ~~former public~~ employee satisfies the separation from service requirement in section 353F.057 and thereafter resumes employment with the privatized ~~former public~~ employer or a governmental subdivision under section 353.01, subdivision 6, the reemployed annuitant earnings limitations of section 353.37 apply.

Sec. 22. Minnesota Statutes 2024, section 353F.07, is amended to read:

353F.07 EFFECT ON REFUND.

Notwithstanding any provision of chapter 353 to the contrary, privatized ~~former public~~ employees may receive a refund of employee accumulated contributions plus interest as provided in section 353.34, subdivision 2, at any time after the transfer of employment to the privatized ~~former public~~ employer. If a privatized ~~former public~~ employee has received a refund from a pension plan listed in section 356.30, subdivision 3, the person privatized employee may not repay that refund unless the person privatized employee again becomes a member of one of those listed plans and complies with section 356.30, subdivision 2.

Sec. 23. Minnesota Statutes 2024, section 353F.08, is amended to read:

353F.08 COUNSELING SERVICES.

The privatized ~~former public~~ employer and the executive director ~~of the Public Employees Retirement Association~~ shall provide privatized ~~former public~~ employees with counseling on their benefits available under the general employees retirement plan ~~of the Public Employees Retirement Association~~ during a mutually agreed-upon period ~~mutually agreed-upon~~ before or after the effective date of privatization.

Sec. 24. Minnesota Statutes 2024, section 353F.09, is amended to read:

353F.09 APPLICATION TO SALES OF PRIVATIZED ~~FORMER PUBLIC~~ EMPLOYERS.

A ~~medical facility or other employing unit~~ privatized employer shall cease to be a privatized ~~former public~~ employer and its employees shall cease to be considered privatized ~~former public~~ employees under this chapter upon the sale of the operations of the ~~medical facility or employing unit~~ to another employer or the sale of the ~~medical facility or employing unit~~ to another employer. The privatized ~~former public~~ employees ~~shall be~~ are entitled to benefits accrued under this chapter to the date of the sale, but ~~shall~~ must not accrue additional benefits after the date of the sale.

Sec. 25. **REPEALER.**

Minnesota Statutes 2024, section 353F.02, subdivision 4a, is repealed.

Sec. 26. **EFFECTIVE DATE.**

Sections 1 to 25 are effective July 1, 2027.

ARTICLE 5

MSRS CORRECTIONAL PLAN ELIGIBILITY WORK GROUP

Section 1. Minnesota Statutes 2024, section 352.01, is amended by adding a subdivision to read:

Subd. 28. **Executive director.** "Executive director" or "director" means the executive director of the system appointed under section 352.03, subdivision 5.

Sec. 2. Minnesota Statutes 2024, section 352.029, subdivision 3, is amended to read:

Subd. 3. **Contributions.** The employee and employer contributions required by section 352.04, or by section 352.92 for employees covered by section ~~352.94~~ 352.905, are the obligation of the employee who is a member under section 352.01, subdivision 2a, paragraph (a), or who chooses coverage under this section. However, the employing labor organization may pay the employer contributions. Contributions made by the employee must be made by salary deduction. The employing labor organization shall pay all contributions to the system as required by section 352.04, or by section 352.92 for employees covered by section ~~352.94~~ 352.905.

Sec. 3. Minnesota Statutes 2024, section 352.03, subdivision 5, is amended to read:

Subd. 5. **Executive director, deputy director, and assistant director.** (a) The board shall appoint an executive director, ~~in this chapter called the director,~~ on the basis of education, experience in the retirement field, ability to manage and lead system staff, and ability to assist the board in setting a vision for the system. The executive director must have had at least five years' experience in either an executive level management position or in a position with responsibility for the governance, management, or administration of a retirement plan.

(b) The executive director, deputy director, and assistant director must be in the unclassified service but appointees may be selected from civil service lists if desired. Notwithstanding any law to the contrary, the board must set the salary of the executive director. The board must review the performance of the executive director on an annual basis and may grant salary adjustments as a result of the review. The salary of the deputy director and assistant director must be set in accordance with section 43A.18, subdivision 3.

Sec. 4. Minnesota Statutes 2024, section 352.90, is amended to read:

352.90 POLICY.

It is the policy of the legislature to provide special retirement benefits for and special contributions by certain correctional employees who may ~~be required~~ need to retire at an early age because they lose the mental or physical capacity required to maintain the safety, security, discipline, and custody of ~~inmates incarcerated persons~~ at state correctional facilities; ~~of or patients and clients in the state-operated forensic services program, which is comprised of the Minnesota Security Hospital, the forensic nursing home, the forensic transition service, and the competency restoration program; of patients in or the Minnesota Sex Offender Program; or of patients in the Minnesota Specialty Health System-Cambridge.~~

Sec. 5. [352.901] DEFINITIONS APPLICABLE TO THE CORRECTIONAL PLAN.

Subdivision 1. **Terms.** Unless the language or context clearly indicates a different meaning is intended, the terms defined in this section have the meanings given. The definitions in this section apply only to the correctional employees retirement plan and supplement the definitions in section 352.01.

Subd. 2. **Chief executive officer.** "Chief executive officer" means the Direct Care and Treatment chief executive officer appointed under section 246C.08 or a person the chief executive officer has delegated responsibilities to under sections 352.90 to 352.955, including the duty to certify direct contact under section 352.905, subdivision 2.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of corrections appointed under section 241.01, subdivision 1, or a person the commissioner has delegated responsibilities to under sections 352.90 to 352.955, including the duty to certify direct contact under section 352.905, subdivision 2.

Subd. 4. **Custody.** "Custody" means an employee's exercise of legal and physical control over an incarcerated person, patient, or client who is detained, confined, or otherwise restricted from freedom of movement.

Subd. 5. **Direct Care and Treatment.** "Direct Care and Treatment" means the agency established under section 246C.02.

Subd. 6. **Direct contact.** "Direct contact" means interactions between an employee and one or more patients, clients, or incarcerated persons where the employee is physically present and engaged with patients, clients, or incarcerated persons as part of the employee's normal duties, as defined in section 352.01, subdivision 17d, which must include regular involvement in rehabilitation, treatment, custody, or supervision of patients, clients, or incarcerated persons, while maintaining safety, security, and order.

Subd. 7. **Direct contact requirement.** "Direct contact requirement" means the requirement that the employee spend at least 75 percent of the employee's working time in direct contact.

Subd. 8. **Eligible facility.** "Eligible facility" means:

- (1) Minnesota Correctional Facility-Faribault;
- (2) Minnesota Correctional Facility-Lino Lakes;
- (3) Minnesota Correctional Facility-Moose Lake;
- (4) Minnesota Correctional Facility-Oak Park Heights;
- (5) Minnesota Correctional Facility-Red Wing;
- (6) Minnesota Correctional Facility-Rush City;
- (7) Minnesota Correctional Facility-Shakopee;
- (8) Minnesota Correctional Facility-St. Cloud;
- (9) Minnesota Correctional Facility-Stillwater;
- (10) Minnesota Correctional Facility-Togo; or
- (11) Minnesota Correctional Facility-Willow River.

Subd. 9. **Eligible program.** "Eligible program" means:

- (1) the forensic services program; or
- (2) the Minnesota Sex Offender Program.

Subd. 10. **Employee organization.** "Employee organization" has the meaning given in section 179A.03, subdivision 6.

Subd. 11. **Rehabilitation.** "Rehabilitation" means the process of providing treatment, education, or other interventions designed to improve the mental, physical, or behavioral condition of a patient, client, or incarcerated person with the goal of facilitating the reintegration into society or improving the quality of life of the patient, client, or incarcerated person.

Subd. 12. **Supervision.** "Supervision" means the oversight and management of patients, clients, or incarcerated persons by an employee at an eligible facility or eligible program to ensure compliance with rules, regulations, and treatment plans; monitor behavior; enforce discipline; and provide guidance or direction.

Subd. 13. **Treatment.** "Treatment" means the broad range of services, including medical, psychological, or therapeutic interventions, aimed at addressing the health, mental health, or behavioral needs and overall condition of patients, clients, or incarcerated persons by or under the supervision of employees at an eligible facility or eligible program.

Subd. 14. **Working time.** "Working time" means time spent performing the normal duties of an employee's employment position, not including time spent in training or on a leave of absence for vacation, illness, or other reasons as authorized in the human resources policies applicable to the employee.

Sec. 6. **[352.905] COVERED CORRECTIONAL SERVICE.**

Subdivision 1. **Direct contact not required.** (a) For all periods of service that an employee is performing covered correctional service as defined in this subdivision, the employee is a member of the correctional employees retirement plan, whether or not the employee has any direct contact.

(b) "Covered correctional service" under this subdivision means service performed by a state employee employed at an eligible facility or in an eligible program in one of the following employment positions:

- (1) corrections officer 1;
- (2) corrections officer 2;
- (3) corrections officer 3;
- (4) corrections lieutenant;
- (5) corrections captain;
- (6) security counselor;
- (7) security counselor lead; or
- (8) corrections canine officer.

Subd. 2. **Direct contact required.** (a) For all periods of service that an employee is performing covered correctional service as defined in this subdivision, the employee is a member of the correctional employees retirement plan, but only if the employee satisfies the direct contact requirement and the employee's employer has certified to the executive director, in the manner prescribed by the executive director, that the employee satisfies the direct contact requirement.

(b) "Covered correctional service" under this subdivision means service performed by a state employee employed at an eligible facility or in an eligible program in one of the employment positions specified in subdivisions 3 to 6.

Subd. 3. **Employment positions A to C.** Employment positions with a title that begins with the letters "A" to "C":

- (1) automotive mechanic;
- (2) baker;
- (3) behavior analyst 1;
- (4) behavior analyst 2;
- (5) behavior analyst 3;
- (6) building maintenance coordinator;
- (7) building maintenance lead worker;
- (8) building maintenance supervisor 2;
- (9) building utilities mechanic;
- (10) carpenter;
- (11) carpenter lead;
- (12) central services administrative specialist intermediate;
- (13) central services administrative specialist principal;
- (14) central services administrative specialist senior;
- (15) certified occupational therapy assistant 1;
- (16) certified occupational therapy assistant 2;
- (17) chaplain;
- (18) client advocate;
- (19) clinical program therapist 1;
- (20) clinical program therapist 2;
- (21) clinical program therapist 3;
- (22) clinical program therapist 4;
- (23) cook;
- (24) cook coordinator;
- (25) corrections chief cook;

- (26) corrections discipline unit supervisor;
- (27) corrections food services supervisor;
- (28) corrections industries production supervisor;
- (29) corrections inmate program coordinator;
- (30) corrections manufacturing specialist-tool and die;
- (31) corrections manufacturing specialist-engraving and drafting;
- (32) corrections manufacturing specialist-graphics;
- (33) corrections manufacturing specialist-light assembly;
- (34) corrections manufacturing specialist-light manufacturing;
- (35) corrections manufacturing specialist-mechanical;
- (36) corrections manufacturing specialist-sales and service;
- (37) corrections manufacturing specialist-transportation and warehouse;
- (38) corrections manufacturing specialist-wood;
- (39) corrections security caseworker;
- (40) corrections security caseworker career;
- (41) corrections teaching assistant;
- (42) corrections transitions program coordinator;
- (43) culinary supervisor; and
- (44) customer services specialist principal.

Subd. 4. **Employment positions D to M.** Employment positions with a title that begins with the letters "D" to "M":

- (1) delivery van driver;
- (2) dental assistant;
- (3) dental hygienist;
- (4) dentist;
- (5) electrical/electronics specialist;
- (6) electrician;

- (7) electrician lead;
- (8) electrician master of record;
- (9) electrician supervisor;
- (10) food service supervisor;
- (11) food service worker;
- (12) general maintenance worker;
- (13) general maintenance worker lead;
- (14) general repair worker;
- (15) groundskeeper senior;
- (16) group supervisor;
- (17) group supervisor assistant;
- (18) human services support specialist;
- (19) institution maintenance lead worker;
- (20) laborer trades and equipment;
- (21) library technician;
- (22) library/information resource services specialist;
- (23) library/information resource services specialist supervisor;
- (24) licensed alcohol/drug counselor;
- (25) licensed practical nurse;
- (26) machinery repair worker;
- (27) maintenance machinist;
- (28) management analyst 3;
- (29) mason;
- (30) medical assistant, certified; and
- (31) music therapist.

Subd. 5. **Employment positions O to R.** Employment positions with a title that begins with the letters "O" to "R":

- (1) occupational therapist;
- (2) occupational therapist senior;
- (3) painter;
- (4) painter lead;
- (5) physical therapist;
- (6) plant maintenance engineer;
- (7) plant maintenance engineer lead;
- (8) plumber;
- (9) plumber chief;
- (10) plumber master in charge;
- (11) plumber supervisor;
- (12) psychiatric advanced practice registered nurse;
- (13) psychologist 1;
- (14) psychologist 2;
- (15) psychologist 3;
- (16) recreation program assistant;
- (17) recreation therapist;
- (18) recreation therapist coordinator;
- (19) recreation therapist senior;
- (20) refrigeration mechanic;
- (21) registered nurse;
- (22) registered nurse advanced practice;
- (23) registered nurse principal;
- (24) registered nurse senior;
- (25) rehabilitation counselor senior; and
- (26) residential program lead.

Subd. 6. **Employment positions S to W.** Employment positions with a title that begins with the letters "S" to "W":

- (1) security supervisor;
- (2) sentencing to service crew leader, institution community work crews;
- (3) skills development specialist;
- (4) social work specialist;
- (5) social work specialist senior-human services;
- (6) social worker senior;
- (7) special education program assistant;
- (8) special teacher: doctoral;
- (9) special teacher: master of arts/master of science/five-year+teachers license;
- (10) special teacher: five-year career technical credential;
- (11) special teacher: five-year career technical credential+10 credits;
- (12) special teacher: five-year career technical credential+20 credits;
- (13) special teacher: five-year career technical credential+30 credits;
- (14) special teacher: five-year career technical credential+40 credits;
- (15) special teacher: five-year career technical credential+50 credits;
- (16) special teacher: bachelor of arts/bachelor of science+teachers license;
- (17) special teacher: bachelor of arts/bachelor of science+teachers license+10 credits;
- (18) special teacher: bachelor of arts/bachelor of science+teachers license+20 credits;
- (19) special teacher: bachelor of arts/bachelor of science+teachers license+30 credits;
- (20) special teacher: bachelor of arts/bachelor of science+teachers license+40 credits;
- (21) special teacher: career technical credential;
- (22) special teacher: master of arts/master of science+teachers license+10 graduate credits;
- (23) special teacher: master of arts/master of science+teachers license+20 graduate credits;
- (24) special teacher: master of arts/master of science+teachers license+30 graduate credits;
- (25) special teacher: no degree/teachers license;

(26) speech pathology clinician;

(27) sports medicine specialist;

(28) work therapy assistant;

(29) work therapy program coordinator; and

(30) work therapy technician.

Subd. 7. Former employees of Minnesota Specialty Health System-Cambridge. A Department of Human Services or Direct Care and Treatment employee who was employed at the Minnesota Specialty Health System-Cambridge immediately preceding the 2014 conversion to community-based homes and was in covered correctional service at the time of the transition will continue to be covered by the correctional employees retirement plan while employed in the direct care and treatment of patients by and without a break in service with the Department of Human Services or Direct Care and Treatment.

Sec. 7. [352.907] PLAN COVERAGE CHANGES.

Subdivision 1. Correctional plan membership committee. (a) A correctional plan membership committee is established to make determinations regarding changes to employment positions and to coverage of employees.

(b) The members of the correctional plan membership committee are:

(1) the commissioner or the commissioner's designee;

(2) the chief executive officer or the chief executive officer's designee;

(3) the executive director or the executive director's designee;

(4) the commissioner of management and budget or the commissioner's designee;

(5) one representative from each employee organization that represents one or more employees of the Department of Corrections or Direct Care and Treatment and who are covered by the correctional employees retirement plan;

(6) the human resources director or the director's designee from the Department of Corrections;
and

(7) the human resources director or the director's designee from Direct Care and Treatment.

(c) A member of the correctional plan membership committee under paragraph (b), clause (5), need not attend a meeting of the committee if none of the employees represented by the employee organization will be impacted by any action to be taken by the committee at the meeting.

(d) If the executive director has received one or more requests for changes to the title of an employment position, the addition or removal of an employment position from the lists in section 352.905, or the commencement or cessation of coverage of an employee by the correctional employees

retirement plan, the executive director must convene the correctional plan membership committee at least as frequently as once every calendar quarter. If the executive director has not received any requests during a calendar quarter, the executive director is not required to convene a meeting.

(e) The human resources directors of the Department of Corrections and Direct Care and Treatment must retain each request to the correctional plan membership committee and the related documentation and final determination for an employee or employment position in their respective department or agency.

Subd. 2. **Change in the title of an employment position.** (a) No later than 60 days before the effective date of a change in the title of an employment position listed in section 352.905, the Department of Corrections or Direct Care and Treatment, as applicable, must submit a request to the commissioner of management and budget to review the title change and determine whether the responsibilities of the employment position have changed. The commissioner of management and budget must provide a response to the Department of Corrections or Direct Care and Treatment, as applicable, by the effective date of the change.

(b) If the commissioner of management and budget determines that the responsibilities of the employment position have not changed or the responsibilities of the employment position have changed but the changes do not affect the eligibility of the employment position for coverage by the correctional employees retirement plan, the department or agency, as applicable, must:

(1) submit the title change to the executive director of the Legislative Commission on Pensions and Retirement before the start of the next legislative session and request legislation to replace the title in section 352.905 with the new title; and

(2) notify each employee in the employment position no later than 30 days after the effective date of the title change that the title change will not affect the continued coverage of the employee by the correctional employees retirement plan and that the department or agency, as applicable, has submitted a request to the legislature to change the title in section 352.905.

(c) If the commissioner of management and budget determines that the responsibilities of the employment position have changed and the changes result in the employment position no longer being qualified for coverage by the correctional employees retirement plan, the employer must:

(1) submit a request to the correctional plan membership committee for confirmation that the employment position must be removed from the lists of employment positions in section 352.905; and

(2) notify each employee in the employment position no later than 30 days after the effective date of the title change that a determination was made by the commissioner of management and budget that, because the responsibilities of the employment position have changed, the employment position and all employees in the employment position are no longer eligible for coverage by the correctional employees retirement plan subject to confirmation by the correctional plan membership committee.

Subd. 3. **Transfers to new eligible facility or eligible program.** (a) If the Department of Corrections or Direct Care and Treatment adds a facility to the list of eligible facilities under section 352.901, subdivision 8, or a program to the list of eligible programs under section 352.901,

subdivision 9, and the department or agency, as applicable, responsible for the new facility or program transfers a state employee who was rendering covered correctional service under section 352.905 to the new facility or program, the state employee must continue to be covered by the correctional employees retirement plan if the employee is employed in the same employment position at the new facility or in the new program.

(b) The employee continues to be covered by the correctional employees retirement plan unless the department or agency, as applicable, completes the process under subdivision 5 and the correctional plan membership committee has determined that the employee no longer qualifies for coverage.

Subd. 4. **Procedures for making employment position changes.** (a) The correctional plan membership committee must consider requests to add or remove an employment position listed in section 352.905, subdivisions 3 to 6, or to confirm a determination under subdivision 2 by the commissioner of management and budget that, because the responsibilities of the employment position have changed, the employment position and all employees in the employment position are no longer eligible for coverage by the correctional employees retirement plan.

(b) An employee, employee organization, or employer may submit a request to the correctional plan membership committee to add an employment position to section 352.905, subdivisions 3 to 6. The correctional plan membership committee may determine that an employment position must be added if the committee determines that at least one employee in the employment position satisfies the direct contact requirement.

(c) The correctional plan membership committee may, at the request of an employer, determine under this subdivision or confirm a determination under subdivision 2, clause (2), that an employment position must be removed from the lists in section 352.905, subdivisions 3 to 6, if the committee determines that no employee in the employment classification satisfies the direct contact requirement.

(d) The correctional plan membership committee must include an effective date in any determination to add or remove an employment position from the lists in section 352.905, subdivisions 3 to 6. The effective date may be retroactive for a determination to add an employment position.

(e) If the correctional plan membership committee determines that an employment position must be added to or removed from the lists of employment positions in section 352.905, subdivisions 3 to 6, the department or agency affected by the determination must submit the employment position change to the executive director of the Legislative Commission on Pensions and Retirement before the start of the next legislative session and request legislation to make the change.

(f) After making a determination that an employment position must be added to or removed from the lists of employment positions in section 352.905, subdivisions 3 to 6, the correctional plan membership committee must designate a member of the committee to communicate the committee's determination to all affected employees no later than ten days after the date of the meeting at which the determination was made and inform the employees of the right to appeal the determination under subdivision 6.

Subd. 5. **Procedures for adding or ceasing coverage for employees.** (a) The correctional plan membership committee must consider requests to provide coverage by the correctional employees

retirement plan to an employee in an employment position listed in section 352.905, subdivisions 3 to 6, or to cease coverage of an employee.

(b) An employee, an employee's employee organization, or an employee's manager may submit a request to the correctional plan membership committee to provide coverage to an employee in an employment position listed in section 352.905, subdivisions 3 to 6. The request may include a description of the extent of the physical hazard that the employee is routinely subjected to in the course of employment, the extent of intervention routinely expected of the employee in the event of a facility incident, and the extent the employee is routinely involved in the rehabilitation, treatment, custody, or supervision of patients, clients, or incarcerated persons. The request must include:

(1) a signed and dated position description for the employee's position; and

(2) a statement signed by the employer's human resources director or the director's designee and the commissioner or the chief executive officer, as applicable, that the employee satisfies the direct contact requirement.

(c) An employer may submit a request to the correctional plan membership committee to cease coverage of an employee. The request must include:

(1) a signed and dated position description for the employee's position; and

(2) a statement signed by the employee's employer that the employee no longer satisfies the direct contact requirement.

(d) The correctional plan membership committee must include an effective date in any determination that an employee must begin to receive coverage by the correctional employees retirement plan or that coverage must cease. The effective date may be retroactive to the date as of which the coverage requirements were first satisfied or were no longer met.

(e) After making a determination of coverage or no coverage for an employee, the correctional plan membership committee must designate a member of the committee to communicate the committee's determination to the affected employee no later than ten days after the date of the meeting at which the determination was made and inform the employee of the right to appeal the determination under subdivision 6.

Subd. 6. Right to appeal. (a) No later than 30 days after receiving a determination under subdivision 4 or 5, the affected employee may appeal a determination of the correctional plan membership committee by filing an appeal with the human resources manager of the department or agency, as applicable, in which the employee is employed. The appeal must include:

(1) the reasons for the appeal and rationale for a determination that the employee be covered by the correctional employees retirement plan; and

(2) new or additional information, if any, not previously submitted or considered by the correctional plan membership committee, including a new or revised position description and samples of work product.

(b) The appeal must be decided by the commissioner of corrections if the employee is an employee of the Department of Corrections or by the chief executive officer of Direct Care and Treatment if the employee is an employee of Direct Care and Treatment. The decision of the commissioner or chief executive officer, as applicable, is final.

(c) A determination not timely appealed under paragraph (a) is not entitled to further administrative or judicial review. A determination under subdivision 4 or 5 or an appeal decided under paragraph (b) may not be appealed under section 356.96.

Sec. 8. **[352.908] CORRECTION OF PLAN COVERAGE ERRORS.**

Section 356.637 applies if an employee is erroneously covered by:

(1) the correctional employees retirement plan when the employee should have been covered by one of the other plans specified in section 356.637; or

(2) a plan specified in section 356.637, other than the correctional employees retirement plan, when the employee should have been covered by the correctional employees retirement plan.

Sec. 9. Minnesota Statutes 2024, section 352.93, subdivision 1, is amended to read:

Subdivision 1. **Basis of annuity; when to apply.** After separation from state service, an employee covered under section ~~352.94~~ 352.905 who has reached age 55 years and is vested under section 352.925, is entitled upon application to a retirement annuity under this section, based only on covered correctional employees' service. Application may be made no earlier than 60 days before the date the employee is eligible to retire by reason of both age and service requirements.

Sec. 10. Minnesota Statutes 2024, section 352.955, subdivision 1, is amended to read:

Subdivision 1. **Election to transfer prior MSRS-general service credit.** (a) An eligible employee described in paragraph (b) may elect to transfer service credit in the general state employees retirement plan of the Minnesota State Retirement System to the correctional state employees retirement plan for eligible prior correctional employment.

(b) An eligible employee is a person who is covered by legislation implementing the recommendations under section 352.91, subdivision 4a the correctional plan membership committee determines is entitled to coverage by the correctional employees retirement plan under section 352.907.

(c) Eligible prior correctional employment is employment covered by the general state employees retirement plan of the Minnesota State Retirement System, is continuous service, and is certified by the commissioner of corrections and the Direct Care and Treatment executive board, whichever applies, and by the commissioner of management and budget to the executive director of the Minnesota State Retirement System as service that would qualify for correctional state employees retirement plan coverage under section ~~352.94~~ 352.905, if the service had been rendered after the date of coverage transfer.

(d) The election to transfer past service credit under this section must be made in writing by the applicable person on a form prescribed by the executive director of the Minnesota State Retirement

System and must be filed with the executive director of the Minnesota State Retirement System on or before the one year anniversary of the coverage transfer or the date of the eligible employee's termination of state employment, whichever is earlier.

Sec. 11. **REPEALER.**

Minnesota Statutes 2024, section 352.91, subdivisions 1, 2, 2a, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 4a, 4b, 4c, and 6, are repealed.

Sec. 12. **EFFECTIVE DATE.**

Sections 1 to 11 are effective January 1, 2026.

ARTICLE 6

HIGHER EDUCATION SUPPLEMENTAL RETIREMENT PLAN

Section 1. Minnesota Statutes 2024, section 356.24, subdivision 1, is amended to read:

Subdivision 1. **Restriction; exceptions.** It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for or to contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) to a deferred compensation plan defined in subdivision 3;

(6) for personnel employed by the Board of Trustees of the Minnesota State Colleges and Universities and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of ~~\$2,700~~ \$4,300 a year for each employee;

(7) to a supplemental plan or to a governmental trust to save for postretirement health care expenses qualified for tax-preferred treatment under the Internal Revenue Code, if the supplemental plan coverage is provided for in a personnel policy or in the collective bargaining agreement of a public employer with the exclusive representative of the covered employees in an appropriate unit;

(8) to the laborers national industrial pension fund or to a laborers local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement

that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$10,000 per year per employee;

(9) to the plumbers and pipefitters national pension fund or to a plumbers and pipefitters local pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(10) to the international union of operating engineers pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$10,000 per year per employee;

(11) to the International Association of Machinists national pension fund for the employees of a governmental subdivision who are covered by a collective bargaining agreement that provides for coverage by that fund and that sets forth a fund contribution rate, but not to exceed an employer contribution of \$5,000 per year per employee;

(12) for employees of United Hospital District, Blue Earth, to the state of Minnesota deferred compensation program, if the employee makes a contribution, in an amount that does not exceed the total percentage of covered salary under section 353.27, subdivisions 3 and 3a;

(13) to the alternative retirement plans established by the Hennepin County Medical Center under section 383B.914, subdivision 5;

(14) to the International Brotherhood of Teamsters Central States pension plan for fixed-route bus drivers employed by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 by virtue of that employment; or

(15) to a supplemental plan organized and operated under the Internal Revenue Code, as amended, that is wholly and solely funded by the employee's accumulated sick leave, accumulated vacation leave, and accumulated severance pay.

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

ARTICLE 7

STATE AUDITOR'S FIRE RELIEF ASSOCIATION WORKING GROUP

Section 1. Minnesota Statutes 2024, section 424A.014, subdivision 2, is amended to read:

Subd. 2. **Financial statement.** (a) The board of trustees of each firefighters relief association that is not required to and does not choose to file a financial report and audit under subdivision 1 must prepare a detailed statement of the financial affairs for the preceding fiscal year of the relief association's special and general funds in the style and form prescribed by the state auditor. The detailed statement must show:

(1) the sources and amounts of all money received;

- (2) all disbursements, accounts payable, and accounts receivable;
- (3) the amount of money remaining in the treasury;
- (4) total assets, including a listing of all investments;
- (5) the accrued liabilities; and

(6) all other items necessary to show accurately the revenues and expenditures and financial position of the relief association.

(b) The detailed financial statement of the special and general funds required under paragraph (a) must be certified by a certified public accountant or by the state auditor in accordance with agreed-upon procedures and forms prescribed by the state auditor. The accountant must have at least five years of public accounting, auditing, or similar experience and must not be an active, inactive, or retired member of the relief association or the fire department.

(c) The detailed financial statement required under paragraph (a) must be countersigned by:

(1) the municipal clerk or clerk-treasurer of the municipality;

(2) where applicable, the municipal clerk or clerk-treasurer of the largest municipality in population that contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation, and by the secretary of the independent nonprofit firefighting corporation; or

(3) the chief financial official of the county in which the firefighters relief association is located or primarily located if the relief association is associated with a fire department that is not located in or associated with an organized municipality.

(d) The firefighters relief association board must submit a copy of the detailed financial statement required under paragraph (a) that has been certified by the governing body of the municipality to the state auditor on or before ~~March 31~~ June 30 after the close of the fiscal year.

(e) A certified public accountant or auditor who performs the agreed-upon procedures under paragraph (b) is subject to the reporting requirement of section 6.67.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 2. Minnesota Statutes 2024, section 424A.015, subdivision 4, is amended to read:

Subd. 4. ~~Transfer to individual retirement account~~ **Right to elect a direct rollover.** ~~A relief association that is a qualified pension plan under section 401(a) of the Internal Revenue Code, as amended, and that provides a single payment service pension, at the written request of the applicable retiring member or, following the death of the active member, at the written request of the deceased member's surviving spouse, may directly transfer on an institution-to-institution basis the eligible member's lump-sum pension or the survivor benefit attributable to the member, whichever applies, to the requesting person's individual retirement account under section 408(a) of the Internal Revenue Code, as amended.~~ A relief association must permit a member, a surviving spouse, or another distributee as defined in section 356.633, subdivision 1, paragraph (b), to elect a direct rollover of

any distribution that is an eligible rollover distribution as defined in section 356.633, subdivision 1, paragraph (d), subject to the terms and conditions of section 356.633.

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

Sec. 3. Minnesota Statutes 2024, section 424A.016, subdivision 2, is amended to read:

Subd. 2. **Defined contribution service pension eligibility.** (a) A relief association, when its articles of incorporation or bylaws so provide, may pay as soon as practicable out of the assets of its special fund a defined contribution service pension to each of its members who:

(1) separates from active service with the fire department;

(2) ~~reaches age 50~~ submits a valid written application for the distribution;

(3) completes at least five years of active service as an active member of the fire department to which the relief association is associated;

(4) completes at least five years of active membership with the relief association before separation from active service; and

(5) complies with any additional conditions as to age, service, and membership that are prescribed by the bylaws of the relief association.

(b) In the case of a member who has completed at least five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least five years of active membership with the relief association before separation from active service may be waived by the board of trustees of the relief association if the member completes at least five years of inactive membership with the relief association before the date of the payment of the service pension. During the period of inactive membership, the member is not entitled to receive any disability benefit coverage, is not entitled to receive additional individual account allocation of fire state aid or municipal contribution toward a service pension, and is considered to have the status of a person entitled to a deferred service pension.

(c) The service pension earned by a firefighter under this chapter and the articles of incorporation and bylaws of the relief association may be paid whether or not the municipality or independent nonprofit firefighting corporation to which the relief association is associated qualifies for the receipt of fire state aid under chapter 477B.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 4. Minnesota Statutes 2024, section 424A.016, subdivision 6, is amended to read:

Subd. 6. **Deferred service pensions.** (a) A "deferred member" means a member of a relief association who has separated from active service and membership and has completed the minimum service and membership requirements in subdivision 2. The requirement that a member separate from active service and membership is waived for ~~persons~~ any person who ~~have~~ has discontinued ~~their~~ volunteer firefighter and paid on-call firefighter duties and ~~who are~~ is employed on a part-time or full-time basis under section 424A.015, subdivision 1.

(b) A deferred member is entitled to receive a deferred service pension when as soon as practicable after the member reaches at least age 50, or at least the minimum age specified in the bylaws governing the relief association if that age is greater than age 50, and makes submits a valid written application for the distribution and complies with any conditions as to age prescribed by the relief association's bylaws.

(c) A defined contribution relief association must credit interest or additional investment performance on the deferred lump-sum service pension during the period of deferral for all deferred members on or after January 1, 2021. A defined contribution relief association may specify in its bylaws the method by which it will credit interest or additional investment performance to the accounts of deferred members. Such method shall be limited to one of the three methods provided in this paragraph. In the event the bylaws do not specify a method, the interest or additional investment performance must be credited using the method defined in clause (3). The permissible methods are:

(1) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested by the relief association in a separate account established and maintained by the relief association;

(2) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested in a separate investment vehicle held by the relief association; or

(3) at the investment return on the assets of the special fund of the defined contribution relief association in proportion to the share of the assets of the special fund to the credit of each individual deferred member account.

(d) Notwithstanding the requirements of section 424A.015, subdivision 6, bylaw amendments made in accordance with paragraph (c) on or before January 1, 2022, shall apply to members already in deferred status as of January 1, 2021.

(e) Unless the bylaws provide differently, interest or additional investment performance must be allocated to each deferred member account beginning on the date that the member separates from active service and membership and ending on the last date that the deferred member account is valued before the final distribution of the deferred service pension.

(f) Notwithstanding the requirements of section 424A.015, subdivision 6, a relief association that amends its bylaws to lower the required minimum retirement age may specify in the bylaws amendment that the lower minimum retirement age applies to members who separated from active service and membership prior to the effective date of the bylaws amendment.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 424A.05, subdivision 3, is amended to read:

Subd. 3. **Authorized disbursements from special fund.** (a) Disbursements from the special fund may not be made for any purpose other than one of the following:

(1) for the payment or direct rollover under section 356.633 of service pensions to ~~retired~~ members of the relief association if authorized and paid under law and the bylaws governing the relief association;

(2) for the purchase of an annuity for the applicable person under section 424A.015, subdivision 3, ~~for the transfer of service pension or benefit amounts to the applicable person's individual retirement account under section 424A.015, subdivision 4, or to the applicable person's account in the Minnesota deferred compensation plan under section 424A.015, subdivision 5;~~

(3) for the payment or direct rollover under section 356.633 of temporary or permanent disability benefits to disabled members of the relief association if authorized and paid under law and specified in amount in the bylaws governing the relief association;

(4) for the payment or direct rollover under section 356.633 of survivor benefits or for the payment of a death benefit to the estate of the deceased active or deferred firefighter, if authorized and paid under law and specified in amount in the bylaws governing the relief association;

(5) for the payment of the fees, dues and assessments to the Minnesota State Fire Department Association and to the Minnesota State Fire Chiefs Association in order to entitle relief association members to membership in and the benefits of these associations or organizations;

(6) for the payment of insurance premiums to the state Volunteer Firefighters Benefit Association, or an insurance company licensed by the state of Minnesota offering casualty insurance, in order to entitle relief association members to membership in and the benefits of the association or organization;

(7) for the payment of administrative expenses of the relief association as authorized under subdivision 3b; and

(8) for the payment or direct rollover under section 356.633 of a service pension to the former spouse of a member or former member of a relief association, if the former spouse is an alternate payee designated in a qualified domestic relations order under subdivision 5.

(b) Checks or authorizations for electronic fund transfers for disbursements authorized by this section must be signed by the relief association treasurer and at least one other elected trustee who has been designated by the board of trustees to sign the checks or authorizations. A relief association may make disbursements authorized by this subdivision by electronic fund transfers only if the specific method of payment and internal control policies and procedures regarding the method are approved by the board of trustees.

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

Sec. 6. Minnesota Statutes 2024, section 424A.06, subdivision 2, is amended to read:

Subd. 2. **General fund assets and revenues.** (a) The general fund, if established, must be credited with the following:

(1) all money received from dues ~~other than dues payable as contributions under the bylaws of the relief association to the special fund;~~

(2) all money received from fines;

(3) all money received from initiation fees;

(4) all money received as entertainment revenues; and

(5) any money or property donated, given, granted or devised by any person, either for the support of the general fund of the relief association or for unspecified purposes.

(b) The treasurer of the relief association is the custodian of the assets of the general fund and must be the recipient on behalf of the general fund of all revenues payable to the general fund. The treasurer shall maintain adequate records documenting any transaction involving the assets or the revenues of the general fund. These records must be open for inspection by any member of the relief association at reasonable times and places.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 7. Minnesota Statutes 2024, section 424A.092, subdivision 2, is amended to read:

Subd. 2. **Determination of accrued liability.** (a) ~~Beginning with the calculation performed in 2021 for the 2022 calendar year,~~ Each firefighters relief association which pays a lump-sum service pension shall determine the accrued liability of the special fund of the firefighters relief association relative to each active member of the relief association, calculated using the applicable appendix to the standards for actuarial work established by the Legislative Commission on Pensions and Retirement under section 3.85, subdivision 10.

~~(b) For calendar years before 2022, each firefighters relief association shall determine the accrued liability of the special fund of the firefighters relief association relative to each active member of the relief association, calculated individually using the following table:~~

| Cumulative Year | Accrued Liability |
|-----------------------------|-------------------------------|
| 1 | \$ 60 |
| 2 | 124 |
| 3 | 190 |
| 4 | 260 |
| 5 | 334 |
| 6 | 410 |
| 7 | 492 |
| 8 | 576 |
| 9 | 666 |
| 10 | 760 |
| 11 | 858 |
| 12 | 962 |
| 13 | 1070 |
| 14 | 1184 |
| 15 | 1304 |
| 16 | 1428 |
| 17 | 1560 |
| 18 | 1698 |

| | |
|-------------------|-------------------------|
| 19 | 1844 |
| 20 | 2000 |
| 21 and thereafter | 100 additional per year |

~~As set forth in the table the accrued liability for each member of the relief association corresponds to the cumulative years of active service to the credit of the member. The accrued liability of the special fund for each active member is determined by multiplying the accrued liability from the chart by the ratio of the lump-sum service pension amount currently provided for in the bylaws of the relief association to a service pension of \$100 per year of service.~~

~~(e)~~ (b) If a member has fractional service as of December 31, the figure for service credit to be used for the determination of accrued liability pursuant to this section shall be rounded to the nearest full year of service credit. The total accrued liability of the special fund as of December 31 shall be the sum of the accrued liability attributable to each active member of the relief association.

~~(d)~~ (c) To the extent that the state auditor considers it to be necessary or practical, the state auditor may specify and issue procedures, forms, or mathematical tables for use in performing the calculations of the accrued liability for deferred members pursuant to this subdivision.

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

Sec. 8. Minnesota Statutes 2024, section 424A.092, subdivision 3, is amended to read:

Subd. 3. Financial requirements of relief association; minimum obligation of municipality.

(a) During the month of July, the officers of the relief association shall determine the overall funding balance of the special fund for the current calendar year, the financial requirements of the special fund for the following calendar year and the minimum obligation of the municipality with respect to the special fund for the following calendar year in accordance with the requirements of this subdivision.

(b) The overall funding balance of the special fund for the current calendar year must be determined in the following manner:

(1) The total accrued liability of the special fund for all active and deferred members of the relief association as of December 31 of the current year must be calculated under subdivisions 2 and 2a, if applicable.

(2) The total present assets of the special fund projected to December 31 of the current year, including receipts by and disbursements from the special fund anticipated to occur on or before December 31, must be calculated. To the extent possible, for those assets for which a market value is readily ascertainable, the current market value as of the date of the calculation for those assets must be utilized in making this calculation. For any asset for which no market value is readily ascertainable, the cost value or the book value, whichever is applicable, must be utilized in making this calculation.

(3) The amount of the total present assets of the special fund calculated under clause (2) must be subtracted from the amount of the total accrued liability of the special fund calculated under clause (1). If the amount of total present assets exceeds the amount of the total accrued liability, then the special fund is considered to have a surplus over full funding. If the amount of the total

present assets is less than the amount of the total accrued liability, then the special fund is considered to have a deficit from full funding. If the amount of total present assets is equal to the amount of the total accrued liability, then the special fund is considered to be fully funded.

(c) The financial requirements of the special fund for the following calendar year must be determined in the following manner:

(1) The total accrued liability of the special fund for all active and deferred members of the relief association as of December 31 of the calendar year next following the current calendar year must be calculated under subdivisions 2 and 2a, if applicable.

(2) The increase in the total accrued liability of the special fund for the following calendar year over the total accrued liability of the special fund for the current year must be calculated.

(3) The amount of anticipated future administrative expenses of the special fund must be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent prior calendar year by the factor of 1.035.

(4) If the special fund is fully funded, the financial requirements of the special fund for the following calendar year are the total of the amounts calculated under clauses (2) and (3).

(5) If the special fund has a deficit from full funding, the financial requirements of the special fund for the following calendar year are the financial requirements of the special fund calculated as though the special fund were fully funded under clause (4) plus an amount equal to one-tenth of the original amount of the deficit from full funding of the special fund as determined under clause (2) resulting either from an increase in the amount of the service pension occurring in the last ten years or from a net annual investment loss occurring during the last ten years until each increase in the deficit from full funding is fully retired. The annual amortization contribution under this clause may not exceed the amount of the deficit from full funding.

(6) If the special fund has a surplus over full funding, the financial requirements of the special fund for the following calendar year are the financial requirements of the special fund calculated as though the special fund were fully funded under clause (4) reduced by an amount equal to one-tenth of the amount of the surplus over full funding of the special fund.

(d) The minimum obligation of the municipality with respect to the special fund is the financial requirements of the special fund reduced by the amount of any fire state aid and police and firefighter retirement supplemental state aid payable under chapter 477B and section 423A.022 reasonably anticipated to be received by the municipality for transmittal to the special fund during the following calendar year, and an amount of interest on the assets of the special fund projected to the beginning of the following calendar year calculated at the rate of five percent per annum, ~~and the amount of any contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year.~~ A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 9. Minnesota Statutes 2024, section 424A.092, subdivision 4, is amended to read:

Subd. 4. Certification of financial requirements and minimum municipal obligation; levy.

(a) The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined under subdivision 3 on or before August 1 of each year. The certification must be made to the entity that is responsible for satisfying the minimum obligation with respect to the special fund of the relief association. If the responsible entity is a joint powers entity, the certification must be made in the manner specified in the joint powers agreement, or if the joint powers agreement is silent on this point, the certification must be made to the chair of the joint powers board.

(b) The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement under section 424A.014. The schedule forms related to the determination of the financial requirements must be filed annually with the state auditor by ~~March 31, annually, if the relief association is required to file a financial statement under section 424A.014, subdivision 2, or by June 30, annually, if the relief association is required to file a financial report and audit under section 424A.014, subdivision 1.~~

(c) The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue.

(d) The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied under this section must not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(e) If the municipality does not include the full amount of the minimum municipal obligations in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the certified minimum municipal obligation on the taxable property of the municipality.

(f) If the state auditor determines that a municipal contribution actually made in a plan year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause (5), the state auditor may request a copy of the certifications under this subdivision from the relief association or from the city. The relief association or the city, whichever applies, must provide the certifications within 14 days of the date of the request from the state auditor.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 10. Minnesota Statutes 2024, section 424A.093, subdivision 5, is amended to read:

Subd. 5. Minimum municipal obligation. (a) The officers of the relief association shall determine the minimum obligation of the municipality with respect to the special fund of the relief association for the following calendar year on or before August 1 of each year in accordance with the requirements of this subdivision.

(b) The minimum obligation of the municipality with respect to the special fund is an amount equal to the financial requirements of the special fund of the relief association determined under subdivision 4, reduced by the estimated amount of any fire state aid and police and firefighter retirement supplemental state aid payable under chapter 477B and section 423A.022 reasonably anticipated to be received by the municipality for transmittal to the special fund of the relief association during the following year ~~and the amount of any anticipated contributions to the special fund required by the relief association bylaws from the active members of the relief association reasonably anticipated to be received during the following calendar year~~. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(c) The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined under subdivision 4 and this subdivision by August 1 of each year. The certification must be made to the entity that is responsible for satisfying the minimum obligation with respect to the special fund of the relief association. If the responsible entity is a joint powers entity, the certification must be made in the manner specified in the joint powers agreement, or if the joint powers agreement is silent on this point, the certification must be made to the chair of the joint powers board.

(d) The financial requirements of the relief association and the minimum municipal obligation must be included in the financial report or financial statement under section 424A.014.

(e) The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue. The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law or charter upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied under this section must not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced.

(f) If the municipality does not include the full amount of the minimum municipal obligation in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the minimum municipal obligation on the taxable property of the municipality.

(g) If the state auditor determines that a municipal contribution actually made in a plan year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause (5), the state auditor may request from the relief association or from the city a copy of the certifications under this subdivision. The relief association or the city, whichever applies, must provide the certifications within 14 days of the date of the request from the state auditor.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 11. **REPEALER.**

Minnesota Statutes 2024, section 424A.015, subdivision 5, is repealed.

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

ARTICLE 8

FIREFIGHTERS RELIEF ASSOCIATIONS

Section 1. Minnesota Statutes 2024, section 424A.02, subdivision 3, is amended to read:

Subd. 3. **Determining maximum pension benefit.** (a) Except as provided in paragraph (b) and section 424B.22, subdivision 4, a defined benefit relief association may not set in its bylaws a service pension amount above the following maximum amounts:

(1) for a defined benefit relief association in which the governing bylaws provide for a monthly service pension, the maximum monthly service pension amount per month for each year of service credited is the lesser of \$100 or the maximum monthly service pension amount that could be adopted by the relief association as a bylaws amendment that satisfies section 424A.093, subdivision 6, paragraph (d); and

(2) for a defined benefit relief association in which the governing bylaws provide for a lump-sum service pension, the maximum lump-sum service pension amount for each year of service credited is the lesser of ~~\$15,000~~ \$20,000 or the maximum lump-sum service pension amount that could be adopted by the relief association as a bylaws amendment that satisfies section 424A.092, subdivision 6, paragraph (e).

(b) A defined benefit relief association may set in its bylaws a service pension amount that is not greater than the maximum amounts in clause (1) or (2), as applicable, but only if the service pension amount has been ratified by the municipality.

(1) For a defined benefit relief association that pays a monthly service pension, the maximum monthly service pension amount per month for each year of service credited is \$100.

(2) For a defined benefit relief association that pays a lump-sum service pension, the maximum lump-sum service pension amount for each year of service credited is ~~\$15,000~~ \$20,000.

(c) The method of calculating service pensions must be applied uniformly for all years of active service. Credit must be given for all years of active service, unless the bylaws of the relief association provide that service credit is not given for:

(1) years of active service in excess of caps on service credit; or

(2) years of active service earned by a former member who:

(i) has ceased duties as a volunteer firefighter and paid on-call firefighter with the fire department before becoming vested under subdivision 2; and

(ii) has not resumed active service with the fire department and active membership in the relief association for a period as defined in the relief association's bylaws, of not less than five years.

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

Sec. 2. **REPEALER.**

Minnesota Statutes 2024, section 356A.06, subdivision 5, is repealed.

ARTICLE 9**MINNESOTA SECURE CHOICE RETIREMENT PROGRAM**

Section 1. Minnesota Statutes 2024, section 187.03, subdivision 5, is amended to read:

Subd. 5. **Covered employee.** (a) "Covered employee" means a person who is employed by a covered employer and who satisfies any other criteria established by the board.

(b) Covered employee does not include:

(1) a person who, on December 31 of the preceding calendar year, was younger than 18 years of age;

(2) a person covered under the federal Railway Labor Act, as amended, United States Code, title 45, sections 151 et seq.;

(3) a person on whose behalf an employer makes contributions to a Taft-Hartley multiemployer pension trust fund; ~~or~~

(4) a person employed by the government of the United States, another country, the state of Minnesota, another state, or any subdivision thereof; or

(5) a person employed on a temporary or seasonal basis for a limited duration, which the employer determines at the time the person is hired will not extend beyond 180 days.

(c) A person described in paragraph (b), clause (5), may elect to have contributions deducted from the person's paycheck for remittance to the program, but only if the employer would otherwise be considered a covered employer.

Sec. 2. Minnesota Statutes 2024, section 187.03, is amended by adding a subdivision to read:

Subd. 6a. **Enrollment window.** "Enrollment window" means the period established by the board, according to a phase-in schedule approved under Laws 2023, chapter 46, section 10, subdivision 1, paragraph (b), that is applicable to each covered employer and during which the covered employer is first required to provide information to covered employees and enroll covered employees who do not elect to opt out of the program.

Sec. 3. Minnesota Statutes 2024, section 187.03, subdivision 7, is amended to read:

Subd. 7. **Executive director.** "Executive director" means the chief executive and administrative head of the program or, if an executive director has not been appointed, executive director means the interim executive director, if one has been appointed.

Sec. 4. Minnesota Statutes 2024, section 187.03, subdivision 7a, is amended to read:

Subd. 7a. **Home and community-based services employee.** "Home and community-based services employee" means an individual ~~employed by the individual's child or spouse~~ who is not an employee of a provider agency and who is selected by and working under the direction of a participant in a covered program to provide to the participant:

(1) consumer-directed community supports services under sections 256B.092 and 256B.49 and chapter 256S or under the alternative care program authorized under section 256B.0913; or

(2) services under the community first services and supports program authorized under section 256B.85 and Minnesota's federally approved waiver programs.

This definition applies only to this chapter and does not create any other legal rights or obligations under state or federal law.

Sec. 5. Minnesota Statutes 2024, section 187.05, is amended by adding a subdivision to read:

Subd. 1a. **Certification by employers that are not covered employers.** (a) Any entity or person may file a certification with the executive director on a form prescribed by the executive director and provide documentation in support of the certification, as requested by the executive director, stating that the entity or person is not a covered employer. The certification must state that the entity or person is not a covered employer for one or more of the following reasons:

(1) the entity or person has not been engaged for at least 12 months in a business, industry, profession, trade, or other enterprise in Minnesota, whether for profit or not for profit;

(2) the entity or person does not employ five or more employees;

(3) the entity or person sponsors or contributes to or, in the immediately preceding 12 months, sponsored or contributed to a retirement savings plan for its employees; or

(4) the entity is a political subdivision of the state or federal government.

(b) Within 30 days of receiving the certification, the executive director must accept the certification or issue a determination that the entity or person is a covered employer and subject to the requirements of section 187.07.

(c) The entity or person may appeal the executive director's determination by filing an appeal with the board of directors no later than 30 days after receipt of the determination.

Sec. 6. Minnesota Statutes 2024, section 187.05, subdivision 4, is amended to read:

Subd. 4. **Contribution rate.** (a) ~~The board must establish default, minimum, and maximum~~ may change the required employee contribution rates and on the escalation schedule to automatically increase each covered employee's contribution rate annually until the contribution rate is equal to the maximum contribution rate under section 187.07, subdivision 1. The board must provide all covered employers with notice of a change in employee contribution rates or the escalation schedule at least six months in advance of the effective date of the change.

(b) A covered employee must have the right, annually or more frequently as determined by the board, to change the contribution rate, opt out or elect not to contribute, or cease contributions.

Sec. 7. Minnesota Statutes 2024, section 187.05, subdivision 6, is amended to read:

Subd. 6. **Withdrawals and distributions.** The board must establish alternatives permitting covered employees to take a withdrawal of all or a portion of the covered employee's account while employed and one or more distributions following termination of employment. By July 1, 2028, the board must include lifetime income options as distribution alternatives ~~must include lifetime income options.~~

Sec. 8. Minnesota Statutes 2024, section 187.07, subdivision 1, is amended to read:

Subdivision 1. **Requirement to enroll employees.** (a) Each covered employer must enroll its covered employees in the program and withhold payroll deduction contributions from each covered employee's paycheck no later than 30 days after the covered employee's first day of employment, unless the covered employee has elected not to contribute.

(b) Unless the board has approved a different rate or rates under section 187.05, subdivision 4, or a covered employee has elected a different contribution rate or not to contribute, the employee contribution rates and escalation schedule are:

(1) five percent of pay for the covered employee's first year of participation;

(2) six percent of pay for the covered employee's second year of participation;

(3) seven percent of pay for the covered employee's third year of participation; and

(4) eight percent of pay for the covered employee's fourth year of participation and each year thereafter.

(c) Paragraph (a) does not apply to a covered employer until the covered employer's enrollment window has opened. No later than 30 days after the end of the enrollment window, the covered employer must have enrolled all covered employees, except for any covered employee who has elected not to contribute.

(d) The executive director must communicate annually by email or otherwise in writing to each covered employee:

(1) the annual limit on employee contributions to a traditional IRA and a Roth IRA in effect under section 408 and 408A, respectively, of the Internal Revenue Code; and

(2) notice that it is the responsibility of the covered employee to reduce the covered employee's contribution rate from the rate under paragraph (b) as necessary to stay within the limit under section 408 or section 408A of the Internal Revenue Code that is applicable to the covered employee and the type of IRA to which the contributions are being credited.

Sec. 9. Minnesota Statutes 2024, section 187.07, subdivision 2, is amended to read:

Subd. 2. **Remitting contributions.** Notwithstanding section 181.06, a covered employer must timely remit payroll deduction contributions as required by the board withheld from the paycheck of each covered employee to the program as soon as practicable after the deduction is taken and no later than 30 days after the date of each paycheck.

Sec. 10. Minnesota Statutes 2024, section 187.07, subdivision 3, is amended to read:

Subd. 3. **Distribution of information.** (a) Covered employers must provide information prepared by the board to all covered employees regarding the program. The information must be provided to each covered employee at least 30 no later than 14 days prior to the date of the first paycheck from which employee contributions could be deducted for transmittal to the program, if the covered employee does not elect to opt out of the program after the covered employee's first day of employment.

(b) Paragraph (a) does not apply to a covered employer until the covered employer's enrollment window has opened. No later than 14 days before the date of the first paycheck from which employee contributions could be deducted for transmittal to the program, the covered employer must provide the information prepared by the board regarding the program to all covered employees of the covered employer.

Sec. 11. Minnesota Statutes 2024, section 187.07, subdivision 6, is amended to read:

Subd. 6. **Enforcement.** (a) As described under section 187.12, the board may impose:

(1) statutory civil penalties against any covered employer that fails to comply with subdivisions subdivision 1, 2, and or 3; and

(2) statutory civil or criminal penalties against any covered employer that fails to comply with subdivision 2.

(b) At the request of the board, the attorney general shall enforce the penalties imposed by the board against a covered employer. Proceeds of such penalties, after deducting enforcement expenses, must be deposited in the Secure Choice administrative fund and are appropriated to the program.

(c) The board must provide covered employers with written warnings to any covered employer that fails to comply with subdivision 1 or 3 or both subdivisions 1 and 3 for the first year two years of noncompliance before assessing. If the covered employer has not complied with subdivision 1 or 3 during the two-year period after the date on which the covered employer was first required to comply with subdivision 1 or 3, as applicable, the board must assess penalties.

Sec. 12. Minnesota Statutes 2024, section 187.08, subdivision 3, is amended to read:

Subd. 3. **Membership terms.** (a) Board members serve for two-year terms, except for:

(1) the executive directors of the Minnesota State Retirement System and the State Board of Investment, who serve indefinitely; and

(2) the initial term of the member who is an executive or other professional with substantial experience in retirement plan investments under subdivision 1, clause (3), item (iii), and the member who is a human resources executive under subdivision 1, clause (4), is three years.

(b) Board members' terms may be renewed, but no member may serve more than two consecutive terms.

Sec. 13. Minnesota Statutes 2024, section 187.08, subdivision 7, is amended to read:

Subd. 7. **Executive director; staff.** (a) The board must appoint an executive director, determine the duties of the executive director, and set the compensation of the executive director. The board may appoint an interim executive director to serve as executive director during any period that the executive director position is vacant.

(b) The executive director may participate in deliberations but must not vote on any matter before the board. The executive director must not participate in deliberations on any matter before the board that results or is likely to result in direct measurable economic gain to the executive director or the executive director's family.

(c) The executive director must file with the Campaign Finance and Public Disclosure Board an economic interest statement in a manner prescribed by section 10A.09, subdivisions 5 and 6.

~~(b) (d)~~ The board may hire staff as necessary to support the board and the executive director ~~or interim executive director~~ in performing their duties or the board may authorize the executive director ~~or interim executive director~~ to hire staff.

Sec. 14. Minnesota Statutes 2024, section 187.11, is amended to read:

187.11 OTHER STATE AGENCIES TO PROVIDE ASSISTANCE.

(a) The board may enter into intergovernmental agreements with the commissioner of revenue, the commissioner of labor and industry, the commissioner of employment and economic development, and any other state agency that the board deems necessary or appropriate to provide outreach, technical assistance, or compliance services. An agency that enters into an intergovernmental agreement with the board pursuant to this section must collaborate and cooperate with the board to provide the outreach, technical assistance, or compliance services under any such agreement. The board, executive director, and program staff must maintain the privacy of data obtained under any intergovernmental agreement if required under chapter 13.

(b) For purposes of section 268.19, subdivision 1, paragraph (a), clause (20), "assisting with communication with employers and to verify employer compliance with chapter 187" means providing the executive director with at least the following information for employers, to the extent available to the commissioner of employment and economic development:

(1) federal employer identification number;

(2) business name, address, mailing address, email address, and phone number;

(3) number of employees; and

(4) employer industry code.

~~(b) (c)~~ The commissioner of administration must provide office space in the Capitol complex for the executive director and staff of the program.

Sec. 15. **[187.12] PENALTIES FOR NONCOMPLIANCE.**

Subdivision 1. **Failure to enroll covered employees or distribute information.** (a) The board may assess penalties against a covered employer that fails to comply with section 187.07, subdivision

1 or 3 or both subdivisions 1 and 3, beginning with the second anniversary of the date on which the covered employer was first required to comply with section 187.07, subdivision 1 or 3, as applicable.

(b) The board may assess the following penalties for a covered employer's failure to comply with section 187.07, subdivision 1 or 3:

(1) on the second anniversary, a penalty of \$100 per covered employee, not to exceed \$4,000;

(2) on the third anniversary, a penalty of \$200 per covered employee, not to exceed \$6,000;

(3) on the fourth anniversary, a penalty of \$300 per covered employee; and

(4) on each anniversary after the fourth anniversary, a penalty of \$500 per covered employee.

(c) If the covered employer fails to comply with section 187.07, subdivisions 1 and 3, the board must assess two times the penalties in paragraph (b).

(d) The date on which a covered employer is first required to comply with section 187.07, subdivision 1, is the following:

(1) for paragraph (a), on or before the 30th day after the first day of employment of a covered employee hired by the covered employer; and

(2) for paragraph (b), on or before the 30th day after the end of the enrollment window applicable to the covered employer.

(e) The date on which a covered employer is first required to comply with section 187.07, subdivision 3, is the following:

(1) for paragraph (a), for a newly hired covered employee, no later than 14 days after the covered employee's first day of employment; and

(2) for paragraph (b), no later than the 14th day prior to the date of the first paycheck from which employee contributions could be deducted for transmittal to the program.

Subd. 2. **Notice and waiver.** Before assessing a penalty under subdivision 1, the board must provide the covered employer with a written notice informing the covered employer of the amount of the penalty and that the penalty will not be assessed if:

(1) the covered employer cures the violation no later than 30 days after the date of the notice;
or

(2) the board waives the penalty at the request of the covered employer due to extenuating circumstances.

Subd. 3. **Failure to remit contributions.** (a) If the executive director has reason to believe, based on communication from a covered employee or another source, that a covered employer has failed to comply with section 187.07, subdivision 2, by not remitting payroll deduction contributions withheld from the paycheck of one or more covered employees within 30 days after the deduction is withheld, the executive director must make a written demand to the covered employer requiring

the covered employer to immediately remit to the program the withheld contributions plus interest at the annual rate specified in section 356.59, subdivision 2, for the period beginning with the tenth day after the contribution was deducted from the covered employee's paycheck to the date the contribution is remitted to the program.

(b) Any covered employer that willfully and intentionally fails to remit a payroll deduction contribution within ten days after demand from the executive director is guilty of a misdemeanor.

(c) If the executive director issues a written demand to a covered employer under paragraph (a) for a second time, the executive director must assess a penalty of \$250 for each employee contribution withheld but not transmitted to the program.

Subd. 4. **Action; damages.** (a) A covered employee or the attorney general, upon referral from the board, may bring a civil action against a covered employer for a failure to enroll covered employees, distribute information, or remit contributions under section 187.07, subdivisions 1 to 3. A covered employer who is found to have violated section 187.07, subdivisions 1 to 3, is liable to the program for the civil penalties provided for in this section. A covered employer who is found to have violated section 187.07, subdivisions 1 to 3, is liable for compensatory damages and other appropriate relief including but not limited to injunctive relief.

(b) The attorney general, upon referral from the board, may bring a criminal action against a covered employer for the willful and intentional failure to remit contributions under section 187.07, subdivision 2.

(c) An action brought under paragraph (a) or (b) may be filed in the district court of the county in which a violation is alleged to have been committed, where the covered employer resides or has a principal place of business, or any other court of competent jurisdiction.

(d) In an action brought under paragraph (a) or (b), the court must order a covered employer who is found to have committed a violation to pay to the program or covered employee, as appropriate, reasonable costs, disbursements, witness fees, and attorney fees.

Sec. 16. Minnesota Statutes 2024, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 518A.83;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry and the Commerce Fraud Bureau in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) the Department of Human Services for the purpose of evaluating medical assistance services and supporting program improvement;

(11) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program and other cash assistance programs, the Supplemental Nutrition Assistance Program, and the Supplemental Nutrition Assistance Program Employment and Training program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 142E, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(12) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(13) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(14) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(15) the Department of Health for the purposes of epidemiologic investigations;

(16) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(17) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201;

(18) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System; ~~and~~

(19) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B; and

(20) the executive director or interim executive director of the Minnesota Secure Choice Retirement Program established under chapter 187 for the purposes of assisting with communication with employers and to verify employer compliance with chapter 187.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 17. **EFFECTIVE DATE.**

Sections 1 to 16 are effective the day following final enactment.

ARTICLE 10

PUBLIC PENSION PLANS: AMORTIZATION OF LIABILITIES; CORRECTION OF ERRORS

Section 1. Minnesota Statutes 2024, section 353G.08, subdivision 1a, is amended to read:

Subd. 1a. **Annual funding requirements; monthly division.** (a) Annually, the executive director shall determine the funding requirements of each monthly benefit account in the statewide volunteer firefighter plan on or before August 1.

(b) The executive director must determine the funding requirements of a monthly benefit account under this subdivision from:

(1) the most recent actuarial valuation normal cost, administrative expense, including the cost of a regular actuarial valuation, and amortization results for the account determined by the approved actuary retained by the retirement association under sections 356.215 and 356.216; and

(2) the standards for actuarial work, utilizing a six percent investment return actuarial assumption ~~and~~ other actuarial assumptions approved under section 356.215, subdivision 18~~2~~, and the amortization periods specified in section 356.215, subdivision 11.

~~(i) with that portion of any unfunded actuarial accrued liability attributable to a benefit increase to be amortized over a period of 20 years from the date of the benefit change;~~

~~(ii) with that portion of any unfunded actuarial accrued liability attributable to an assumption change or an actuarial method change to be amortized over a period of 20 years from the date of the assumption or method change;~~

~~(iii) with that portion of any unfunded actuarial accrued liability attributable to an investment loss to be amortized over a period of ten years from the date of investment loss; and~~

~~(iv) with the balance of any net unfunded actuarial accrued liability to be amortized over a period of five years from the date of the actuarial valuation.~~

(c) The required contributions of the entity or entities associated with the fire department whose active firefighters are covered by the monthly division are the annual financial requirements of the monthly benefit account of the plan under paragraph (b) reduced by the amount of any fire state aid payable under chapter 477B, or any police and firefighter retirement supplemental state aid payable under section 423A.022, that is reasonably anticipated to be received by the plan attributable to the entity or entities during the following calendar year. The required contribution must be allocated between the entities if more than one entity is involved. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(d) The required contribution calculated in paragraph (c) must be paid to the plan on or before December 31 of the year for which it was calculated. If the contribution is not received by the plan by December 31, it is payable with interest at an annual compound rate of six percent from the date due until the date payment is received by the plan. If the entity does not pay the full amount of the required contribution, the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

EFFECTIVE DATE. This section is effective beginning with actuarial valuations on or after July 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 356.215, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of sections 3.85 and 356.20 to 356.23, each of the terms in the following paragraphs has the meaning given.

(b) "Actuarial valuation" means a set of calculations prepared by an actuary retained under section 356.214 if so required under section 3.85, or otherwise, by an approved actuary, to determine the normal cost and the accrued actuarial liabilities of a benefit plan, according to the entry age actuarial cost method and based upon stated assumptions including, but not limited to rates of interest, mortality, salary increase, disability, withdrawal, and retirement and to determine the payment necessary to amortize over a stated period any unfunded accrued actuarial liability disclosed as a result of the actuarial valuation of the benefit plan.

(c) "Approved actuary" means:

(1) a person who is regularly engaged in the business of providing actuarial services and who is a fellow in the Society of Actuaries; or

(2) a firm that retains a person described in clause (1) on its staff.

(d) "Entry age actuarial cost method" means an actuarial cost method under which the actuarial present value of the projected benefits of each individual currently covered by the benefit plan and included in the actuarial valuation is allocated on a level basis over the service of the individual, if the benefit plan is governed by section 424A.093, or over the earnings of the individual, if the benefit plan is governed by any other law, between the entry age and the assumed exit age, with the portion of the actuarial present value which is allocated to the valuation year to be the normal cost and the portion of the actuarial present value not provided for at the valuation date by the actuarial present value of future normal costs to be the actuarial accrued liability, with aggregation in the calculation process to be the sum of the calculated result for each covered individual and with recognition given to any different benefit formulas which may apply to various periods of service.

(e) "Experience study" means a report providing experience data and an actuarial analysis of the adequacy of the actuarial assumptions on which actuarial valuations are based.

(f) "Actuarial value of assets" means the market value of all assets as of the preceding June 30, reduced by:

(1) 20 percent of the difference between the actual net change in the market value of total assets between the June 30 that occurred three years earlier and the June 30 that occurred four years earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred four years earlier;

(2) 40 percent of the difference between the actual net change in the market value of total assets between the June 30 that occurred two years earlier and the June 30 that occurred three years earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred three years earlier;

(3) 60 percent of the difference between the actual net change in the market value of total assets between the June 30 that occurred one year earlier and the June 30 that occurred two years earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred two years earlier; and

(4) 80 percent of the difference between the actual net change in the market value of total assets between the most recent June 30 and the June 30 that occurred one year earlier and the computed increase in the market value of total assets over that fiscal year period if the assets had earned a rate of return on assets equal to the annual percentage investment return assumption used in the actuarial valuation for the July 1 that occurred one year earlier.

(g) "Unfunded actuarial accrued liability" means the total current and expected future benefit obligations, reduced by the sum of the actuarial value of assets and the present value of future normal costs.

~~(h) "Pension benefit obligation" means the actuarial present value of credited projected benefits, determined as the actuarial present value of benefits estimated to be payable in the future as a result of employee service attributing an equal benefit amount, including the effect of projected salary~~

~~increases and any step rate benefit accrual rate differences, to each year of credited and expected future employee service.~~

(h) "Standards for actuarial work" means the document required under section 3.85, subdivision 10, to be adopted by the Legislative Commission on Pensions and Retirement as so adopted and amended from time to time.

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

Sec. 3. Minnesota Statutes 2024, section 356.215, subdivision 4, is amended to read:

Subd. 4. **Actuarial valuation; contents.** (a) The actuarial valuation must be made in conformity with the requirements of the definition contained in subdivision 1 and the ~~most recent~~ standards for actuarial work ~~adopted by the Legislative Commission on Pensions and Retirement.~~

(b) The actuarial valuation must measure all aspects of the benefit plan of the fund in accordance with changes in benefit plans, if any, and salaries reasonably anticipated to be in force during the ensuing fiscal year. The actuarial valuation must be prepared in accordance with the entry age actuarial cost method. The actuarial valuation required under this section must include the information required in subdivisions 5 to 15.

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

Sec. 4. Minnesota Statutes 2024, section 356.215, subdivision 8, is amended to read:

Subd. 8. **Actuarial assumptions.** (a) The actuarial valuation must use the applicable following investment return assumption:

| plan | investment return assumption |
|---|---------------------------------|
| general state employees retirement plan | 7% |
| correctional state employees retirement plan | 7 |
| State Patrol retirement plan | 7 |
| legislators retirement plan, and for the constitutional officers calculation of total plan liabilities | 0 |
| judges retirement plan | 7 |
| general public employees retirement plan | 7 |
| public employees police and fire retirement plan | 7 |
| local government correctional service retirement plan | 7 |
| teachers retirement plan | 7 |
| St. Paul teachers retirement plan | 7 |
| Bloomington Fire Department Relief Association | 6 |
| local monthly benefit volunteer firefighter relief associations | 5 |
| monthly benefit retirement plans in the statewide volunteer firefighter retirement plan | 6 |

(b) The actuarial valuation for each of the covered retirement plans listed in section 356.415, subdivision 2, and the St. Paul Teachers Retirement Fund Association must take into account the postretirement adjustment rate or rates applicable to the plan as specified in section 354A.29, subdivision 7, or 356.415, whichever applies.

(c) The actuarial valuation must use the applicable salary increase and payroll growth assumptions found in the appendix to the standards for actuarial work ~~adopted by the Legislative Commission on Pensions and Retirement pursuant to section 3.85, subdivision 10.~~ The appendix must be updated whenever new assumptions have been approved or deemed approved under subdivision 18.

(d) The assumptions set forth in the appendix to the standards for actuarial work continue to apply, unless a different salary assumption or a different payroll increase assumption:

(1) has been proposed by the governing board of the applicable retirement plan;

(2) is accompanied by the concurring recommendation of the actuary retained under section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the most recent actuarial valuation report if section 356.214 does not apply; and

(3) has been approved or deemed approved under subdivision 18.

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

Sec. 5. Minnesota Statutes 2024, section 356.215, subdivision 11, is amended to read:

Subd. 11. **Amortization contributions.** ~~(a) In addition to the exhibit indicating the level normal cost, The actuarial valuation of the retirement each pension plan listed in subdivision 8, paragraph (a), other than the legislators retirement plan, the Bloomington Fire Department Relief Association, and the local monthly benefit volunteer firefighter relief associations, must contain an exhibit for financial reporting purposes indicating the additional annual contribution sufficient to amortize on a level percent of payroll basis the unfunded actuarial accrued liability and must contain an exhibit indicating the additional contribution sufficient to amortize the unfunded actuarial accrued liability. For the retirement plans listed in subdivision 8, paragraph (a), but excluding the legislators retirement plan, the Bloomington Fire Department Relief Association, and the local monthly benefit volunteer firefighter relief associations, the additional contribution must be calculated on a level percentage of covered payroll basis by the established date for full funding in effect when the valuation is prepared, assuming annual payroll growth at the applicable percentage rate set forth in the appendix described in subdivision 8, paragraph (c). For the legislators retirement plan, the additional annual contribution must be calculated on a level annual dollar amount basis, resulting from any of the following changes, over the period specified for that change, except that the pension plan's unfunded actuarial accrued liability as of July 1, 2024, must be amortized over a period that ends June 30, 2048:~~

(1) experience gain or loss: 15 years;

(2) assumption or method change: 20 years;

(3) benefit change for active members: 15 years;

(4) long-term benefit change for inactive members: 15 years;

(5) short-term benefit change for inactive members: the number of years during which the benefit change will be in effect; and

(6) an annual contribution that is more or less than the actuarially determined contribution: 15 years.

(b) The amortization periods specified in paragraph (a) apply:

(1) unless the standards for actuarial work state otherwise; and

(2) except that, for the legislators retirement plan, the additional annual contribution sufficient to amortize the unfunded actuarial accrued liability must be calculated on a level dollar basis with an amortization period of one year.

~~(b) This paragraph applies only if the calculation under this paragraph for a retirement plan results in an established date for full funding that is earlier than the established date for full funding applicable to the retirement plan under paragraph (c). For any retirement plan, if there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by itself or by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding must be determined using the following procedure:~~

~~(i) the unfunded actuarial accrued liability of the fund must be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;~~

~~(ii) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the unfunded actuarial accrued liability amount determined under item (i) by the established date for full funding in effect before the change must be calculated using the investment return assumption specified in subdivision 8 in effect before the change;~~

~~(iii) the unfunded actuarial accrued liability of the fund must be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;~~

~~(iv) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the difference between the unfunded actuarial accrued liability amount calculated under item (i) and the unfunded actuarial accrued liability amount calculated under item (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective must be calculated using the applicable investment return assumption specified in subdivision 8 in effect after any applicable change;~~

~~(v) the level annual dollar or level percentage amortization contribution under item (iv) must be added to the level annual dollar amortization contribution or level percentage calculated under item (ii);~~

~~(vi) the period in which the unfunded actuarial accrued liability amount determined in item (iii) is amortized by the total level annual dollar or level percentage amortization contribution computed under item (v) must be calculated using the investment return assumption specified in subdivision 8 in effect after any applicable change, rounded to the nearest integral number of years, but not to exceed 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and not to be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and~~

~~(vii) the period determined under item (vi) must be added to the date as of which the actuarial valuation was prepared and the date obtained is the new established date for full funding.~~

~~(c) The established date for full funding is the date provided for each of the following plans:~~

~~(i) for the general employees retirement plan of the Public Employees Retirement Association, the established date for full funding is June 30, 2048;~~

~~(ii) for the Teachers Retirement Association, the established date for full funding is June 30, 2048;~~

~~(iii) for the correctional state employees retirement plan and the State Patrol retirement plan of the Minnesota State Retirement System, the established date for full funding is June 30, 2048;~~

~~(iv) for the judges retirement plan, the established date for full funding is June 30, 2048;~~

~~(v) for the local government correctional service retirement plan and the public employees police and fire retirement plan, the established date for full funding is June 30, 2048;~~

~~(vi) for the St. Paul Teachers Retirement Fund Association, the established date for full funding is June 30, 2048; and~~

~~(vii) for the general state employees retirement plan of the Minnesota State Retirement System, the established date for full funding is June 30, 2048.~~

~~(d) For the retirement plans for which the annual actuarial valuation indicates an excess of valuation assets over the actuarial accrued liability, the valuation assets in excess of the actuarial accrued liability must be recognized as a reduction in the current contribution requirements by an amount equal to the amortization of the excess expressed as a level percentage of pay over a 30-year period beginning anew with each annual actuarial valuation of the plan.~~

EFFECTIVE DATE. This section is effective beginning with the July 1, 2025, actuarial valuations.

Sec. 6. Minnesota Statutes 2024, section 356.215, subdivision 17, is amended to read:

Subd. 17. **Actuarial services by approved actuaries.** (a) The actuarial valuation or quadrennial experience study must be made and any actuarial consulting services for a retirement fund or plan must be provided by an approved actuary. The actuarial valuation or quadrennial experience study must include a signed written declaration that it has been prepared according to sections 356.20 to 356.23 and according to the ~~most recent~~ standards for actuarial work ~~adopted by the Legislative Commission on Pensions and Retirement.~~

(b) Actuarial valuations or experience studies prepared by an approved actuary retained by a retirement fund or plan must be submitted to the Legislative Commission on Pensions and Retirement within ten days of the submission of the document to the retirement fund or plan.

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

Sec. 7. Minnesota Statutes 2024, section 356.636, subdivision 2, is amended to read:

Subd. 2. **Correction of errors.** (a) The executive director of a pension fund may correct an ~~operational, demographic, or employer or employee eligibility~~ error; made by a pension fund or an error in a plan document that is not a statute if the executive director determines that correction is necessary or appropriate to preserve and protect the tax qualification of any pension or retirement plan listed in section 356.611, subdivision 6, that is part of administered by the pension fund. The method of correction must comply with the Internal Revenue Service Employee Plans Compliance Resolution System (EPCRS) or any successor thereto, if the EPCRS addresses the error and correction.

(b) To the extent deemed necessary by the executive director to implement correction, the executive director may:

(1) make distributions;

(2) transfer assets;

(3) recover an overpayment by reducing future benefit payments or designating appropriate revenue or source of funding that will restore to the plan the amount of the overpayment; or

(4) take any other action that will restore the plan and any affected member or participant to the position the plan, member, or participant would have been in had the error not occurred.

(c) An executive director may correct an error under paragraph (a) or (b) without regard to any statute that imposes a time limitation on making such correction.

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

Sec. 8. Minnesota Statutes 2024, section 356.636, subdivision 3, is amended to read:

Subd. 3. **Annual report.** (a) The executive director of each pension fund must submit a report annually, ~~no later than each February 1,~~ to the chair and executive director of the Legislative Commission on Pensions and Retirement ~~on whether the executive director of the pension fund corrected any operational, demographic, employer or employee eligibility,~~ no later than each February 1. The report must describe each error or plan document error corrected under subdivision 2 during the preceding calendar year; other than:

(1) an error corrected in the ordinary course of business; and

(2) correction authorized by current law, including but not limited to correction authorized under sections 352.04, 353.27, 354.42, 356.401, and 356.637.

(b) The report must describe the error, the pension or retirement plan affected by the error, the method of correction, and the cost, if any, to the pension or retirement plan, employee, or employer of the error and correction.

(c) An error is corrected in the ordinary course of business if it is a correction or cancellation of an overpayment or an adjustment of an ongoing annuity amount.

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

ARTICLE 11

WORK GROUP ON PENSION PLANS FOR PROBATION OFFICERS AND 911 TELECOMMUNICATORS

Section 1. WORK GROUP ON CREATING PENSION PLANS FOR PROBATION OFFICERS AND 911 TELECOMMUNICATORS.

Subdivision 1. **Work group established.** The executive director of the Legislative Commission on Pensions and Retirement (commission executive director) must convene a work group for the purpose of recommending a pension plan to be administered by the Minnesota State Retirement System (MSRS) for probation officers and 911 telecommunicators who are state employees, as defined in Minnesota Statutes, section 352.01, subdivision 2, and a pension plan to be administered by the Public Employees Retirement Association (PERA) for probation officers and 911 telecommunicators who are public employees, as defined in Minnesota Statutes, section 353.01, subdivision 2.

Subd. 2. **Membership.** (a) The members of the work group are the following:

(1) the executive director of PERA, or the executive director's designee, and a second member of the PERA staff designated by the executive director;

(2) the executive director of MSRS, or the executive director's designee, and a second member of the MSRS staff designated by the executive director;

(3) the commissioner of corrections or the commissioner's designee;

(4) the commissioner of public safety or the commissioner's designee;

(5) a representative from the Minnesota Association of County Probation Officers;

(6) a representative from the Minnesota Corrections Association;

(7) a representative from the Minnesota Association of Professional Employees;

(8) a representative from the International Brotherhood of Teamsters Local 320;

(9) a representative from the American Federation of State, County and Municipal Employees Council 5;

(10) two representatives from the Association of Minnesota Counties;

(11) a representative from the League of Minnesota Cities;

(12) a representative from the Minnesota Inter-County Association;

(13) a representative from the Minnesota Association of Public Safety Communications Officials or the National Emergency Number Association of Minnesota;

(14) a representative from the Law Enforcement Labor Services;

(15) a representative from the Minnesota Association of Community Corrections Act Counties;

(16) a representative from the Minnesota Professional Fire Fighters Association; and

(17) a representative from the Minnesota Police and Peace Officers Association.

(b) The commission executive director may invite others, including the commission's actuary, to participate in one or more meetings of the work group.

(c) The organizations specified in paragraph (a) must provide the commission executive director with the names and contact information for the representatives who will serve on the work group by June 14, 2025.

Subd. 3. **Mandate.** (a) In arriving at the work group's recommendations, the work group must determine:

(1) the features of each pension plan, including but not limited to:

(i) employee and employer contribution rates;

(ii) vesting requirements;

(iii) the benefit formula;

(iv) normal and early retirement ages;

(v) disability benefits;

(vi) postretirement adjustments;

(vii) the extent to which past service will be credited and paid for; and

(viii) definitions for "probation officer" and "911 telecommunicator";

(2) whether the new plans will be entirely new pension plans or whether the new plans will be component pension plans similar to the special coverage for state fire marshals under Minnesota Statutes, section 352.87; and

(3) the options that are available or could be made available for providing health care to employees who take early retirement under the new pension plans.

(b) The work group must also consider:

(1) the study prepared by PERA that estimates the costs and benefits for a pension plan for probation officers, 911 telecommunicators, and any other public safety adjacent employees;

(2) the financial impact resulting from the potential cessation of benefit accruals and contributions for members that transfer from the MSRS general state employees retirement plan or the PERA general employees retirement plan to the new pension plan;

(3) options for members to purchase credit for past service, including methods for purchasing credit for past service and possible sources of funding for making purchases, whether from employee or employer contributions or the state;

(4) how contributions used to prefund benefit improvements can be made before the new pension plans are operational;

(5) any other public safety adjacent positions, including forensic scientists, that should be included in the new pension plans and how those positions should be defined;

(6) the balance of employee and employer contributions, including the interest in funding pension benefit improvements with increased employee contributions; and

(7) a bill styled as 2025 H.F. No. 1779/S.F. No. 1986, also referred to as revisor number 25-02845, or its equivalent, passed/introduced in the 2025 regular session or special session, including the testimony on the bill at the meetings of the Legislative Commission on Pensions and Retirement.

Subd. 4. **Proposed legislation.** With the assistance of the commission executive director, the work group must prepare proposed legislation that implements the recommendations of the work group under subdivision 3. If the work group recommends more than one approach to improving pension benefits, the work group must provide alternative bills. Recommended legislation must require MSRS and PERA to have any new plan or component plan operational by January 1, 2027.

Subd. 5. **Due date for submitting recommendations to the commission.** The chair of the work group must submit the recommendations of the work group, along with proposed legislation that implements the recommendations, to the chair and executive director of the Legislative Commission on Pensions and Retirement by January 31, 2026.

Subd. 6. **Meetings; chair; administrative support.** (a) The commission executive director must convene the first meeting of the work group by August 1, 2025.

(b) The members of the work group must elect a chair at the first meeting.

(c) Meetings may be conducted remotely or in person or a combination of remotely and in person.

(d) Commission staff must provide meeting space, if needed, and administrative support to the chair of the work group.

Subd. 7. **Compensation; lobbying; retaliation.** (a) Members of the work group serve without compensation.

(b) Participation in the work group is not lobbying under Minnesota Statutes, chapter 10A.

(c) An individual's employer or an organization or association of which an individual is a member must not retaliate against the individual because of the individual's participation in the work group.

Subd. 8. **Expiration.** The work group expires June 30, 2027.

ARTICLE 12

LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT

Section 1. Minnesota Statutes 2024, section 3.85, subdivision 2, is amended to read:

Subd. 2. **Powers.** The commission shall make a continuing study and investigation of retirement benefit plans applicable to nonfederal government employees in this state. The powers and duties of the commission include, but are not limited to the following:

(a) studying retirement benefit plans applicable to nonfederal government employees in Minnesota, including federal plans available to the employees;

(b) making recommendations within the scope of its study, including attention to financing of the various pension funds and financing of accrued liabilities;

(c) considering all aspects of pension planning and operation and making recommendations designed to establish and maintain sound pension policy for all funds;

(d) analyzing ~~each item of~~ proposed pension and retirement legislation, including amendments ~~to each~~, with particular reference to analysis of ~~their~~ the legislation's cost, actuarial soundness, and adherence to sound pension policy, ~~and reporting its findings to the legislature;~~

(e) creating and maintaining a library for reference concerning pension and retirement matters, including information about laws and systems in other states; and

(f) studying, analyzing, and preparing reports in regard to subjects certified to the commission for study.

Sec. 2. Minnesota Statutes 2024, section 3.85, subdivision 3, is amended to read:

Subd. 3. **Membership.** The commission consists of seven members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration and seven members of the house of representatives appointed by the speaker. No more than five members from each chamber may be from the majority caucus in that chamber. Members shall be appointed at the commencement of each regular session of the legislature for a two-year term beginning January 16 of the first year of the regular session. Members continue A member continues to serve until their successors are appointed the earlier of the appointment of the member's successor or the end of the member's legislative term of office. Vacancies that occur while the legislature is in session shall be filled like regular appointments. If the legislature is not in session, senate vacancies shall be filled

by the last Subcommittee on Committees of the senate Committee on Rules and Administration or other appointing authority designated by the senate rules, and house of representatives vacancies shall be filled by the last speaker of the house, or if the speaker is not available, by the last chair of the house of representatives Rules Committee.

Sec. 3. Minnesota Statutes 2024, section 3.85, subdivision 10, is amended to read:

Subd. 10. **Standards for pension valuations and cost estimates.** The commission shall adopt standards prescribing ~~specific detailed~~ methods to calculate, evaluate, and display current and ~~proposed law projected~~ liabilities, costs, and actuarial equivalents of ~~all covered public employee~~ pension plans ~~in Minnesota~~ under section 356.20, subdivision 2, that are defined benefit plans. These standards ~~shall must~~ be consistent with chapter 356 and be updated ~~annually periodically~~. At a minimum, the standards ~~shall must~~ contain requirements that comply with ~~generally accepted accounting principles~~ actuarial standards of practice applicable to government pension plans. ~~The standards may include additional financial, funding, or valuation requirements that are not required under generally accepted accounting principles applicable to government pension plans.~~

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 13

STATEWIDE VOLUNTEER FIREFIGHTER PLAN

Section 1. Minnesota Statutes 2024, section 353G.08, subdivision 1a, is amended to read:

Subd. 1a. **Annual funding requirements; monthly division.** (a) Annually, the executive director shall determine the funding requirements of each ~~monthly benefit fire department~~ account in the ~~statewide volunteer firefighter~~ monthly division of the defined benefit plan on or before August 1.

(b) The executive director must determine the funding requirements of a ~~monthly benefit fire department~~ account under this subdivision from:

(1) the most recent actuarial valuation normal cost, administrative expense, including the cost of a regular actuarial valuation, and amortization results for the account determined by the approved actuary retained by the retirement association under sections 356.215 and 356.216; and

(2) the standards for actuarial work, utilizing a six percent investment return actuarial assumption and other actuarial assumptions approved under section 356.215, subdivision 18:

(i) with that portion of any unfunded actuarial accrued liability attributable to a benefit increase to be amortized over a period of 20 years from the date of the benefit change;

(ii) with that portion of any unfunded actuarial accrued liability attributable to an assumption change or an actuarial method change to be amortized over a period of 20 years from the date of the assumption or method change;

(iii) with that portion of any unfunded actuarial accrued liability attributable to an investment loss to be amortized over a period of ten years from the date of investment loss; and

(iv) with the balance of any net unfunded actuarial accrued liability to be amortized over a period of five years from the date of the actuarial valuation.

(c) The required contributions of the entity or entities associated with the fire department whose active firefighters are covered by the monthly division are the annual financial requirements of the ~~monthly benefit fire department account of the plan~~ under paragraph (b) reduced by the amount of any fire state aid payable under chapter 477B, or any police and firefighter retirement supplemental state aid payable under section 423A.022, that is reasonably anticipated to be received by the plan attributable to the entity or entities during the following calendar year. The required contribution must be allocated between the entities if more than one entity is involved. A reasonable amount of anticipated fire state aid is an amount that does not exceed the fire state aid actually received in the prior year multiplied by the factor 1.035.

(d) The required contribution calculated in paragraph (c) must be paid to the plan on or before December 31 of the year for which it was calculated. If the contribution is not received by the plan by December 31, it is payable with interest at an annual compound rate of six percent from the date due until the date payment is received by the plan. If the entity does not pay the full amount of the required contribution, the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

Sec. 2. Minnesota Statutes 2024, section 353G.11, is amended by adding a subdivision to read:

Subd. 1b. **Applicable benefit level.** (a) In determining a member's retirement benefit under section 353G.09, subdivision 1a, the benefit level applicable to the member is the benefit level in effect as of the date the member terminated firefighting services for the fire department of a participating employer.

(b) Except as provided under section 353G.09, subdivision 4:

(1) the benefit level for a member of the lump-sum division is the benefit level selected under section 353G.05, subdivision 1d, by the member's relief association or, if applicable, the municipality or firefighting corporation that employs the member or the benefit level as modified under subdivision 2, whichever is in effect as of the date the member terminated firefighting services; or

(2) the benefit level for a member of the monthly division is the benefit level under the retirement benefit plan document applicable to the member's former relief association or the benefit level under the retirement benefit plan document as modified under subdivision 2a, whichever is in effect as of the date the member terminated firefighting services.

Sec. 3. Minnesota Statutes 2024, section 353G.11, subdivision 2, is amended to read:

Subd. 2. **Benefit level changes in the lump-sum division of defined benefit plan.** (a) A fire department's fire chief or the governing body operating a fire department may request an increase in the benefit level as provided in this subdivision.

(b) The fire chief or governing body must request a cost estimate from the executive director of an increase in the ~~service pension~~ benefit level applicable to the active firefighters of the fire department.

(c) The executive director must prepare the cost estimate using a procedure certified as accurate by the approved actuary retained by the association.

(d) Within 120 days after receiving the cost estimate from the executive director, the governing body may approve the benefit level change, effective for January 1 of the following calendar year unless the governing body specifies in the approval document an effective date that is January 1 of the second year following the approval date. If the approval occurs after April 30, the required municipal contribution for the following calendar year must be recalculated and the results reported to the governing body. If not approved within 120 days of the receipt of the cost estimate, the benefit level change is considered to have been disapproved.

Sec. 4. Minnesota Statutes 2024, section 353G.11, subdivision 2a, is amended to read:

Subd. 2a. **Procedure for changing Benefit level changes in the monthly division.** (a) ~~The A fire department's fire chief of a fire department or the governing body operating a fire department that has an active membership that is covered by the monthly benefit retirement division of the plan may initiate the process of modifying request an increase in the benefit level provided in the retirement benefit plan document under this section subdivision.~~

(b) The modification procedure is initiated when the ~~applicable~~ fire chief or governing body files with the executive director ~~of the association~~ a written summary of the desired ~~benefit plan document~~ modification, the proposed ~~benefit plan document~~ modification language, a written request for the preparation of an actuarial cost estimate for the proposed ~~benefit plan document~~ modification, and payment of the estimated cost of the actuarial cost estimate.

(c) Upon receipt of the modification request and related documents, the executive director ~~shall~~ must review the language of the proposed ~~benefit plan document~~ modification and, if a clarification is needed in the submitted language, ~~shall~~ inform the fire chief or governing body of the necessary clarification. ~~Once After the proposed benefit plan document modification language fire chief or governing body has been clarified by the fire chief and resubmitted~~ After the fire chief or governing body has clarified the language, the fire chief or governing body shall submit the clarified language to the executive director, the executive director shall arrange for the approved actuary retained by the association to prepare a benefit plan document modification cost estimate under the applicable provisions of section 356.215 and of the standards for actuarial work adopted by the Legislative Commission on Pensions and Retirement must prepare the cost estimate using a procedure certified as accurate by the approved actuary retained by the association. Upon completion of the benefit plan document modification cost estimate, the executive director shall must forward the estimate to the fire chief who requested it and to the chief financial officer of the municipality or entity with which the fire department is primarily associated.

(d) The fire chief, upon receipt of the cost estimate, ~~shall circulate~~ must distribute the cost estimate ~~with to~~ the active firefighters in the fire department and ~~shall~~ take reasonable steps to provide the cost estimate results to any affected retired members of the fire department and their beneficiaries. The chief financial officer of the municipality or entity associated with the fire department ~~shall~~ must present the proposed modification language and the cost estimate to the

governing body of the municipality or entity for its consideration at a public hearing held for that purpose.

(e) If the governing body of the municipality or entity approves the modification language, the chief administrative officer of the municipality or entity ~~shall~~ must notify the executive director ~~of the association~~ of that approval. The ~~benefit plan document~~ modification is effective on the January 1 following the date of filing the approval with the association.

Sec. 5. Minnesota Statutes 2024, section 353G.17, subdivision 4, is amended to read:

Subd. 4. **Transfer process.** (a) Upon completion of the actions required under subdivisions 1 to 3, the plan shall transfer to the relief association as of the effective date identified in the notice under subdivision 1, the records, assets, and liabilities related to the former and current firefighters with benefits under the plan, along with any assets in excess of liabilities ~~credited to the lump-sum account or the monthly benefit retirement account attributable to the firefighters and the municipality.~~

(b) The executive director:

(1) ~~shall~~ must transfer the assets in cash;

(2) ~~shall~~ must transfer any accounts receivable ~~associated with the lump-sum account or monthly benefit retirement account;~~

(3) ~~shall~~ must settle any accounts payable ~~from the account~~ before the transfer; and

(4) may deduct from the assets to be transferred reasonable costs incurred by the plan to conduct the voting process and complete the transfer.

Sec. 6. Minnesota Statutes 2024, section 353G.17, subdivision 5, is amended to read:

Subd. 5. **Relief association obligations and rights upon transfer from the plan.** (a) Upon transfer of the assets of the ~~lump-sum account or monthly benefit retirement~~ fire department account, the pension liabilities attributable to the benefits for the former and current firefighters ~~shall~~ become the obligation of the special fund of the relief association.

(b) Upon the transfer of the assets of the ~~lump-sum account or monthly benefit retirement~~ fire department account, the board of trustees of the relief association has legal title to and management responsibility for the transferred assets as trustees for persons having a beneficial interest in those assets arising out of the benefit coverage provided by the account.

(c) The relief association is the successor in interest with respect to all claims against the plan relating to the transferred ~~lump-sum account or monthly benefit retirement~~ fire department account, except for claims alleging any act or acts by the plan or its fiduciaries that were not done in good faith or that constituted a breach of fiduciary responsibility under chapter 356A.

(d) The value of each volunteer firefighter's benefit in the plan on the day before the asset transfer shall be no less than the value of the volunteer firefighter's benefit on the day after the asset transfer. The relief association shall give credit, with respect to each firefighter whose benefit is being transferred, for all past service, including service credit with the plan and with any predecessor relief association, to the extent credit is given for such service in the records of the plan for that firefighter.

(e) Upon completion of the transfer of records, assets, and liabilities, the executive director shall provide written notice to the state auditor, the commissioner of revenue, and the secretary of state that the transfer is complete.

Sec. 7. Minnesota Statutes 2024, section 353G.19, subdivision 1, is amended to read:

Subdivision 1. **Authority to initiate conversion.** (a) A participating employer associated with a fire department covered by the defined benefit plan, including an entity previously affiliated with a defined benefit relief association when the entity made a request for coverage by the defined contribution plan under section 353G.05, subdivision 1b, paragraph (c), may convert to coverage by the defined contribution plan in accordance with this section.

(b) Conversion from coverage by the defined benefit plan to coverage by the defined contribution plan consists of:

(1) a resolution by the governing body of the participating employer;

(2) notice to all former and active volunteer firefighters of the fire department;

(3) full vesting on the conversion effective date of all active and former volunteer firefighters with an accrued benefit in the defined benefit plan attributable to service with the fire department, to the extent funded as of the conversion effective date; and

(4) allocation of surplus over full funding, if any, to individual accounts in the fire department's new account in the defined contribution plan.

(c) For an entity previously affiliated with a defined benefit relief association when the entity made a request for coverage by the defined contribution plan under section 353G.05, subdivision 1b, paragraph (c), a conversion must occur under paragraph (b) immediately after coverage by the retirement plan of the entity's fire department and the entity's volunteer firefighters takes effect.

Sec. 8. Minnesota Statutes 2024, section 353G.19, subdivision 2, is amended to read:

Subd. 2. **Resolutions by the governing body.** To initiate a conversion, the governing body of the participating employer must file with the executive director at least 30 days before the end of a calendar year:

(1) a resolution that states that the fire department elects to participate in the defined contribution plan effective on the conversion effective date, which is the first day of the next calendar year; and

(2) if, as of the valuation immediately preceding the conversion effective date, the fire department account had a deficit from full funding as defined under section 353G.08, subdivision 1, paragraph (c), or the special fund of the defined benefit relief association had a deficit from full funding as defined in section 424A.092, subdivision 3, paragraph (b), a resolution approving a contribution to the retirement plan in the amount necessary to eliminate the deficit, which is to be paid within 30 days of the filing of the resolution or in installments over three years, with the first payment to be made within 30 days of the filing of the resolution.

Sec. 9. Minnesota Statutes 2024, section 353G.19, subdivision 3, is amended to read:

Subd. 3. **Notice to participants.** The participating employer must provide notice to all active and former volunteer firefighters in the fire department at least 30 days before the conversion effective date. The notice must include:

(1) an explanation that the plan is converting from a defined benefit plan to a defined contribution plan, including definitions of those terms, on the conversion effective date and that the active and former volunteer firefighters will become ~~fully~~ vested in their accrued benefit to the extent funded as of the conversion effective date;

(2) a summary of the terms of the defined contribution plan;

(3) a section tailored to each volunteer firefighter that provides an estimate of the present value of the participant's ~~fully~~ vested accrued benefit and the calculation that resulted in that value;

(4) an estimate of any anticipated surplus and an explanation of the allocation of the surplus; and

(5) contact information for the chief administrative officer or chief financial officer of the participating employer and the designated staff member of the retirement plan who will answer questions and directions to a website.

Sec. 10. Minnesota Statutes 2024, section 353G.19, subdivision 4, is amended to read:

Subd. 4. **Full vesting and determination of accrued benefit.** (a) On the conversion effective date, each active or former volunteer firefighter with a retirement benefit under the defined benefit plan, except any retiree in pay status who is receiving a monthly benefit, becomes 100 percent vested or, if the defined benefit plan does not have sufficient assets to fund 100 percent vesting, as close to 100 percent vested as the funding permits, as of the conversion effective date in the firefighter's retirement benefit, without regard to the number of years of vesting service credit.

(b) The executive director must determine the present value of each active or former firefighter's accrued benefit as of the conversion effective date, taking into account the full vesting requirement under paragraph (a).

Sec. 11. Minnesota Statutes 2024, section 353G.19, subdivision 5, is amended to read:

Subd. 5. **Surplus over full funding.** If the fire department account has a surplus over full funding, as defined under section 353G.08, subdivision 1, paragraph (c), the executive director must allocate the surplus over full funding to the individual account of each active ~~and former~~ volunteer firefighter, ~~except any former volunteer firefighter receiving an annuity,~~ in the same proportion that the volunteer firefighter's accrued benefit bears to the total accrued benefits of all active ~~and former~~ volunteer firefighters.

Sec. 12. **EFFECTIVE DATE.**

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 14**IRAP TO TRA TRANSFERS**

Section 1. Minnesota Statutes 2024, section 354B.215, subdivision 3, is amended to read:

Subd. 3. **Eligible person.** (a) An eligible person is a person who:

(1) is employed by Minnesota State;

(2) has an account in the individual retirement account plan; ~~and~~

(3) ~~satisfies~~ was previously eligible to elect coverage by the Teachers Retirement Association under one or more sections of chapter 354B or any prior version of chapter 354B; and

(4) is not disqualified because Minnesota State produces one or more of the items listed in paragraph (b).

(b) A person ~~satisfies this paragraph~~ is not an eligible person if Minnesota State is not able to produce produces at least one of the following items by the end of the ~~60-day~~ 75-day period under subdivision 4, paragraph (b):

(1) a record indicating that the person received notice regarding the person's eligibility to elect prospective coverage by the Teachers Retirement Association within the election period under section 354B.211, subdivision 4 or 6, or its predecessor during the person's first year of eligibility to participate in the individual retirement account plan;

(2) a record indicating that the person received notice regarding the person's eligibility to elect coverage by the Teachers Retirement Association during the person's first year after attaining tenure or comparable permanent status;

~~(2)~~ (3) a record that the person elected retirement coverage by the individual retirement account plan; or

~~(3)~~ (4) other credible documentation demonstrating that the person was aware of the person's right to elect retirement coverage by the Teachers Retirement Association.

(c) The record described in paragraph (b), clause (1), is not effective to disqualify a person if the person was eligible to elect coverage by the Teachers Retirement Association during the person's first year after attaining tenure or comparable permanent status.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2025.

Sec. 2. Minnesota Statutes 2024, section 354B.215, subdivision 4, is amended to read:

Subd. 4. **Eligible person application; information required from Minnesota State.** (a) To elect coverage by the Teachers Retirement Association, an eligible person must submit a written application to the chancellor on a form provided by Minnesota State. The application must include:

(1) an attestation that the person was not informed of the right to elect a transfer from the individual retirement account plan to the Teachers Retirement Association and the person was unaware of the right to elect such a transfer;

(2) the date on which the person first became a participant in the individual retirement account plan;

(3) a signed release authorizing Minnesota State to provide employment and other personnel information to the Teachers Retirement Association; and

(4) any other information that Minnesota State may require.

(b) No later than ~~60~~ 75 days after receipt of the application under paragraph (a), Minnesota State must verify the information provided by the person in the application, determine whether the person is an eligible person under subdivision 3, and provide a written response to the person regarding the determination of eligibility. If Minnesota State determines that the person is not an eligible person, Minnesota State must specify the reason or reasons for its determination and, if applicable, include a copy of any documentation identified in subdivision 3, paragraph (b), in its written response to the person.

(c) If Minnesota State determines that the person is an eligible person under subdivision 3, Minnesota State must forward to the executive director:

(1) the application;

(2) confirmation or modification of the information provided by the eligible person in the application;

(3) salary history for the eligible person;

(4) an estimate of the amount available for transfer from the eligible person's account in the individual retirement account plan to the Teachers Retirement Association; and

(5) any other relevant information.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2025.

ARTICLE 15

FIRE AND POLICE STATE AID

Section 1. Minnesota Statutes 2024, section 423A.022, subdivision 2, is amended to read:

Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

(1) 58.064 percent must be paid to the executive director of the Public Employees Retirement Association for deposit in the public employees police and fire retirement fund established by section 353.65, subdivision 1;

(2) 35.484 percent must be paid to municipalities other than municipalities solely employing firefighters with retirement coverage provided by ~~the public employees police and fire retirement plan which~~ one or more pension plans established under chapter 353, if the municipality qualified to receive fire state aid in that calendar year, allocated in ~~the same proportion to~~ that the most recent amount of fire state aid paid under section 477B.04, for the municipality bears to the most recent total fire state aid paid under section 477B.04 for all municipalities other than the municipalities solely employing firefighters with retirement coverage provided by the Public Employees police and fire Retirement plan paid under section 477B.04, with the allocated amount for fire departments participating in the statewide lump sum volunteer firefighter plan paid to the executive director of the Public Employees Retirement Association for deposit in the fund established by section 353G.02, subdivision 3, and credited to the respective account and with the balance paid to the treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of the applicable firefighters relief association for deposit in its special fund one or more pension plans established under chapter 353; and

(3) 6.452 percent must be paid to the executive director of the Minnesota State Retirement System for deposit in the state patrol retirement fund.

(b) The allocated amount under paragraph (a), clause (2), must be paid: (i) to the executive director of the Public Employees Retirement Association for each fire department participating in the statewide volunteer firefighter plan for deposit in the fund established by section 352G.02, subdivision 3, and credited to the fire department's account; and (ii) with the balance to the treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of the applicable firefighters relief association for deposit in its special fund.

~~(b)~~ (c) For purposes of this section, the term "municipalities" includes independent nonprofit firefighting corporations that participate in the statewide ~~lump sum~~ volunteer firefighter plan under chapter 353G or with subsidiary ~~volunteer~~ firefighter relief associations operating under chapter 424A.

Sec. 2. Minnesota Statutes 2024, section 423A.022, subdivision 3, is amended to read:

Subd. 3. **Reporting.** On or before September 1, annually, the executive director of the Public Employees Retirement Association shall report to the commissioner of revenue the following:

(1) the municipalities ~~which~~ that employ firefighters with retirement coverage by the public employees police and fire retirement plan;

(2) the municipalities that employ firefighters with retirement coverage by the general employees retirement plan;

~~(2)~~ (3) the fire departments covered by the statewide ~~lump sum~~ volunteer firefighter plan; and

~~(3)~~ (4) any other information requested by the commissioner to administer the police and firefighter retirement supplemental state aid program.

Sec. 3. Minnesota Statutes 2024, section 424A.014, subdivision 5, is amended to read:

Subd. 5. **Report by certain municipalities; exceptions.** (a) The chief administrative officer of each municipality that has a fire department but does not have a relief association governed by sections 424A.091 to 424A.095 or Laws 2014, chapter 275, article 2, section 23, and that is not exempted under paragraph (b) or (c) must annually prepare a detailed financial report of the receipts and disbursements by the municipality for fire protection service during the preceding calendar year on a form prescribed by the state auditor. The financial report must contain any information that the state auditor deems necessary to disclose the sources of receipts and the purpose of disbursements for fire protection service. The financial report must be signed by the municipal clerk or clerk-treasurer with the state auditor on or before July 1 annually. The municipality does not qualify initially to receive, and is not entitled subsequently to retain, any fire state aid and police and firefighter retirement supplemental state aid payable under chapter 477B and section 423A.022 if the financial reporting requirement or the applicable requirements of any other statute or special law have not been complied with or are not fulfilled.

(b) Each municipality that has a fire department and provides retirement coverage to its firefighters through the statewide volunteer firefighter plan under chapter 353G qualifies to have fire state aid transmitted to and retained in the statewide volunteer firefighter retirement fund without filing a detailed financial report if the executive director of the Public Employees Retirement Association certifies compliance by the municipality with the requirements of sections 353G.04 and 353G.08, subdivision 1, paragraph (e), and certifies compliance by the applicable fire chief with the requirements of section 353G.07.

(c) Each municipality qualifies to receive fire state aid under chapter 477B without filing a financial report under paragraph (a) if the municipality:

- (1) has a fire department;
- (2) does not have a firefighters relief association directly associated with its fire department;
- (3) does not participate in the statewide volunteer firefighter retirement plan under chapter 353G;
- (4) provides retirement coverage to its firefighters through the general employees retirement plan under chapter 353 or the public employees police and fire retirement plan under sections 353.63 to 353.68; and

(5) is certified by the executive director of the Public Employees Retirement Association to the state auditor to have had an employer contribution under section 353.27, subdivisions 3 and 3a, or 353.65, subdivision 3, for its firefighters for the immediately prior calendar year equal to or greater than its fire state aid for the immediately prior calendar year.

Sec. 4. Minnesota Statutes 2024, section 424A.08, is amended to read:

424A.08 MUNICIPALITY WITHOUT RELIEF ASSOCIATION; AUTHORIZED DISBURSEMENTS.

(a) ~~Any A~~ A municipality which that is entitled to receive fire state aid but which has no must deposit the fire state aid in a special account established for that purpose in the municipal treasury and disburse the fire state aid in accordance with paragraph (b) or (c), as applicable, if the municipality's fire department is not directly associated with a firefighters relief association directly

associated with its fire department and which is not a participating employer in the statewide volunteer firefighter plan under chapter 353G.

(b) If the municipality has no full-time firefighters with retirement coverage by the public employees police and fire retirement plan shall deposit the fire state aid in a special account established for that purpose in the municipal treasury. Disbursement and no part-time firefighters with retirement coverage by the general employees retirement plan under chapter 353, the municipality must not disburse fire state aid from the special account may not be made for any purpose except:

(1) payment of the fees, dues and assessments to the Minnesota State Fire Department Association and to the state Volunteer Firefighters Benefit Association in order to entitle its firefighters to membership in and the benefits of these state associations;

(2) payment of the cost of purchasing and maintaining needed equipment for the fire department; and

(3) payment of the cost of construction, acquisition, repair, or maintenance of buildings or other premises to house the equipment of the fire department.

~~(b) A~~ (c) If the municipality which is entitled to receive fire state aid, which has no firefighters relief association directly associated with its fire department, which does not participate in the statewide volunteer firefighter plan under chapter 353G, and which has full-time firefighters with retirement coverage by the public employees police and fire retirement plan or part-time firefighters with retirement coverage by the general employees retirement plan or both full-time and part-time firefighters with the applicable retirement coverage, the municipality may disburse the fire state aid as:

(1) as provided in paragraph (a), (b);

(2) for the payment of the employer contribution requirement with respect to contributions under section 353.65, subdivision 3, for any firefighters covered by the public employees police and fire retirement plan under section 353.65, subdivision 3;

(3) for the payment of employer contributions for any firefighters covered by the general employees retirement plan under section 353.27, subdivisions 3 and 3a; or

(4) for a combination of the two types of disbursements payments authorized under clauses (1) to (3).

~~(e)~~ (d) A municipality that has no firefighters relief association directly associated with it and that participates in the statewide volunteer firefighter plan under chapter 353G shall transmit any fire state aid that it receives to the statewide volunteer firefighter fund.

Sec. 5. Minnesota Statutes 2024, section 477B.02, subdivision 3, is amended to read:

Subd. 3. **Benefits requirements.** (a) The fire department must:

(1) be associated with a firefighters relief association that provides retirement benefits;

(2) participate in and have firefighters receiving credit for service toward a retirement benefit under the statewide volunteer firefighter plan;

(3) have retirement coverage under the public employees police and fire retirement plan or the Public Employees Retirement Association general employees retirement plan for the fire department's full-time firefighters, as defined in section 299N.03, subdivision 5, or the fire department's part-time firefighters, or the fire department's both full-time firefighters and part-time firefighters; or

(4) satisfy either clauses (1) and (3) or clauses (2) and (3).

(b) For purposes of retirement benefits, a fire department may be associated with only one firefighters relief association or one account in the statewide firefighters retirement plan at one time.

(c) Notwithstanding paragraph (a), a municipality without a relief association as described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if all other requirements of this section are met.

Sec. 6. Minnesota Statutes 2024, section 477B.02, subdivision 8, is amended to read:

Subd. 8. **PERA certification to commissioner.** (a) On or before February 1 each year, the executive director of the Public Employees Retirement Association must certify to the commissioner the fire departments that transferred retirement coverage to, or terminated participation in, the ~~voluntary~~ statewide volunteer firefighter retirement plan since the previous certification under this paragraph. This certification must include the number of active ~~volunteer~~ firefighters under section 477B.03, subdivision 5, paragraph (e).

(b) On or before February 1 each year, the executive director of the Public Employees Retirement Association must certify to the commissioner:

(1) the fire departments that participate in the statewide volunteer firefighter plan and have no firefighters receiving credit for service toward a retirement benefit under the statewide volunteer firefighter plan; and

(2) the fire departments that employ part-time firefighters who are covered by the general employees retirement plan.

Sec. 7. Minnesota Statutes 2024, section 477B.03, subdivision 5, is amended to read:

Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid allocation amount is the amount derived from any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire state aid allocation amount is allocated to municipalities or independent nonprofit firefighting corporations with ~~volunteer~~ firefighters' relief associations or covered by the statewide volunteer firefighter plan. The amount is based on the number of active ~~volunteer~~ firefighters who are (1) members of the relief association as reported to the Office of the State Auditor in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2) covered by the statewide volunteer firefighter plan as specified in paragraph (e).

(b) For relief associations established in calendar year 1993 or a prior year, the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters who were members of the relief association as reported in the annual financial reporting for calendar year 1993, but not to exceed 30 active ~~volunteer~~ firefighters.

(c) For relief associations established in calendar year 1994 through calendar year 1999, the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters who were members of the relief association as reported in the annual financial reporting for calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active ~~volunteer~~ firefighters.

(d) For relief associations established after calendar year 1999, the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters who are members of the relief association as reported in the first annual financial reporting submitted to the Office of the State Auditor, but not to exceed 20 active ~~volunteer~~ firefighters.

(e) For a municipality or independent nonprofit firefighting corporation that is providing retirement coverage for ~~volunteer~~ firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of active ~~volunteer~~ firefighters equals the number of active ~~volunteer~~ firefighters of the municipality or independent nonprofit firefighting corporation covered by the statewide plan as certified by the executive director of the Public Employees Retirement Association to the commissioner and the state auditor within 30 days of the date the municipality or independent nonprofit firefighting corporation begins coverage in the plan, but not to exceed 30 active firefighters.

Sec. 8. Minnesota Statutes 2024, section 477B.03, subdivision 7, is amended to read:

Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a ~~fire~~ firefighter relief association, or the statewide volunteer firefighter plan may object to the amount of fire state aid apportioned to it by filing a written request with the commissioner to review and adjust the apportionment of funds within the state. The objection of a municipality, an independent nonprofit firefighting corporation, a ~~fire~~ firefighter relief association, or the ~~voluntary~~ statewide volunteer firefighter retirement plan must be filed with the commissioner within 60 days of the date the amount of apportioned fire state aid is paid. The decision of the commissioner is subject to appeal, review, and adjustment by the district court in the county in which the applicable municipality or independent nonprofit firefighting corporation is located or by the Ramsey County District Court with respect to the statewide volunteer firefighter plan.

Sec. 9. Minnesota Statutes 2024, section 477B.04, subdivision 3, is amended to read:

Subd. 3. **Deposit of state aid.** (a) This paragraph applies if the municipality or the independent nonprofit firefighting corporation ~~is~~ has firefighters covered by the statewide volunteer firefighter plan. If this paragraph applies and the executive director of the Public Employees Retirement Association has not approved an aid allocation plan under section 477B.041, the executive director must credit the fire state aid against future municipal contribution requirements under section 353G.08 and must notify the municipality or the independent nonprofit firefighting corporation of the fire state aid so credited at least annually. If this paragraph applies and the executive director has approved an aid allocation plan under section 477B.041, the executive director must allocate fire state aid in the manner described under section 477B.041.

(b) If (1) the municipality or the independent nonprofit firefighting corporation ~~is~~ does not have firefighters covered by the statewide volunteer firefighter plan and is affiliated with a duly incorporated firefighters relief association, (2) the relief association has filed a financial report with the municipality pursuant to section 424A.014, subdivision 1 or 2, whichever applies, and (3) there is not an aid allocation agreement under section 477B.042 in effect, then the treasurer of the municipality must, within 30 days after receipt, transmit the fire state aid to the treasurer of the relief association. If clauses (1) and (2) are satisfied and there is an aid allocation agreement under section 477B.042 in effect, then fire state aid must be transmitted as described in that section. If the relief association has not filed a financial report with the municipality, then, regardless of whether an aid allocation agreement is in effect, the treasurer of the municipality must delay transmission of the fire state aid to the relief association until the complete financial report is filed.

(c) The treasurer of the municipality must deposit the fire state aid money in the municipal treasury if (1) the municipality or independent nonprofit firefighting corporation ~~is~~ does not have firefighters covered by the statewide volunteer firefighter plan, (2) there is no relief association organized, (3) the association has dissolved, or (4) the association has been removed as trustees of state aid. The money may be disbursed from the municipal treasury only for the purposes and in the manner set forth in section 424A.08 or for the payment of the employer contribution requirement with respect to firefighters covered by the public employees police and fire retirement plan under section 353.65, subdivision 3.

Sec. 10. Minnesota Statutes 2024, section 477B.04, subdivision 4, is amended to read:

Subd. 4. **Aid amount corrections.** (a) ~~An~~ The commissioner must make any adjustment needed to correct a fire state aid overpayment or underpayment due to a clerical error ~~must be made~~ to subsequent fire state aid payments as provided in paragraphs (b) and (c). The commissioner's authority to correct an aid payment under this subdivision is limited to three years after the payment was issued.

(b) If an overpayment equals more than ten percent of the most recently paid aid amount, the commissioner must reduce the aid a municipality or independent nonprofit firefighting corporation is to receive by the amount overpaid over a period of no more than three years. If an overpayment equals or is less than ten percent of the most recently paid aid amount, the commissioner must reduce the next aid payment occurring in 30 days or more by the amount overpaid.

(c) In the event of an underpayment, the commissioner must distribute the amount of underpaid funds to the municipality or independent nonprofit firefighting corporation over a period of no more than three years. An additional distribution to a municipality or independent nonprofit firefighting corporation must be paid from the general fund and must not diminish the payments made to other municipalities or independent nonprofit firefighting corporations under this chapter.

Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective beginning with aids payable in 2026.

ARTICLE 16**STATE BOARD OF INVESTMENT**

Section 1. Minnesota Statutes 2024, section 11A.07, subdivision 4, is amended to read:

Subd. 4. **Duties and powers.** The director, at the direction of the state board, shall:

(1) plan, direct, coordinate, and execute administrative and investment functions in conformity with the policies and directives of the state board and the requirements of this chapter and of chapter 356A;

(2) prepare and submit biennial and annual budgets to the board and with the approval of the board submit the budgets to the Department of Management and Budget;

(3) employ professional and clerical staff as necessary;

(4) report to the state board on all operations under the director's control and supervision;

(5) maintain accurate and complete records of securities transactions and official activities;

(6) establish a policy, which is subject to state board approval, relating to the purchase and sale of securities on the basis of competitive offerings or bids;

(7) cause securities acquired to be kept in the custody of the commissioner of management and budget or other depositories consistent with chapter 356A, as the state board deems appropriate;

(8) prepare and file with the director of the Legislative Reference Library, ~~by December 31 of each year,~~ a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year;

(9) include on the state board's website its annual report and an executive summary of its quarterly reports;

(10) require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of its investment activities;

(11) receive and expend legislative appropriations; and

(12) undertake any other activities necessary to implement the duties and powers set forth in this subdivision consistent with chapter 356A.

Sec. 2. Minnesota Statutes 2024, section 11A.07, subdivision 4b, is amended to read:

Subd. 4b. **Annual report.** The report required under subdivision 4, clause (8), must include an executive summary, must be prepared and filed after the completion of the applicable fiscal year audit but no later than March 31 of each year, and must be prepared so as to provide the legislature and the people of the state with:

(1) a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return, and the yield to the state treasury and to each of the funds with assets invested by the state board; and

(2) the recipients of business placed or commissions allocated among the various commercial banks, investment bankers, money managers, and brokerage organizations and the amount of these commissions or other fees.

Sec. 3. **REPEALER.**

Minnesota Statutes 2024, section 11A.27, is repealed.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 17

PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Section 1. Minnesota Statutes 2024, section 353D.01, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) Eligibility to participate in the plan is available to:

(1) any elected or appointed local government official of a governmental subdivision who elects to participate in the plan under section 353D.02, subdivision 1, and who, for the service rendered to a governmental subdivision, is not a member of the association within the meaning of section 353.01, subdivision 7;

(2) physicians who, if they did not elect to participate in the plan under section 353D.02, subdivision 2, would meet the definition of member under section 353.01, subdivision 7;

(3) basic and advanced life-support emergency medical service personnel who are employed by any public ambulance service that elects to participate under section 353D.02, subdivision 3;

(4) members of a municipal rescue squad associated with the city of Litchfield in Meeker County, or of a county rescue squad associated with Kandiyohi County, if an independent nonprofit rescue squad corporation, incorporated under chapter 317A, performing emergency management services, and if not affiliated with a fire department or ambulance service and if its members are not eligible for membership in that fire department's or ambulance service's relief association or comparable pension plan;

(5) members of the municipal rescue squad associated with the city of Eden Valley in Stearns and Meeker Counties who are not eligible for membership in the police and fire retirement plan or a firefighter relief association affiliated with the city and who elect to participate in the plan under section 353D.02, subdivision 4, paragraph (b);

~~(5)~~ (6) employees of the Port Authority of the city of St. Paul who elect to participate in the plan under section 353D.02, subdivision 5, and who are not members of the association under section 353.01, subdivision 7;

~~(6)~~ (7) city managers who elected to be excluded from the general employees retirement plan of the association under section 353.028 and who elected to participate in the public employees defined contribution plan under section 353.028, subdivision 3, paragraph (b);

~~(7)~~ (8) volunteer or emergency on-call firefighters serving in a municipal fire department or an independent nonprofit firefighting corporation who are not covered by the police and fire retirement plan and who are not covered by a firefighters relief association and who elect to participate in the public employees defined contribution plan;

~~(8)~~ (9) any elected county sheriff who is a former member of the police and fire plan, is receiving a retirement annuity as provided under section 353.651, ~~who~~ and does not have previous employment with the county for which the sheriff was elected; and

~~(9)~~ (10) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof.

(b) Individuals otherwise eligible to participate in the plan under this subdivision who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the ~~public employees defined contribution~~ plan.

(c) A former participant is a person who has terminated eligible employment or service and has not withdrawn the value of the person's individual account.

Sec. 2. Minnesota Statutes 2024, section 353D.02, subdivision 4, is amended to read:

Subd. 4. **Eligible rescue squad personnel members.** (a) The municipality or county, as applicable, associated with a rescue squad under section 353D.01, subdivision 2, paragraph (a), clause (4), may elect to participate in the plan. If the municipality or county, as applicable, elects to participate, the eligible personnel may elect to participate or decline to participate. An eligible individual's election must be made within 30 days of the service's election to participate or within 30 days of the date on which the individual first began employment with the rescue squad, whichever is later. ~~Elections under this subdivision by a government unit or individual are irrevocable.~~ The municipality or county, as applicable, must specify by resolution eligibility requirements for rescue squad personnel which must be satisfied if the individual is to be authorized to make the election under this subdivision.

(b) An eligible member under section 353D.01, subdivision 2, paragraph (a), clause (5), may elect to participate or decline to participate in the plan within 30 days of the date on which the member first begins service with the rescue squad.

(c) Elections under this subdivision by a government unit or individual are irrevocable.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 18**MISCELLANEOUS TECHNICAL CORRECTIONS**

Section 1. Minnesota Statutes 2024, section 124E.12, subdivision 4, is amended to read:

Subd. 4. **Teacher and other employee retirement.** (a) Teachers in a charter school must be public school teachers for the purposes of chapters 354 and 354A ~~governing the Teacher Retirement Act.~~

(b) Except for teachers under paragraph (a), employees in a charter school must be public employees for the purposes of chapter 353 ~~governing the Public Employees Retirement Act.~~

Sec. 2. Minnesota Statutes 2024, section 124E.12, subdivision 6, is amended to read:

Subd. 6. **Leave to teach in a charter school.** If a teacher employed by a district makes a written request for an extended leave of absence to teach at a charter school, the district must grant the leave. The district must grant a leave not to exceed a total of five years. Any request to extend the leave shall be granted only at the discretion of the school board. The district may require a teacher to make the request for a leave or extension of leave before February 1 in the school year preceding the school year in which the teacher intends to leave, or February 1 of the calendar year in which the teacher's leave is scheduled to terminate. Except as otherwise provided in this subdivision and section 122A.46, subdivision 7, governing employment in another district, the leave is governed by section 122A.46, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to ~~aggregate benefits and credits~~ earn service and salary credit toward a pension in the Teachers' Retirement Association account or the St. Paul Teachers Retirement Fund Association under chapters 354 and 354A, respectively, consistent with subdivision 4.

Sec. 3. Minnesota Statutes 2024, section 181.101, is amended to read:

181.101 WAGES; HOW OFTEN PAID.

(a) Except as provided in paragraph (b), every employer must pay all wages, including salary, earnings, and gratuities earned by an employee at least once every 31 days and all commissions earned by an employee at least once every three months, on a regular payday designated in advance by the employer regardless of whether the employee requests payment at longer intervals. Unless paid earlier, the wages earned during the first half of the first 31-day pay period become due on the first regular payday following the first day of work. If wages or commissions earned are not paid, the commissioner of labor and industry or the commissioner's representative may serve a demand for payment on behalf of an employee. In addition to other remedies under section 177.27, if payment of wages is not made within ten days of service of the demand, the commissioner may charge and collect the wages earned at the employee's rate or rates of pay or at the rate or rates required by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater, and a penalty in the amount of the employee's average daily earnings at the same rate or rates for each day beyond the ten-day limit following the demand. If payment of commissions is not made within ten days of service of the

demand, the commissioner may charge and collect the commissions earned and a penalty equal to 1/15 of the commissions earned but unpaid for each day beyond the ten-day limit. Money collected by the commissioner must be paid to the employee concerned. This section does not prevent an employee from prosecuting a claim for wages. This section does not prevent a school district, other public school entity, or other school, as defined under section 120A.22, from paying any wages earned by its employees during a school year on regular paydays in the manner provided by an applicable contract or collective bargaining agreement, or a personnel policy adopted by the governing board. For purposes of this section, "employee" includes a person who performs agricultural labor as defined in section 181.85, subdivision 2. For purposes of this section, wages are earned on the day an employee works. This section provides a substantive right for employees to the payment of wages, including salary, earnings, and gratuities, as well as commissions, in addition to the right to be paid at certain times.

(b) An employer of a volunteer or paid on-call firefighter, as defined in section 424A.001, subdivision 10, a member of an organized first responder squad that is formally recognized by a political subdivision in the state, or a volunteer ambulance driver or attendant must pay all wages earned by the volunteer firefighter, first responder, or volunteer ambulance driver or attendant at least once every 31 days, unless the employer and the employee mutually agree upon payment at longer intervals.

Sec. 4. Minnesota Statutes 2024, section 356.633, subdivision 1, is amended to read:

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

(b) "Covered retirement plan" means a pension or retirement plan listed in section 356.611, subdivision 6, and the Minnesota deferred compensation plan established under section 352.965.

~~(b)~~ (c) "Distributee" means:

(1) a member of or participant in a covered retirement plan ~~listed in section 356.611, subdivision 6;~~

(2) the surviving spouse of a member of or participant in a covered retirement plan;

(3) the former spouse of ~~the~~ a member of or participant in a covered retirement plan who is the alternate payee under a qualified domestic relations order as defined in section 414(p) of the Internal Revenue Code, or who is a recipient of a court-ordered equitable distribution of marital property, as provided in section 518.58; or

(4) a nonspousal beneficiary of a member of or participant in a covered retirement plan who qualifies for a distribution under the plan and is a designated beneficiary as defined in section 401(a)(9)(E) of the Internal Revenue Code.

~~(c)~~ (d) "Eligible retirement plan" means:

(1) an individual retirement account under section 408(a) or 408A of the Internal Revenue Code;

(2) an individual retirement annuity plan under section 408(b) of the Internal Revenue Code;

- (3) an annuity plan under section 403(a) of the Internal Revenue Code;
 - (4) a qualified trust plan under section 401(a) of the Internal Revenue Code that accepts ~~the distributee's~~ eligible rollover ~~distribution~~ distributions;
 - (5) an annuity contract under section 403(b) of the Internal Revenue Code;
 - (6) an eligible deferred compensation plan under section 457(b) of the Internal Revenue Code, ~~which~~ including the Minnesota deferred compensation plan, that is maintained by a state or local government, accepts eligible rollover distributions, and ~~which~~ agrees to separately account for the amounts transferred into the plan;
 - (7) ~~in the case of an eligible rollover distribution to a~~ if the distributee is a surviving spouse or nonspousal beneficiary, an individual account or annuity treated as an inherited individual retirement account under section 402(c)(11) of the Internal Revenue Code; or
 - (8) a savings incentive match plan for employees of small employers (SIMPLE) individual retirement account under section 408(p) of the Internal Revenue Code, provided that the rollover distribution is made after the two-year period beginning on the date the distributee first participated in any qualified salary reduction arrangement maintained by the distributee's employer under section 408(p)(2) of the Internal Revenue Code, as described in section 72(t)(6) of the Internal Revenue Code.
- ~~(d)~~ (e) "Eligible rollover distribution" means any distribution of all or any portion of the balance to the credit of the distributee. An eligible rollover distribution does not include:
- (1) a distribution that is one of a series of substantially equal periodic payments, receivable annually or more frequently, that is made for the life or life expectancy of the distributee, the joint lives or joint life expectancies of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more;
 - (2) a distribution that is required under section 401(a)(9) of the Internal Revenue Code; ~~or~~
 - (3) a distribution that is less than \$200; or
 - ~~(3)~~ (4) any other exception required by law or the Internal Revenue Code.

Sec. 5. Minnesota Statutes 2024, section 356.633, subdivision 2, is amended to read:

Subd. 2. **Right to elect direct rollover.** Except as provided in subdivision 3 for after-tax contributions, a distributee may elect, at the time and in the manner prescribed by the plan administrator, to have all or any portion of an eligible rollover distribution from a covered retirement plan paid directly to an eligible retirement plan as specified by the distributee.

Sec. 6. Minnesota Statutes 2024, section 356.633, is amended by adding a subdivision to read:

Subd. 4. **Notice.** A covered retirement plan must provide the distributee of an eligible rollover distribution from the covered retirement plan with the notice required by section 402(f) of the Internal Revenue Code within the time period prior to making the eligible rollover distribution, as required by regulations issued pursuant to section 402(f) of the Internal Revenue Code.

Sec. 7. **[356.638] MILITARY SERVICE.**

A covered retirement plan as defined in section 356.633, subdivision 1, paragraph (b), must require contributions and provide benefits, including death and disability benefits under section 401(a)(37) of the Internal Revenue Code, and service credit with respect to qualified military service according to section 414(u) of the Internal Revenue Code. If a member dies while the member is performing qualified military service as defined in United States Code, title 38, chapter 43, to the extent required by section 401(a)(37) of the Internal Revenue Code, survivors of the member are entitled to any additional benefits that the covered retirement plan would have provided if the member had resumed employment and then died, including but not limited to accelerated vesting or survivor benefits that are contingent on the member's death while employed. A deceased member's period of qualified military service must be counted for vesting purposes.

Sec. 8. Minnesota Statutes 2024, section 424B.22, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) Notwithstanding any laws to the contrary, this section applies to:

(1) the termination of a retirement plan established and administered by a relief association, whether or not the relief association is also dissolved or eliminated; and

(2) the dissolution of a relief association that is not consolidating with another relief association under sections 424B.01 to 424B.10.

(b) This section does not apply to the dissolution of a relief association or the termination of a retirement plan that occurs due to the change in retirement coverage from a retirement plan administered by a relief association to the Public Employees Retirement Association statewide volunteer firefighter plan under section 353G.06.

~~(b) To terminate a retirement plan, the board of trustees must comply with subdivisions 3, 5 to 11, and, if desired, subdivision 4.~~

~~(c) To dissolve a relief association, the board of trustees of the relief association must:~~

~~(1) terminate the retirement plan in accordance with paragraph (b);~~

~~(2) determine all legal obligations of the special and general funds of the relief association, as required by subdivision 5;~~

~~(3) take the actions required by subdivision 12; and~~

~~(4) comply with the requirements governing dissolution of nonprofit corporations under chapter 317A.~~

~~(d) A relief association that terminates its retirement plan must liquidate its special fund as provided in subdivision 8, but need not liquidate its general fund if the relief association is not being dissolved.~~

Sec. 9. Minnesota Statutes 2024, section 424B.22, is amended by adding a subdivision to read:

Subd. 1a. **Voluntary dissolution and termination.** (a) To terminate a retirement plan, the board of trustees must comply with subdivisions 3, 5 to 11, and, if desired, 4.

(b) To dissolve a relief association, the board of trustees of the relief association must:

(1) terminate the retirement plan in accordance with paragraph (a);

(2) determine all legal obligations of the special and general funds of the relief association, as required by subdivision 5;

(3) take the actions required by subdivision 12; and

(4) comply with the requirements governing dissolution of nonprofit corporations under chapter 317A.

(c) A relief association that terminates its retirement plan must liquidate its special fund as provided in subdivision 8, but need not liquidate its general fund if the relief association is not being dissolved.

Sec. 10. Minnesota Statutes 2024, section 424B.22, subdivision 2, is amended to read:

Subd. 2. **Involuntary dissolution and termination.** (a) A relief association is dissolved and the retirement plan administered by the relief association is terminated automatically if:

(1) the fire department affiliated with a relief association is dissolved by action of the governing body of the municipality in which the fire department is located or by the governing body of the independent nonprofit firefighting corporation, whichever applies; ~~or~~

(2) the fire department affiliated with a relief association has terminated the employment or services of all active members of the relief association; or

(3) the governing body with which the fire department is affiliated has resolved to transfer the fire department's active firefighters who are members of the relief association to one or more pension plans established under chapter 353 and has filed the resolution, if applicable, with the Public Employees Retirement Association, and the relief association's retirement plan will have no remaining active firefighters earning service toward a retirement benefit when the transfer is completed.

(b) An involuntary termination of a relief association under this subdivision is effective on the December 31 that is at least eight months after the date on which the fire department is dissolved or the termination of employment or services of all active members of the relief association occurs.

(c) The board of trustees must comply with subdivisions 3 and 5 to 12. The board of trustees may comply with subdivision 4. The state auditor has the discretion to waive these requirements if the board of trustees requests a waiver in advance and provides adequate demonstration that meeting these requirements is not practicable.

~~(e)~~ (d) The retirement plan administered by a relief association is terminated automatically if the relief association is dissolved, effective on the date of the dissolution of the relief association.

Sec. 11. Minnesota Statutes 2024, section 424B.22, subdivision 3, is amended to read:

Subd. 3. **Retirement plan termination date, full vesting, and forfeitures.** (a) Unless subdivision 2 applies, the effective date of the termination of a retirement plan is the date approved by the board of trustees of the relief association. If the board of trustees does not approve a termination date, the effective date of the termination of a retirement plan is the effective date of the dissolution of the relief association or, if the relief association is not being dissolved, the end of the calendar year in which the termination of employment or services of all active members of the relief association occurs.

(b) ~~As of the earlier of the retirement plan termination date or the date on which the termination of employment or services of all active members of the relief association occurs~~ required by section 356.001, subdivision 3, each ~~participant becomes fully (100 percent)~~ member must become 100 percent vested in the ~~participant's~~ member's retirement benefit ~~under~~ accrued and funded to the ~~earlier of the retirement plan termination date or the date on which the termination of employment or services of all active members of the relief association occurs~~, notwithstanding any bylaws or laws to the contrary; ~~except for~~. For purposes of this paragraph:

(1) "member" does not mean any retiree in pay status who is receiving a monthly service pension from a relief association described in section 424A.093; and

(2) crediting of interest on deferred service pensions under the terms of the bylaws of a defined benefit relief association and section 424A.02, subdivision 7, ends on the retirement plan termination date.

(c) If the relief association is a defined contribution relief association, the account of each participant who becomes 100 percent vested under paragraph (b) shall include an allocation of any forfeiture that is required, under the bylaws of the relief association, to occur on or as of the end of the calendar year during which the termination of the retirement plan is effective, if the participant is entitled to an allocation of forfeitures under the bylaws. Any account so forfeited shall not be included in the retirement benefits that become 100 percent vested under paragraph (b).

Sec. 12. **REPEALER.**

Minnesota Statutes 2024, section 356.635, subdivision 9, is repealed.

Sec. 13. **EFFECTIVE DATE.**

Sections 1 to 12 are effective the day following final enactment."

Amend the title accordingly

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

Pursuant to Senate Concurrent Resolution No. 4, the bill was referred to the Committee on Rules and Administration.

Senator Marty from the Committee on Finance, to which was referred

H.F. No. 3228: A bill for an act relating to workers' compensation; adopting recommendations from the Workers' Compensation Advisory Council; amending Minnesota Statutes 2024, sections

176.011, subdivisions 9, 11; 176.041, subdivision 1; 176.135, subdivision 1; 176.151; 176.175, subdivision 2; 176.361, subdivision 2; 176.421, subdivision 4; repealing Minnesota Rules, part 5220.2840.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

WORKERS' COMPENSATION

Section 1. Minnesota Statutes 2024, section 176.011, subdivision 9, is amended to read:

Subd. 9. **Employee.** (a) "Employee" means any person who performs services for another for hire including the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, police officer, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of a person charged with or suspected of crime;

(4) a person requested or commanded to aid an officer in arresting or retaking a person who has escaped from lawful custody, or in executing legal process, in which cases, for purposes of calculating compensation under this chapter, the daily wage of the person shall be the prevailing wage for similar services performed by paid employees;

(5) a county assessor;

(6) an elected or appointed official of the state, or of a county, city, town, school district, or governmental subdivision in the state. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(7) an executive officer of a corporation, except those executive officers excluded by section 176.041;

(8) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the Direct Care and Treatment executive board and commissioner of corrections similar to those of officers and employees of the institutions, and whose services have been accepted or contracted for by the Direct Care and Treatment executive board and commissioner of corrections as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(9) a voluntary uncompensated worker engaged in emergency management as defined in section 12.03, subdivision 4, who is:

(i) registered with the state or any political subdivision of it, according to the procedures set forth in the state or political subdivision emergency operations plan; and

(ii) acting under the direction and control of, and within the scope of duties approved by, the state or political subdivision.

The daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed by paid employees;

(10) a voluntary uncompensated worker participating in a program established by a local social services agency. For purposes of this clause, "local social services agency" means any agency established under section 393.01. In the event of injury or death of the worker, the wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid in the county at the time of the injury or death for similar services performed by paid employees working a normal day and week;

(11) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089. The daily wage of the worker for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(12) a voluntary uncompensated worker in the building and construction industry who renders services for joint labor-management nonprofit community service projects. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(13) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(14) a voluntary uncompensated worker, accepted by the director of the Minnesota Historical Society, rendering services as a volunteer, pursuant to chapter 138. The daily wage of the worker, for the purposes of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(15) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota State Academy for the Deaf or the Minnesota State Academy for the Blind, and whose services have been accepted or contracted for by the commissioner of education, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(16) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(17) a worker performing direct support services, including any of the following:

(i) under section 256B.0659 for a recipient in the home of the recipient or in the community under section 256B.0625, subdivision 19a, who is paid from government funds through a fiscal intermediary under section 256B.0659, subdivision 33. For purposes of maintaining workers' compensation insurance, the employer of the worker is as designated in law by the commissioner of the Department of Human Services, notwithstanding any other law to the contrary where the personal care assistance provider agency is responsible for maintaining workers' compensation insurance for any employments not excluded under this chapter;

(ii) under section 256B.85 where the worker is either employed by an agency-provider or by a participant. When the worker is employed by a participant, the financial management services provider must require and verify that the participant maintains workers' compensation insurance for any employments not excluded under this chapter. When the worker is employed by an agency-provider, the agency-provider is responsible to maintain workers' compensation insurance for any employments not excluded under this chapter;

(iii) under section 256B.4911 where the worker is employed by the consumer-directed community supports participant. The financial management services provider must require and verify the participant maintains workers' compensation insurance for any employments not excluded under this chapter; and

(iv) under section 256.476 where the worker is employed by the consumer support grant participant. The financial management services provider must require and verify the participant maintains workers' compensation insurance for any employments not excluded under this chapter;

(18) students enrolled in and regularly attending the Medical School of the University of Minnesota in the graduate school program or the postgraduate program. The students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation under this chapter, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits under this chapter;

(19) a faculty member of the University of Minnesota employed for an academic year is also an employee for the period between that academic year and the succeeding academic year if:

(i) the member has a contract or reasonable assurance of a contract from the University of Minnesota for the succeeding academic year; and

(ii) the personal injury for which compensation is sought arises out of and in the course of activities related to the faculty member's employment by the University of Minnesota;

(20) a worker who performs volunteer ambulance driver or attendant services is an employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other entity for which the worker performs the services. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(21) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the Department of Administration. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(22) a voluntary uncompensated worker rendering service directly to the Pollution Control Agency. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees;

(23) a voluntary uncompensated worker while volunteering services as a first responder or as a member of a law enforcement assistance organization while acting under the supervision and authority of a political subdivision. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees;

(24) a voluntary uncompensated member of the civil air patrol rendering service on the request and under the authority of the state or any of its political subdivisions. The daily wage of the member for the purposes of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(25) a Minnesota Responds Medical Reserve Corps volunteer, as provided in sections 145A.04 and 145A.06, responding at the request of or engaged in training conducted by the commissioner of health. The daily wage of the volunteer for the purposes of calculating compensation payable under this chapter is established in section 145A.06. A person who qualifies under this clause and who may also qualify under another clause of this subdivision shall receive benefits in accordance with this clause.

If it is difficult to determine the daily wage as provided in this subdivision, the trier of fact may determine the wage upon which the compensation is payable.

(b) For purposes of this chapter "employee" does not include farmers or members of their family who exchange work with other farmers in the same community.

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

Sec. 2. Minnesota Statutes 2024, section 176.011, subdivision 11, is amended to read:

Subd. 11. **Executive officer of a corporation.** "Executive officer of a corporation" means any officer of a corporation elected or appointed in accordance with its charter or bylaws or pursuant to section 302A.011, subdivision 18.

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

Sec. 3. Minnesota Statutes 2024, section 176.041, subdivision 1, is amended to read:

Subdivision 1. **Employments excluded.** This chapter does not apply to any of the following:

(1) a person employed by a common carrier by railroad engaged in interstate or foreign commerce and who is covered by the Federal Employers' Liability Act, United States Code, title 45, sections 51 to 60, or other comparable federal law;

(2) a person employed by a family farm as defined by section 176.011, subdivision 11a;

(3) the spouse, parent, and child, regardless of age, of a farmer-employer working for the farmer-employer;

(4) a sole proprietor, or the spouse, parent, and child, regardless of age, of a sole proprietor;

(5) a partner engaged in a farm operation or a partner engaged in a business and the spouse, parent, and child, regardless of age, of a partner in the farm operation or business;

(6) an executive officer, as defined in section 176.011, subdivision 11, of a family farm corporation;

(7) an executive officer, as defined in section 176.011, subdivision 11, of a closely held corporation having less than 22,880 hours of payroll in the preceding calendar year, if that executive officer owns at least 25 percent of the stock of the corporation;

(8) a spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, and employed by that family farm corporation;

(9) a spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation who is referred to in clause (7);

(10) another farmer or a member of the other farmer's family exchanging work with the farmer-employer or family farm corporation operator in the same community;

(11) a person whose employment at the time of the injury is casual and not in the usual course of the trade, business, profession, or occupation of the employer;

(12) persons who are independent contractors as defined by sections 176.043 and 181.723, and any rules adopted by the commissioner pursuant to section 176.83 except that these exclusions do not apply to an employee of an independent contractor;

(13) an officer or a member of a veterans' organization whose employment relationship arises solely by virtue of attending meetings or conventions of the veterans' organization, unless the veterans' organization elects by resolution to provide coverage under this chapter for the officer or member;

(14) a person employed as a household worker in, for, or about a private home or household who earns less than \$1,000 in cash in a three-month period from a single private home or household

provided that a household worker who has earned \$1,000 or more from the household worker's present employer in a three-month period within the previous year is covered by this chapter regardless of whether or not the household worker has earned \$1,000 in the present quarter;

(15) persons employed by a closely held corporation who are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to an officer of the corporation, who is referred to in clause (7), if the corporation files a written election with the commissioner to exclude such individuals. A written election is not required for a person who is otherwise excluded from this chapter by this section;

(16) a nonprofit association which does not pay more than \$1,000 in salary or wages in a year;

(17) persons covered under the Domestic Volunteer Service Act of 1973, as amended, United States Code, title 42, sections 5011, et seq.;

(18) a manager of a limited liability company having ten or fewer members and having less than 22,880 hours of payroll in the preceding calendar year, if that manager owns at least a 25 percent membership interest in the limited liability company;

(19) a spouse, parent, or child, regardless of age, of a manager of a limited liability company described in clause (18);

(20) persons employed by a limited liability company having ten or fewer members and having less than 22,880 hours of payroll in the preceding calendar year who are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to a manager of a limited liability company described in clause (18), if the company files a written election with the commissioner to exclude these persons. A written election is not required for a person who is otherwise excluded from this chapter by this section; or

(21) members of limited liability companies who satisfy the requirements of clause (12).

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

Sec. 4. Minnesota Statutes 2024, section 176.135, subdivision 1, is amended to read:

Subdivision 1. **Medical, psychological, chiropractic, podiatric, surgical, hospital.** (a) The employer shall furnish any medical, psychological, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation.

(b) The employer shall pay for the reasonable value of nursing services provided by a member of the employee's family or household in cases of permanent total disability.

(c) Exposure to rabies is an injury and an employer shall furnish preventative treatment to employees exposed to rabies.

(d) The employer shall furnish replacement or repair for artificial members, glasses or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. If an item under this paragraph is customized specifically for the injured worker, the item is the property of the injured worker. For the purpose of this paragraph, "injury" includes damage wholly or in part to an artificial member. In case of the employer's inability or refusal to timely provide the items required to be provided under this paragraph, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee.

(e) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

(f) An employer may require that the treatment and supplies required to be provided by an employer by this section be received in whole or in part from a managed care plan certified under section 176.1351 except as otherwise provided by that section.

(g) An employer may designate a pharmacy or network of pharmacies that employees must use to obtain outpatient prescription and nonprescription medications. An employee is not required to obtain outpatient medications at a designated pharmacy unless the pharmacy is located within 15 miles of the employee's place of residence.

(h) Notwithstanding any fees established by rule adopted under section 176.136, an employer may contract for the cost of medication provided to employees. All requests for reimbursement from the special compensation fund formerly codified under section 176.131 for medication provided to an employee must be accompanied by the dispensing pharmacy's invoice showing its usual and customary charge for the medication at the time it was dispensed to the employee. The special compensation fund shall not reimburse any amount that exceeds the maximum amount payable for the medication under Minnesota Rules, part 5221.4070, subparts 3 and 4, notwithstanding any contract under Minnesota Rules, part 5221.4070, subpart 5, that provides for a different reimbursement amount.

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

Sec. 5. Minnesota Statutes 2024, section 176.151, is amended to read:

176.151 TIME LIMITATIONS.

The time within which the following acts shall be performed shall be limited to the following periods, respectively:

(a) Actions or proceedings by an injured employee to determine or recover compensation, three years after ~~the employer has made~~ a written report of the injury has been made to the commissioner of the Department of Labor and Industry, but not to exceed six years from the date of the accident.

(b) Actions or proceedings by dependents to determine or recover compensation, three years after the receipt by the commissioner of the Department of Labor and Industry of written notice of

death, given by the employer, but not to exceed six years from the date of injury, provided, however, if the employee was paid compensation for the injury from which the death resulted, such actions or proceedings by dependents must be commenced within three years after the receipt by the commissioner of the Department of Labor and Industry of written notice of death, given by the employer, but not to exceed six years from the date of death. In any such case, if a dependent of the deceased, or any one in the dependent's behalf, gives written notice of such death to the commissioner of the Department of Labor and Industry, the commissioner shall forthwith give written notice to the employer of the time and place of such death. In case the deceased was a native of a foreign country and leaves no known dependent within the United States, the commissioner of the Department of Labor and Industry shall give written notice of the death to the consul or other representative of the foreign country forthwith.

(c) In case of physical or mental incapacity, other than minority, of the injured person or dependents to perform or cause to be performed any act required within the time specified in this section, the period of limitation in any such case shall be extended for three years from the date when the incapacity ceases.

(d) In the case of injury caused by x-rays, radium, radioactive substances or machines, ionizing radiation, or any other occupational disease, the time limitations otherwise prescribed by Minnesota Statutes 1961, chapter 176, and acts amendatory thereof, shall not apply, but the employee shall give notice to the employer and commence an action within three years after the employee has knowledge of the cause of such injury and the injury has resulted in disability.

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

Sec. 6. Minnesota Statutes 2024, section 176.175, subdivision 2, is amended to read:

Subd. 2. **Nonassignability.** No claim for compensation or settlement of a claim for compensation owned by an injured employee or dependents is assignable. Except as otherwise provided in this chapter, any claim for compensation owned by an injured employee or dependents is exempt from seizure or sale for the payment of any debt or liability, up to a total amount of ~~\$1,000,000~~ \$10,000,000 per claim and subsequent award.

EFFECTIVE DATE. This section is effective for dates of injury on or after October 1, 2025.

Sec. 7. Minnesota Statutes 2024, section 176.361, subdivision 2, is amended to read:

Subd. 2. **Written motion.** (a) A person desiring to intervene in a workers' compensation case as a party, including but not limited to a health care provider who has rendered services to an employee or an insurer who has paid benefits under section 176.191, shall submit a timely written motion to intervene to the commissioner, the office, or to the court of appeals, whichever is applicable.

(~~a~~) (b) The motion must be served on all parties, except for other intervenors, either personally, by first class mail, or by registered mail, return receipt requested. A motion to intervene must be served and filed within 60 days after a potential intervenor has been served with notice of a right to intervene or within 30 days of notice of an administrative conference or expedited hearing. Upon the filing of a timely motion to intervene, the potential intervenor shall be granted intervenor status without the need for an order. Objections to the intervention may be subsequently addressed by a compensation judge. Except where a member of the employee's family or household is supplying

nursing services pursuant to section 176.135, subdivision 1, paragraph (b), where a motion to intervene is not timely filed under this section, the potential intervenor interest shall be extinguished and the potential intervenor may not collect, or attempt to collect, the extinguished interest from the employee, employer, insurer, or any government program.

~~(b)~~ (c) The motion must show how the applicant's legal rights, duties, or privileges may be determined or affected by the case; state the grounds and purposes for which intervention is sought; and indicate the statutory right to intervene. The motion must be accompanied by the following:

(1) an itemization of disability payments showing the period during which the payments were or are being made; the weekly or monthly rate of the payments; and the amount of reimbursement claimed;

(2) a summary of the medical or treatment payments, or rehabilitation services provided by the Vocational Rehabilitation Unit, broken down by creditor, showing the total bill submitted, the period of treatment or rehabilitation covered by that bill, the amount of payment on that bill, and to whom the payment was made;

(3) copies of all medical or treatment bills for which payment is sought;

(4) copies of the work sheets or other information stating how the payments on medical or treatment bills were calculated;

(5) a copy of the relevant policy or contract provisions upon which the claim for reimbursement is based;

(6) the name and telephone number of the person representing the intervenor who has authority to represent the intervenor, including but not limited to the authority to reach a settlement of the issues in dispute;

(7) proof of service or copy of the registered mail receipt evidencing service on all parties except for other intervenors;

(8) at the option of the intervenor, a proposed stipulation which states that all of the payments for which reimbursement is claimed are related to the injury or condition in dispute in the case and that, if the petitioner is successful in proving the compensability of the claim, it is agreed that the sum be reimbursed to the intervenor; and

(9) if represented by an attorney, the name, address, telephone number, and Minnesota Supreme Court license number of the attorney.

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

Sec. 8. Minnesota Statutes 2024, section 176.421, subdivision 4, is amended to read:

Subd. 4. **Service and filing of notice; cost of transcript.** Within the 30-day period for taking an appeal, the appellant shall:

(1) serve a copy of the notice of appeal on each adverse party; and

(2) pursuant to section 176.285, file the original notice of appeal, with proof of service by admission or affidavit, with the chief administrative law judge ~~and file a copy with the commissioner.~~

In order to defray the cost of the preparation of the record of the proceedings appealed from, each appellant and cross-appellant shall pay to the commissioner of management and budget, Office of Administrative Hearings account the sum of \$25. The filing fee must be received by the Office of Administrative Hearings within ten business days after the end of the appeal period. If the filing fee is not received within ten days after the appeal period, the appeal is not timely filed.

The first party to file an appeal is liable for the original cost of preparation of the transcript. Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy. The chief administrative law judge may require payment for transcription costs to be made in advance of the transcript preparation. The cost of a transcript prepared by a nongovernmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief administrative law judge may direct that a transcript be prepared without expense to the party requesting its preparation, in which case the cost of the transcript shall be paid by the Office of Administrative Hearings.

All fees received by the Office of Administrative Hearings for the preparation of the record for submission to the Workers' Compensation Court of Appeals or for the cost of transcripts prepared by the office shall be deposited in the Office of Administrative Hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

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

Sec. 9. **REPEALER.**

Minnesota Rules, part 5220.2840, is repealed.

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

ARTICLE 2

OTHER INSURANCE POLICIES

Section 1. **[79.101] ATTESTATION REQUIRED.**

Subdivision 1. **Zero estimated exposure.** For purposes of this section, a "zero estimated exposure policy" has the meaning given in section 176.011, subdivision 19a. This section applies to zero estimated exposure policies issued to employers performing building construction or improvement services.

Subd. 2. **Attestation.** Each insurer shall require with or as part of each completed application for a zero estimated exposure policy a statement signed by the applicant attesting to the accuracy of the information on the application, including the applicant's absence of employees and estimated exposure of zero. The attestation shall include the following: "I attest that all information provided

on this application is current, true, correct, accurate, and complete to the best of my knowledge and belief. I further attest that I have no employees and an estimated exposure of zero. If I employ any employees during the policy period, I must provide within 60 days of the employment written notification to my workers' compensation insurer of the employment, including estimated payroll and classification codes of my employees. I understand that omissions or misrepresentations with intent to defraud on this application are a crime under Minnesota Statutes, section 609.611."

EFFECTIVE DATE. This section is effective for policies issued or renewed on or after January 1, 2026.

Sec. 2. [79.102] OWNER- AND CONTRACTOR-CONTROLLED INSURANCE PROGRAMS.

Subdivision 1. **Definitions.** (a) "Project sponsor" means a person who engages the services of a contractor for the purpose of working on a single, specific, and large construction, erection, or demolition project.

(b) "Owner-controlled insurance program" is a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a project sponsor and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in section 176.181.

(c) "Contractor-controlled insurance program" is a single, specific, and large construction, erection, or demolition project for which a series of policies have been issued to a general contractor or construction manager and two or more contractors or subcontractors engaged in the project to cover liability for workers' compensation as provided in section 176.181.

(d) "Program" means either of the programs under paragraphs (b) or (c).

Subd. 2. **Approval.** (a) Owner- and contractor-controlled insurance programs must be approved by the commissioner.

(b) Separate insurance policies must be issued to each eligible entity involved in the program. Separate legal entities may be insured by one insurance policy in the program only if the same person or group of persons own the majority interest in each such legal entity.

Subd. 3. **Application.** (a) The commissioner, upon application of a project sponsor or general contractor, shall approve or disapprove owner- and contractor-controlled insurance programs within 60 days of receipt of a completed application. The commissioner shall grant approval upon a determination that the project sponsor or general contractor has provided all the information that is available at the time of application required in paragraph (b) and that the program meets the following requirements:

(1) the project has an aggregate value in excess of \$100,000,000;

(2) the project is a specific construction, erection, or demolition project at a single location or multiple related locations;

(3) the project generates a combined \$500,000 or more in annual written workers' compensation premiums in Minnesota for the policies issued to all employers as part of the program;

(4) the project sponsor, contractors, or subcontractors in the program have not been convicted of a crime involving insurance fraud as defined in section 609.611; and

(5) the program's proposed insurer's rates and rating plan for the program have been approved by the commissioner pursuant to section 79.56, subdivision 1, paragraph (a).

(b) A project sponsor or general contractor must provide the following information regarding the project and each individual contractor and subcontractor involved in the program as part of the application to the commissioner:

(1) the name of the proposed insurer;

(2) project location and address;

(3) project sponsor name, address, and telephone number;

(4) addresses and telephone numbers for all contractors and subcontractors in the program;

(5) estimated project duration;

(6) estimated payroll for the project;

(7) estimated number of employees for the project;

(8) classification code or primary business code for the project;

(9) professional or occupational licenses for all contractors in the program;

(10) any professional or occupational license discipline or suspension for all contractors in the program;

(11) any criminal charges or convictions for insurance fraud as defined in section 609.611 of any individuals in the program; and

(12) any bankruptcy or receivership proceedings for any legal entities in the program.

(c) Every three months during the course of a project of an approved program, the project sponsor or general contractor must provide to the commissioner any updates to the application information required by paragraph (b).

(d) The commissioner may share with a licensed data service organization information concerning approved programs. A licensed data service organization must provide upon request to the commissioner any policy issued to an employer involved in an approved program.

(e) An approved program's insurance policies shall provide that upon cancellation of a policy prior to completion of the construction project, the project sponsor or contractor must either replace the insurance or pay the contractor or subcontractor to obtain replacement insurance in an amount

equal to the premium paid by the contractor or subcontractor to obtain replacement insurance for the duration of the project.

(f) A project sponsor or general contractor applying for approval of an owner-controlled insurance program or a contractor-controlled insurance program must pay a nonrefundable application fee of \$2,500.

Subd. 4. **Exclusion.** No contractor or subcontractor involved in an approved program may have a zero estimated exposure policy as defined in section 176.011, subdivision 19a, for its work on the program's project.

Subd. 5. **Policy forms and rates.** (a) An approved program's insurer must use forms and auditing standards of a licensed data service organization.

(b) An approved program's insurer must use the experience rating plan of a licensed data service organization.

(c) An approved program's policy deductible or retrospective rating plan retention must be no less than \$50,000 and no more than \$1,000,000. The deductible or retrospective rating plan retention must not be higher than the program's insurer's applicable Workers' Compensation Reinsurance Association retention limit.

(d) To the extent an approved program's insurer deviates from the rates and rating plan approved by the commissioner when determining rates for each employer in the program, the insurer shall submit to the commissioner data and calculations used by the insurer to calculate the deviations within 60 days of the program's policies' effective date.

Subd. 6. **Payroll records.** A project sponsor or general contractor of an approved program must obtain payroll records for the project from all contractors and subcontractors in the program at the time of premium audit. The project sponsor or general contractor shall maintain the payroll records under this subdivision for three years after the date of completion of the project.

Subd. 7. **Notice required.** All contractors and subcontractors participating in an approved program shall be provided with a copy of the insurance policy that covers their employees. The project sponsor, general contractor, or construction manager shall post the notice required by section 176.139, subdivision 1, at all job sites in English and Spanish, including information about how to submit a claim for compensation under the program's policy or policies. Upon request, contractors and subcontractors must furnish this information to an employee covered by the program in a language that the employee understands.

Subd. 8. **Audits.** The commissioner is authorized to conduct audits and investigations under section 45.027 to determine if insurers and approved owner- and contractor-controlled insurance programs are complying with Minnesota law in the issuance of policies described in this section.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 3. Minnesota Statutes 2024, section 176.011, is amended by adding a subdivision to read:

Subd. 19a. **Zero estimated exposure policy.** "Zero estimated exposure policy" means a policy of insurance that an employer obtains to cover the employer's liability to pay compensation under this chapter after reporting the employer's total estimated exposure is zero.

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

Sec. 4. Minnesota Statutes 2024, section 176.185, subdivision 11, is amended to read:

Subd. 11. **Employment and insurance data.** (a) The following workers' compensation insurance coverage data reported to or collected by the department under this section, or otherwise created or received by the department, is public data required to be reported by an insurer, subject to the limitations provided in paragraph (b):

(1) all action on an insurance policy, but not including the policy itself. Examples of action on a policy are the date of issuance of a new policy, the date of cancellation, or copies of a correction, binder, reinstatement, expiration, cancellation, termination, or declaration page;

(2) the employer's legal name;

(3) every "doing business as" name used by the employer;

(4) the employer's legal form of ownership, such as corporation, partnership, limited partnership, or government entity, and the names of all owners and partners including, for limited partnerships, the names of general partners;

(5) the employer's complete mailing and physical addresses;

(6) the nature of the employer's business;

(7) the policy number;

(8) the effective and expiration dates of the policy;

(9) the name of the insurance carrier;

(10) if the policy has been canceled, the type of cancellation, reason for cancellation, and effective date of cancellation; ~~and~~

(11) the employer's unemployment account number; and

(12) the employer's total estimated exposure amount for a zero estimated exposure policy and the employer's reported construction classification codes for a zero estimated exposure policy.

(b) The commissioner shall release the insurance coverage data listed in paragraph (a) only in response to an inquiry about an employer in which the requester provides employer identifying information required by the commissioner. The commissioner or an entity with whom the department has contracted pursuant to subdivision 10 shall provide a website for such public inquiries and may impose access restrictions necessary to limit access to individual inquiries and to otherwise deter the use of the website for purposes other than insurance verification. Persons who obtain the data

prescribed in paragraph (a) from the department are prohibited from using the data for commercial purposes.

(c) For purposes of this subdivision, "employer" includes a policyholder and any other entities listed on the same insurance policy as the employer.

(d) For purposes of this subdivision, "commercial purposes" means the sale or use of insurance coverage data listed in paragraph (a) for marketing or profit.

(e) An entity with whom the department has contracted pursuant to subdivision 10 has a private right of action to enforce the prohibition in paragraph (b) against a person who uses the data for commercial purposes. The entity may bring a civil action to recover damages and costs and disbursements, including reasonable attorney fees, from the person, and for other equitable relief as determined by the court.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 5. Minnesota Statutes 2024, section 176.185, is amended by adding a subdivision to read:

Subd. 12. **Policies with zero estimated exposure.** If an employer providing or performing building construction or improvement services obtains a zero estimated exposure policy, the employer must provide written notification to all entities the employer directly contracts with to provide or perform building construction or improvement services of the employer's total estimated exposure of zero and provide a copy of the policy. When an entity receives the notification under this subdivision, the entity must maintain the written notification and policy provided for three years from the date the notification and policy were received.

EFFECTIVE DATE. This section is effective January 1, 2026."

Delete the title and insert:

"A bill for an act relating to workers' compensation; adopting recommendations from the Workers' Compensation Advisory Council; amending Minnesota Statutes 2024, sections 176.011, subdivisions 9, 11, by adding a subdivision; 176.041, subdivision 1; 176.135, subdivision 1; 176.151; 176.175, subdivision 2; 176.185, subdivision 11, by adding a subdivision; 176.361, subdivision 2; 176.421, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Rules, part 5220.2840."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. No. 3228 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senator Johnson Stewart introduced--

S.F. No. 3519: A bill for an act relating to environment; establishing a rebate program to replace time-based ion exchange water softeners with demand-based ion exchange water softeners; appropriating money.

Referred to the Committee on Environment, Climate, and Legacy.

Senators Kupec and Koran introduced--

S.F. No. 3520: A bill for an act relating to cannabis; modifying provisions related to employee stock ownership plans; amending Minnesota Statutes 2024, sections 342.185, subdivisions 1, 2, 3; 342.28, subdivision 5; 342.29, subdivision 4; 342.30, subdivision 4; 342.31, subdivision 4; 342.32, subdivision 4; 342.33, subdivision 3; 342.35, subdivision 3.

Referred to the Committee on Commerce and Consumer Protection.

MOTIONS AND RESOLUTIONS

Senator Clark moved that the name of Senator Mitchell be added as a co-author to S.F. No. 3512. The motion prevailed.

Senator Port moved that the name of Senator Mitchell be added as a co-author to S.F. No. 3513. The motion prevailed.

Senator Limmer moved that the name of Senator Latz be added as a co-author to S.F. No. 3515. The motion prevailed.

Senator Utke introduced --

Senate Resolution No. 45: A Senate resolution congratulating Devan Lindow for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Utke introduced --

Senate Resolution No. 46: A Senate resolution congratulating Will Gagnon for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senator Utke introduced --

Senate Resolution No. 47: A Senate resolution congratulating Simon Hurdlik of Nevis, Minnesota, for earning the rank of Eagle Scout.

Referred to the Committee on Rules and Administration.

Senators Nelson, Howe, Lang, and Anderson introduced --

Senate Resolution No. 48: A Senate resolution congratulating the University of Minnesota Army ROTC on its historic victory at the 2025 Sandhurst Military Skills Competition.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 26, Senator Frentz, designee of the Chair of the Committee on Rules and Administration, designated H.F. No. 2435 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2435: A bill for an act relating to state government; modifying provisions relating to health finance and policy, certain health licensing boards, pharmacy benefits, health care finance, the Office of Emergency Medical Services, opioids, mental health warning labels, economic assistance, child protection and welfare, early care and learning, and licensing and certification; establishing licensure for certified midwives; requiring reports; providing for civil and criminal penalties; appropriating money; amending Minnesota Statutes 2024, sections 62A.673, subdivision 2; 62J.51, subdivision 19a; 62J.581; 142A.03, subdivision 2, by adding a subdivision; 142A.42; 142B.01, subdivision 15, by adding a subdivision; 142B.05, subdivision 3; 142B.10, subdivisions 14, 16; 142B.16, subdivisions 2, 5; 142B.171, subdivision 2; 142B.18, subdivisions 4, 6; 142B.30, subdivision 1; 142B.41, by adding a subdivision; 142B.47; 142B.51, subdivision 2; 142B.65, subdivisions 8, 9; 142B.66, subdivision 3; 142B.70, subdivisions 7, 8; 142B.77; 142B.80; 142C.06, by adding a subdivision; 142C.11, subdivision 8; 142C.12, subdivisions 1, 6; 142D.21, subdivisions 6, 10, by adding a subdivision; 142D.23, subdivision 3; 142D.31, subdivision 2; 142E.03, subdivision 3; 142E.11, subdivisions 1, 2; 142E.13, subdivision 2; 142E.15, subdivision 1; 142E.16, subdivisions 3, 7; 142E.17, subdivision 9; 142F.14; 144.0758, subdivision 3; 144.1222, subdivision 2d; 144.125, subdivisions 1, 2; 144.50, by adding a subdivision; 144.555, subdivisions 1a, 1b; 144.562, subdivisions 2, 3; 144.563; 144.608, subdivision 2; 144.966, subdivision 2; 144.99, subdivision 1; 145.8811; 145C.01, by adding subdivisions; 145C.17; 147.01, subdivision 7; 147.037, by adding a subdivision; 149A.02, by adding a subdivision; 151.37, subdivision 12; 151.555, subdivisions 6, 10; 174.30, subdivision 3; 245.0962, subdivision 1; 245A.18, subdivision 1; 245C.02, by adding a subdivision; 256.045, subdivision 7; 256.9657, subdivision 2, by adding a subdivision; 256.969, subdivision 2f; 256B.0371, subdivision 3; 256B.04, subdivisions 12, 14; 256B.0625, subdivisions 2, 3b, 13c, 13e, 17, 17a, 30, by adding subdivisions; 256B.064, subdivision 1a; 256B.1973, subdivision 5, by adding a subdivision; 256B.69, subdivisions 3a, 6d; 256R.01, by adding a subdivision; 260.65; 260.66, subdivision 1; 260.691, subdivision 1; 260.692; 260.810, subdivisions 1, 2; 260.821, subdivision 2; 260C.001, subdivision 2; 260C.007, subdivision 19; 260C.141, subdivision 1; 260C.150, subdivision 3; 260C.178, subdivisions 1, 7; 260C.201, subdivisions 1, 2; 260C.202, subdivision 2, by adding subdivisions; 260C.204; 260C.212, subdivisions 1, 1a; 260C.221, subdivision 2; 260C.223, subdivisions 1, 2; 260C.329, subdivisions 3, 8; 260C.451, subdivision 9;

260C.452, subdivision 4; 260E.03, subdivision 15; 260E.09; 260E.14, subdivisions 2, 3; 260E.20, subdivisions 1, 3; 260E.24, subdivisions 1, 2; 325M.34; 518.68, subdivision 2; 518A.34; 518A.46, subdivision 7; 518A.75, subdivision 1; Laws 2023, chapter 70, article 20, section 8; Laws 2024, chapter 127, article 67, section 4; proposing coding for new law in Minnesota Statutes, chapters 135A; 142B; 144; 144E; 145C; 256B; 260E; 306; 307; 325M; repealing Minnesota Statutes 2024, sections 145.361; 256B.0625, subdivisions 18b, 18e, 18h; Laws 2023, chapter 70, article 16, section 22; Minnesota Rules, part 9503.0030, subpart 1, item B.

Senator Wiklund moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A31):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 22, after line 27, insert:

"Sec. 27. Minnesota Statutes 2024, section 144.064, subdivision 3, is amended to read:

Subd. 3. **Commissioner duties.** (a) The commissioner shall make available to health care practitioners, women who may become pregnant, expectant parents, and parents of infants up-to-date and evidence-based information about congenital CMV that has been reviewed by experts with knowledge of the disease. The information shall include the following:

(1) the recommendation to consider testing for congenital CMV if the parent or legal guardian of the infant elected not to have newborn screening performed under section 144.125, the infant failed a newborn hearing screening, or pregnancy history suggests increased risk for congenital CMV infection;

(2) the incidence of CMV;

(3) the transmission of CMV to pregnant women and women who may become pregnant;

(4) birth defects caused by congenital CMV;

(5) available preventative measures to avoid the infection of women who are pregnant or may become pregnant; and

(6) resources available for families of children born with congenital CMV.

(b) The commissioner shall follow existing department practice, inclusive of community engagement, to ensure that the information in paragraph (a) is culturally and linguistically appropriate for all recipients.

(c) The commissioner shall establish an outreach program to:

(1) educate women who may become pregnant, expectant parents, and parents of infants about CMV; and

(2) raise awareness for CMV among health care practitioners.

(d) The Advisory Committee on Heritable and Congenital Disorders established under section 144.1255 shall review congenital CMV for inclusion on the list of tests to be performed under section 144.125. If the committee recommends and the commissioner approves the recommendation of adding congenital CMV to the newborn screening panel, the commissioner shall publish the addition in the State Register and the per specimen fee for screening under section 144.125, subdivision 1, paragraph (c), shall be increased by \$43, ~~for a total of \$220 per specimen~~, effective upon publication in the State Register."

Page 45, line 18, delete everything after "health" and insert "must use the data to identify areas of need and recommend strategies to address gaps."

Page 45, delete line 19

Page 91, delete subdivision 3

Page 92, line 10, delete everything after the period

Page 92, delete line 11

Page 92, after line 20, insert:

"Subd. 10. **Appropriation.** Beginning fiscal year 2027, \$18,000,000 is appropriated annually from the health care access fund to the director for grants under the ambulance operating deficit grant program."

Renumber the subdivisions in sequence

Page 228, line 1, reinstate the stricken language

Page 228, line 2, reinstate the stricken "or"

Page 228, line 6, reinstate the stricken "the lower of billed charges or"

Page 228, line 11, reinstate the stricken "the lower of billed charges or" and delete "at"

Page 239, line 12, strike "or freestanding birth center"

Page 249, line 23, delete "discount or other"

Page 252, line 11, delete everything after "exceed" and insert "the lesser of:"

Page 252, delete line 12 and insert:

"(1) 2.8 percent of the health plan companies' aggregate gross revenue; and

(2) the cumulative costs attributable to:

(i) the program changes in section 295.525, subdivision 4, paragraph (b), clauses (1) to (6); and

(ii) the appropriation under section 144E.54, subdivision 10."

Page 254, line 13, after "(b)" insert "Of the total amount collected by the commissioner under this section, \$18,000,000 annually is for the appropriation under section 144E.54, subdivision 10." and after "All" insert "other"

Page 254, line 26, after "(c)" insert "Except for the amount necessary for the appropriation under section 144E.54, subdivision 10,"

Page 256, line 31, after "to" insert ":(1)"

Page 256, line 32, before "exceed" insert "and (2) the appropriation under section 144E.54, subdivision 10,"

Page 275, line 6, delete "each" and delete "for the subsequent four years" and insert ", 2028"

Page 443, delete section 16

Page 444, line 18, delete "and" and insert "or"

Page 514, delete article 21

Page 582, line 20, delete "has the meaning given in section" and insert "means a health plan company, as defined in section 62Q.01, that offers, issues, sells, or renews a health plan, as defined in section 62Q.01, in Minnesota."

Page 582, delete line 21

Page 593, after line 33, insert:

"(e) The reports provided under this section expire on June 30, 2036."

Page 594, delete article 23 and insert:

"ARTICLE 22

HUMAN SERVICES FORECAST ADJUSTMENTS

Section 1. DEPARTMENT OF HUMAN SERVICES FORECAST ADJUSTMENT.

The dollar amounts shown in the columns marked "Appropriations" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 2023, chapter 70, article 20, from the general fund, or any other fund named, to the commissioner of human services for the purposes specified in this article, to be available for the fiscal year indicated for each purpose. The figure "2025" used in this article means that the appropriations listed are available for the fiscal year ending June 30, 2025.

APPROPRIATIONS
Available for the Year
Ending June 30
2025

Renumber the subdivisions in sequence

Page 615, line 32, delete "\$6,391,000" and insert "\$6,036,000" and delete "\$6,391,000" and insert "\$6,036,000"

Page 615, line 33, delete "from the general fund"

Page 616, line 2, before the period, insert ", subdivision 1"

Page 616, delete lines 3 to 6 and insert:

"Subd. 2. Youth Intervention Programs Association Grant

Notwithstanding the percentage requirement under Minnesota Statutes, section 142A.43, subdivision 3, \$355,000 in fiscal year 2026 and \$355,000 in fiscal year 2027 are for a grant to the Minnesota Youth Intervention Programs Association for collaboration, program development, professional development training, technical assistance, tracking, and analyzing and reporting outcome data for the community-based grantees of the program."

Renumber the subdivisions in sequence

Page 618, line 30, delete "\$6,256,000" and insert "\$7,756,000" and delete "\$6,256,000" and insert "\$7,756,000"

Page 619, line 4, delete "\$5,000,000" and insert "\$4,534,000" and delete "\$5,000,000" and insert "\$4,470,000"

Page 619, line 16, delete "\$2,000,000" and insert "\$1,834,000" and delete "\$2,000,000" and insert "\$1,834,000"

Page 619, line 23, after the period, insert "The base for this subdivision is \$721,000 in fiscal year 2028 and \$721,000 in fiscal year 2029."

Page 619, delete subdivision 6

Page 620, delete subdivision 9

Renumber the subdivisions in sequence

Renumber the sections and articles in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Mann moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A18):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 188, line 19, delete "or"

Page 188, line 20, after the comma, insert "or a biosimilar"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|------------|------------|-----------------|----------------|-----------|
| Abeler | Duckworth | Johnson | Mathews | Rarick |
| Anderson | Farnsworth | Johnson Stewart | Maye Quade | Rasmusson |
| Bahr | Fateh | Klein | McEwen | Rest |
| Boldon | Frentz | Koran | Miller | Seeberger |
| Carlson | Green | Kreun | Mitchell | Utke |
| Champion | Gruenhagen | Kunesh | Mohamed | Weber |
| Clark | Gustafson | Kupec | Murphy | Wesenberg |
| Coleman | Hauschild | Lang | Nelson | Westlin |
| Cwodzinski | Hawj | Latz | Oumou Verbeten | Westrom |
| Dahms | Heintzeman | Lieske | Pappas | Wiklund |
| Dibble | Hoffman | Limmer | Pha | Xiong |
| Dornink | Housley | Lucero | Port | |
| Draheim | Howe | Mann | Pratt | |
| Drazkowski | Jasinski | Marty | Putnam | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Hawj, Johnson Stewart, Marty, McEwen, Murphy, Pappas, Pha, Port, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth, Housley, Howe, and Johnson.

The motion prevailed. So the amendment was adopted.

Senator Utke moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A26):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 601, after line 14, insert:

"Subdivision 1. Total Appropriations"

Page 601, after line 17, insert:

"Subd. 2. Legal Referral and Assistance Grants"

\$100,000 in fiscal year 2026 and \$100,000 in fiscal year 2027 are from the general fund for legal referral and assistance grants under Minnesota Statutes, section 142A.40.

Subd. 3. Grants for Integrated Care for High-Risk Pregnant Women

\$2,089,000 in fiscal year 2026 and \$2,089,000 in fiscal year 2027 are from the general fund for grants to improve birth outcomes and strengthen early parental resilience for pregnant women who are medical assistance enrollees, are at significantly elevated risk for adverse outcomes of pregnancy, and are in targeted populations under Minnesota statutes, section 256B.79.

Subd. 4. MinnesotaCare Application Assistance Bonuses

\$3,115,000 in fiscal year 2026 and \$3,115,000 in fiscal year 2027 are from the health care access fund for application assistance bonuses to organizations and licensed insurance producers for applicants successfully enrolled in MinnesotaCare under Minnesota statutes, section 256.962, subdivision 5.

Subd. 5. Medical Assistance Application Assistance Bonuses

\$320,000 in fiscal year 2026 and \$320,000 in fiscal year 2027 are from the general fund for application assistance bonuses to organizations and licensed insurance producers for applicants successfully enrolled in medical assistance under Minnesota statutes, section 256.962, subdivision 5.

Subd. 6. Medical Assistance Application Assistance Bonuses

\$310,000 in fiscal year 2026 and \$310,000 in fiscal year 2027 are from the health care access fund for application assistance bonuses to organizations and licensed insurance producers for applicants successfully enrolled in medical assistance under Minnesota statutes, section 256.962, subdivision 5.

Subd. 7. Medical Assistance Outreach Grants

\$90,000 in fiscal year 2026 and \$90,000 in fiscal year 2027 are from the general fund for grants to public and private organizations, regional collaboratives, and regional health care outreach centers for outreach activities for medical assistance under Minnesota statutes, section 256.962, subdivision 2.

Subd. 8. MinnesotaCare Outreach Grants

\$40,000 in fiscal year 2026 and \$40,000 in fiscal year 2027 are from the health care access fund for grants to public and private organizations, regional collaboratives, and regional health care outreach centers for outreach activities for MinnesotaCare under Minnesota statutes, section 256.962, subdivision 2.

Subd. 9. Grants for Periodic Data Matching for Medical Assistance and MinnesotaCare

\$2,112,000 in fiscal year 2026 and \$2,112,000 in fiscal year 2027 are from the general fund for grants to counties for costs related to periodic data matching for medical assistance and MinnesotaCare recipients under Minnesota Statutes, section 256B.0561."

Page 601, after line 36, insert:

"Subd. 3. Emergency Services Grants

\$25,000,000 in fiscal year 2026 and \$30,000,000 in fiscal year 2027 are from the general fund for emergency services grants under Minnesota Statutes, section 256K.49.

Subd. 4. Homeless Youth Act Grants

\$15,136,000 in fiscal year 2026 and \$15,136,000 in fiscal year 2027 are from the general fund for Homeless Youth Act grants under Minnesota Statutes, section 256K.45.

Subd. 5. Safe Harbor Shelter and Housing Grants

\$1,250,000 in fiscal year 2026 and \$1,250,000 in fiscal year 2027 are from the general fund for safe harbor shelter and housing grants under Minnesota Statutes, section 256K.47.

Subd. 6. Transitional Housing Programs Grants

\$3,000,000 in fiscal year 2026 and \$3,000,000 in fiscal year 2027 are from the general fund for transitional housing program grants under Minnesota Statutes, section 256K.48.

Subd. 7. Long-Term Homeless Supportive Services Grants

\$6,910,000 in fiscal year 2026 and \$6,910,000 in fiscal year 2027 are from the general fund for long-term homeless supportive services grants under Minnesota Statutes, section 256K.26."

Page 602, delete line 3 and insert:

"Subdivision 1. Early Episode of Bipolar Disorder Grants"

Page 602, after line 7, insert:

"Subd. 2. Cultural and Ethnic Minority Infrastructure Grants

\$2,891,000 in fiscal year 2026 and \$2,891,000 in fiscal year 2027 are from the general fund for cultural and ethnic minority infrastructure grants under Minnesota Statutes, section 245.4903.

Subd. 3. Grants for Adult Mental Health Culturally Specific Services

\$300,000 in fiscal year 2026 and \$300,000 in fiscal year 2027 are from the general fund for grants to support increased availability of culturally responsive mental health services for racial and ethnic minorities by providing internship placements and clinical supervision to emerging mental health

professionals under Minnesota Statutes, section 245.4661, subdivision 9.

Subd. 4. Mental Health Provider Supervision Grant Program

\$1,500,000 in fiscal year 2026 and \$1,500,000 in fiscal year 2027 are from the general fund for the mental health provider supervision grant program under Minnesota Statutes, section 245.4663.

Subd. 5. Mobile Crisis Grants to Tribal Nations

\$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are from the general fund for mobile crisis grants under Minnesota Statutes, section 245.4661, subdivision 9, paragraph (b), clause (15), to Tribal Nations.

Subd. 6. Adult Mental Illness Crisis Housing Assistance Program Grants

\$610,000 in fiscal year 2026 and \$610,000 in fiscal year 2027 are from the general fund for adult mental illness crisis housing assistance program grants under Minnesota Statutes, section 245.99.

Subd. 7. Grants for Persons With Serious and Persistent Mental Illness

\$21,000,000 in fiscal year 2026 and \$21,000,000 in fiscal year 2027 are from the general fund for grants to counties to establish, operate, or contract with private providers to provide services to help persons with serious and persistent mental illness under Minnesota Statutes, section 256K.10.

Subd. 8. South Central Crisis Center Grant

\$600,000 in fiscal year 2026 and \$600,000 in fiscal year 2027 are from the general fund for a grant to a community collaborative providing crisis center services in the Mankato area that are comparable to the crisis services provided prior to the closure of the Mankato Crisis Center under Laws 2010, First Special Session chapter 1, article

25, section 3, subdivision 10, paragraph (a), clause (1).

Subd. 9. Projects for Assistance in Transition From Homelessness Program Grants

\$4,792,000 in fiscal year 2026 and \$4,792,000 in fiscal year 2027 are from the general fund for projects for assistance in transition from homelessness program grants under Minnesota Statutes, section 245.991.

Subd. 10. Transition to Community Initiative Grants

\$1,811,000 in fiscal year 2026 and \$1,811,000 in fiscal year 2027 are from the general fund for transition to community initiative grants under Minnesota Statutes, section 256.478."

Page 603, after line 7, insert:

"Subd. 5. Adverse Childhood Experience Grants

\$363,000 in fiscal year 2026 and \$363,000 in fiscal year 2027 are from the general fund for grants to provide training for parents, collaborative partners, and mental health providers on the impact of adverse childhood experiences and trauma under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (13).

Subd. 6. Children's Mental Health Screening Grants

\$4,412,000 in fiscal year 2026 and \$4,412,000 in fiscal year 2027 are from the general fund for grants to county child welfare agencies and juvenile justice agencies for children's mental health screening and follow-up diagnostic assessment and treatment under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (7).

Subd. 7. Early Intervention Capacity Grants

\$1,024,000 in fiscal year 2026 and \$1,024,000 in fiscal year 2027 are from the general fund for grants to provider agencies for building evidence-based mental health

intervention capacity for children birth to age five under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (10).

Subd. 8. Cultural and Ethnic Minority Mental Health Grants

\$300,000 in fiscal year 2026 and \$300,000 in fiscal year 2027 are from the general fund for grants to provider agencies for mental health services for people from cultural and ethnic minorities, including supervision of clinical trainees who are Black, indigenous, or people of color under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (6).

Subd. 9. Evidence-Based Practices Grants

\$750,000 in fiscal year 2026 and \$750,000 in fiscal year 2027 are from the general fund for services to promote and develop the capacity of providers to use evidence-based practices in providing children's mental health services under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (8).

Subd. 10. Person-Centered Discharge Planning Grants

\$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are from the general fund for grants to develop and support a person-centered discharge planning process for adults and children being discharged from psychiatric residential treatment facilities, child and adolescent behavioral health hospitals, and hospital settings under Laws 2022, chapter 99, article 3, section 14, paragraph (b).

Subd. 11. Early Childhood Mental Health Consultation Grants

\$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are from the general fund for early childhood mental health consultation under Minnesota Statutes,

section 245.4889, subdivision 1, paragraph (b), clause (15).

Subd. 12. Mental Health First Aid Training Grants

\$23,000 in fiscal year 2026 and \$23,000 in fiscal year 2027 are from the general fund for grants for mental health first aid training under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (12).

Subd. 13. First Episode Psychosis Grants

\$1,651,000 in fiscal year 2026 and \$1,651,000 in fiscal year 2027 are from the general fund for grants to provide evidence-based interventions for youth at risk of developing or experiencing a first episode of psychosis under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (16).

Subd. 14. Suicide Prevention and Counseling Text Message Grants

\$1,125,000 in fiscal year 2026 and \$1,125,000 in fiscal year 2027 are from the general fund for suicide prevention and counseling services that use text messaging statewide under Minnesota Statutes, section 245.4889, subdivision 1, paragraph (b), clause (11).

Subd. 15. Shelter-Linked Behavioral Health Grants

\$2,000,000 in fiscal year 2026 and \$2,000,000 in fiscal year 2027 are from the general fund for shelter-linked behavioral health grants under Minnesota Statutes, section 256K.46."

Page 612, after line 22, insert:

"Subdivision 1. Total Appropriations"

Page 612, after line 26, insert:

"Subd. 2. MFIP Consolidated Fund Grants

\$8,715,000 in fiscal year 2026 and \$8,715,000 in fiscal year 2027 are from the

general fund for MFIP consolidated fund grants under Minnesota Statutes, section 142G.76.

Subd. 3. Fraud Prevention Investigation Grants

\$1,768,000 in fiscal year 2026 and \$1,768,000 in fiscal year 2027 are from the general fund for fraud prevention investigation grants to counties under Minnesota Statutes, section 256.983.

Subd. 4. Injury Protection for Work Experience Participants Grants

\$10,000 in fiscal year 2026 and \$10,000 in fiscal year 2027 are from the general fund for grants for injury protection for work experience participants under Minnesota Statutes, section 142G.62."

Page 613, after line 9, insert:

"Subd. 3. Family, Friend, and Neighbor Grant Program

\$2,225,000 in fiscal year 2026 and \$2,225,000 in fiscal year 2027 are from the general fund for the family, friend, and neighbor grant program under Minnesota Statutes, section 142D.24.

Subd. 4. Grants for Child Care Resource and Referral Programs

\$1,007,000 in fiscal year 2026 and \$1,007,000 in fiscal year 2027 are from the general fund for grants to organizations operating child care resource and referral programs under Minnesota Statutes, section 142E.31.

Subd. 5. Child Care Workforce Development Grants Administration

\$1,300,000 in fiscal year 2026 and \$1,300,000 in fiscal year 2027 are from the general fund for a grant to the statewide child care resource and referral network to administer child care workforce development

grants under Minnesota Statutes, section 142E.31, subdivision 5, clause (10).

Subd. 6. Teacher Education and Compensation Helps Grants

\$695,000 in fiscal year 2026 and \$695,000 in fiscal year 2027 are from the general fund for teacher education and compensation helps (TEACH) grants under Minnesota Statutes, section 142D.31.

Subd. 7. Early Childhood Registered Apprenticeship Grant Program

\$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are from the general fund for early childhood registered apprenticeship grants under Minnesota Statutes, section 142D.32.

Subd. 8. Retaining Early Educators Through Attaching Incentives Now (REETAIN) Grant Program

\$750,000 in fiscal year 2026 and \$750,000 in fiscal year 2027 are from the general fund for REETAIN grants under Minnesota Statutes, section 142D.30."

Page 614, after line 2, insert:

"Subd. 3. Indian Child Welfare Grants

\$6,122,000 in fiscal year 2026 and \$6,122,000 in fiscal year 2027 are from the general fund for Indian child welfare grants under Minnesota Statutes, section 260.785.

Subd. 4. Family First Prevention Services Act Support and Development Grants

\$4,100,000 in fiscal year 2026 and \$4,100,000 in fiscal year 2027 are from the general fund for family first prevention services act support and development grants under Minnesota Statutes, section 142A.45.

**Subd. 5. Family First Prevention Services Act
Kinship Navigator Program Grants**

\$506,000 in fiscal year 2026 and \$507,000 in fiscal year 2027 are from the general fund for family first prevention services act kinship navigator program grants under Minnesota Statutes, section 142A.451.

**Subd. 6. Family First Prevention Services Act
Prevention and Early Intervention Allocation Grants**

\$6,000,000 in fiscal year 2026 and \$6,000,000 in fiscal year 2027 are from the general fund for family first prevention services act prevention and early intervention allocation grants under Minnesota Statutes, section 142A.452.

**Subd. 7. Grants for Court-Appointed Counsel in
Child Protection Proceedings**

\$520,000 in fiscal year 2026 and \$520,000 in fiscal year 2027 are from the general fund for county costs, including administrative costs to obtain Title IV-E federal reimbursement, related to court-appointed counsel in child protection proceedings pursuant to Minnesota Statutes, section 260C.163, subdivision 3, under Laws 2021, First Special Session chapter 7, article 16, section 2, subdivision 22, paragraph (b).

Subd. 8. Quality Parenting Initiative Grants

\$100,000 in fiscal year 2026 and \$100,000 in fiscal year 2027 are from the general fund for a grant to Quality Parenting Initiative Minnesota for quality parenting initiative grants under Minnesota Statutes, section 245.0962, subdivision 3, paragraph (m).

**Subd. 9. Child Protection Grants to Address Child
Welfare Disparities**

\$1,650,000 in fiscal year 2026 and \$1,650,000 in fiscal year 2027 are from the general fund for child protection grants to address child welfare disparities under Minnesota Statutes, section 142A.417.

Subd. 10. Grants for American Indian Child Welfare Projects

\$32,901,000 in fiscal year 2026 and \$32,901,000 in fiscal year 2027 are from the general fund for grants for American Indian child welfare projects under Minnesota Statutes, section 142A.93, subdivision 9.

Subd. 11. Grant for the White Earth Band of Ojibwe Human Services Project

\$1,400,000 in fiscal year 2026 and \$1,400,000 in fiscal year 2027 are from the general fund for a grant to the White Earth Band of Ojibwe for the direct implementation and administrative costs of the White Earth Band of Ojibwe human services project under Laws 2011, First Special Session chapter 9, article 9, section 18.

Subd. 12. Grant for Red Lake Nation Human Services Initiative Project

\$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are from the general fund for a grant to the Red Lake Nation for the direct implementation and administrative costs of the Red Lake human services initiative project authorized under Minnesota Statutes, sections 256.01, subdivision 2, paragraph (a), clause (7), and 142A.03, subdivision 2, paragraph (e), clause (7).

Subd. 13. African American and Disproportionately Represented Family Preservation Grants

\$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are from the general fund for African American and disproportionately represented family preservation grants under Minnesota Statutes, section 260.693.

Subd. 14. African American Family Preservation and Child Welfare Disproportionality Act

\$3,251,000 in fiscal 2026 and \$3,110,000 in fiscal year 2027 are from the general fund for the commissioner of children, youth, and

families to implement the African American Family Preservation and Child Welfare Disproportionality Act under Minnesota Statutes, sections 260.61 to 260.693."

Page 614, after line 4, insert:

"Subdivision 1. Child Welfare Allocation Grants

\$23,870,000 in fiscal year 2026 and \$23,870,000 in fiscal year 2027 are from the general fund for child welfare allocation grants under Minnesota Statutes, section 256M.41.

Subd. 2. Opiate Epidemic Response Fund Child Protection Grants

\$3,243,000 in fiscal year 2026 and \$3,243,000 in fiscal year 2027 are from the general fund for opiate epidemic response fund child protection grants under Minnesota Statutes, section 256.043, subdivision 3, paragraph (m).

Subd. 3. Child Welfare Staff Allocation for Tribes

\$799,000 in fiscal year 2026 and \$799,000 in fiscal year 2027 are from the general fund for grants to Tribes for child welfare staffing under Minnesota Statutes, section 260.786."

Page 614, after line 24, insert:

"Subd. 4. Financial Assistance for Community Action Agencies

\$4,928,000 in fiscal year 2026 and \$4,928,000 in fiscal year 2027 are from the general fund for community action grants under Minnesota Statutes, section 142F.30.

Subd. 5. Family Assets for Independence Grants

\$325,000 in fiscal year 2026 and \$325,000 in fiscal year 2027 are from the general fund for family assets for independence grants under Minnesota Statutes, section 142F.20.

Subd. 6. Diaper Distribution Grants

\$553,000 in fiscal year 2026 and \$553,000 in fiscal year 2027 are from the general fund for diaper distribution grants under Minnesota Statutes, section 142A.41.

Subd. 7. Supplemental Nutrition Assistance Outreach Program Grants

\$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are from the general fund for supplemental nutrition assistance outreach program grants under Minnesota Statutes, section 142F.12.

Subd. 8. Minnesota Food Assistance Program Grants

\$1,675,000 in fiscal year 2026 and \$1,675,000 in fiscal year 2027 are from the general fund for Minnesota food assistance program grants under Minnesota Statutes, section 142F.13.

Subd. 9. American Indian Food Sovereignty Funding Program Grants

\$2,000,000 in fiscal year 2026 and \$2,000,000 in fiscal year 2027 are from the general fund for American Indian food sovereignty funding program grants under Minnesota Statutes, section 142F.15.

Subd. 10. Food Shelf Grants

\$4,318,000 in fiscal year 2026 and \$4,318,000 in fiscal year 2027 are from the general fund for food shelf grants under Minnesota Statutes, section 142F.14."

Page 614, line 25, delete "4" and insert "11"

Page 615, after line 27, insert:

"Subd. 6. Early Childhood Family Education Grants

\$39,779,000 in fiscal year 2026 and \$41,444,000 in fiscal year 2027 are from the general fund for early childhood family education grants under Minnesota Statutes, section 142D.11.

Subd. 7. Early Childhood Literacy Program Grants

\$7,950,000 in fiscal year 2026 and \$7,950,000 in fiscal year 2027 are from the general fund for early childhood literacy program grants under Minnesota Statutes, section 142D.12.

Subd. 8. Grants for Grow Your Own Early Childhood and Family Educator Programs

\$325,000 in fiscal year 2025 and \$325,000 in fiscal year 2027 are from the general fund for grants for grow your own early childhood and family educator programs under Minnesota Statutes, section 142D.33.

Subd. 9. Grants for School Readiness Programs

\$33,683,000 in fiscal year 2026 and \$33,683,000 in fiscal year 2027 are from the general fund for grants for school readiness programs under Minnesota Statutes, section 142D.05."

Page 622, after line 24, insert:

"Subd. 14. Minnesota Poison Information Centers; Establishment

\$810,000 in fiscal year 2026 and \$810,000 in fiscal year 2027 are from the general fund for Minnesota Poison Information Centers; Establishment, under Minnesota Statutes, section 145.93.

Subd. 15. Sexual and Reproductive Health Services Grants

\$11,550,000 in fiscal year 2026 and \$11,550,000 in fiscal year 2027 are from the general fund for Sexual and Reproductive Health Services Grants under Minnesota Statutes, section 145.925.

Subd. 16. Fetal Alcohol Syndrome Effects; Drug-Exposed Infant

\$3,222,000 in fiscal year 2026 and \$3,222,000 in fiscal year 2027 are from the general fund for Fetal Alcohol Syndrome

Effects; Drug Exposed Infant under Minnesota Statutes, section 145.9265.

Subd. 17. Fetal Alcohol Spectrum Disorders

\$..... in fiscal year 2026 and \$..... in fiscal year 2027 are from the general fund for Fetal Alcohol Spectrum Disorders under Minnesota Statutes, section 145.267.

Subd. 18. Hearing Aid Loan Bank Grants

\$69,000 in fiscal year 2026 and \$69,000 in fiscal year 2027 are from the general fund for hearing aid loan bank grants.

Subd. 19. Special Health Needs Grants

\$160,000 in fiscal year 2026 and \$160,000 in fiscal year 2027 are from the general fund for special health needs grants.

Subd. 20. Minnesota Birth Defects Information System

\$432,000 in fiscal year 2026 and \$432,000 in fiscal year 2027 are from the general fund for Minnesota Birth Defects Information System under Minnesota Statutes, section 145.2215.

Subd. 21. Early Hearing Detection and Intervention Program; Support Services for Families

\$590,000 in fiscal year 2026 and \$590,000 in fiscal year 2027 are from the general fund for the early hearing detection and intervention programs; support services for families, direct hearing loss specific parent-to-parent assistance, under Minnesota Statutes, section 144.966, subdivision 3a, paragraph (a), clause (1).

Subd. 22. Early Hearing Detection and Intervention Program; Support Services for Families

\$156,000 in fiscal year 2026 and \$156,000 in fiscal year 2027 are from the general fund for the early hearing detection and intervention programs; support services for families, individualized deaf or

hard-of-hearing mentors who provide education, under Minnesota Statutes, section, 144.966, subdivision 3a, paragraph (a), clause (2).

Subd. 23. Nurse-Family Partnership Programs

\$2,000,000 in fiscal year 2026 and \$2,000,000 in fiscal year 2027 are from the general fund for the nurse-family partnership programs under Minnesota Statutes, section 145.145.

Subd. 24. Home Visiting for Pregnant Women and Families with Young Children

\$15,345,000 in fiscal year 2026 and \$15,345,000 in fiscal year 2027 are from the general fund for Home Visiting for Pregnant Women and Families with Young Children under Minnesota Statutes, section 145.87.

Subd. 25. Improving Infant Health Grants

\$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are from the general fund for Improving Infant Health Grants under Minnesota Statutes, section 145.9574, subdivision 2.

Subd. 26. Developmental and Social-Emotional Screening with Follow-Up

\$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are from the general fund for Developmental and Social-Emotional Screening with Follow-Up under Minnesota Statutes, section 145.9575.

Subd. 27. Promising Practice Home Visiting Program

\$1,800,000 in fiscal year 2026 and \$1,800,000 in fiscal year 2027 are from the general fund for the promising practice home visiting program under Minnesota Statutes, section 145.87, subdivision, 1, paragraph (e).

Subd. 28. School-Based Health Centers

\$2,300,000 in fiscal year 2026 and \$2,300,000 in fiscal year 2027 are from the

general fund for School-Based Health Centers under Minnesota Statutes, section 145.903.

Subd. 29. Comprehensive Drug Overdose and Morbidity Prevention Act

\$370,000 in fiscal year 2026 and \$370,000 in fiscal year 2027 are from the general fund for the comprehensive drug overdose and morbidity prevention act under Minnesota Statutes, section 144.0528.

Subd. 30. Local Public Health Grant

\$28,665,000 in fiscal year 2026 and \$28,665,000 in fiscal year 2027 are from the general fund for Local Public Health Grant under Minnesota Statutes, section 145A.131.

Subd. 31. Tobacco Use Prevention

\$4,921,000 in fiscal year 2026 and \$4,921,000 in fiscal year 2027 are from the general fund for tobacco use prevention under Minnesota Statutes, 144.396.

Subd. 32. Public Health Infrastructure Funds

\$6,000,000 in fiscal year 2026 and \$6,000,000 in fiscal year 2027 are from the general fund for Public Health Infrastructure Funds under Laws 2023, chapter 70, article 20, section 20, subdivision 2, paragraph (d).

Subd. 33. Funding Formula for Community Health Boards

\$9,844,000 in fiscal year 2026 and \$9,844,000 in fiscal year 2027 are from the general fund for Funding Formula for Community Health Boards, funding formula for foundational public health responsibilities, under Minnesota Statutes, section 145A.131, subdivision 1, paragraph (f).

Subd. 34. Public Health Americorps

\$321,000 in fiscal year 2026 and \$321,000 in fiscal year 2027 are from the general fund

for Public Health Americorps under Minnesota Statutes, section 144.0759.

Subd. 35. Cannabis and Substance Misuse Prevention and Education Programs; Local and Tribal Health Departments

\$3,756,000 in fiscal year 2026 and \$3,756,000 in fiscal year 2027 are from the general fund for the cannabis and substance misuse prevention and education program; local and Tribal health departments, under Minnesota Statutes, section 144.197, subdivision 4.

Subd. 36. Cannabis and Substance Misuse Prevention and Education Programs; Local and Tribal Health Departments

\$1,500,000 in fiscal year 2026 and \$1,500,000 in fiscal year 2027 are from the general fund for the cannabis and substance misuse prevention and education program; local and Tribal health departments, under Minnesota Statutes, section 144.197, subdivision 4.

Subd. 37. Local and Tribal Public Health Emergency Preparedness and Response Grant Program

\$8,400,000 in fiscal year 2026 and \$8,400,000 in fiscal year 2027 are from the general fund for the local and Tribal public health emergency preparedness and response grant program under Minnesota Statutes, section 145A.135.

Subd. 38. Special Grants

\$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are from the general fund for special grants, under Minnesota Statutes, section 145A.14.

Subd. 39. Special Grants; Tribal Governments

\$1,166,000 in fiscal year 2026 and \$1,166,000 in fiscal year 2027 are from the general fund for special grants; Tribal governments, under Minnesota Statutes, section 145A.14, subdivision 2a.

Subd. 40. Eliminating Health Disparities

\$3,142,000 in fiscal year 2026 and \$3,142,000 in fiscal year 2027 are from the general fund for Eliminating Health Disparities under Minnesota Statutes, section 145.928.

Subd. 41. Community Solutions for Healthy Child Development Grant Program

\$2,415,000 in fiscal year 2026 and \$2,415,000 in fiscal year 2027 are from the general fund for the community solutions for healthy child development grant program under Minnesota Statutes, section 145.9285.

Subd. 42. African American Health Special Emphasis Grant Program

\$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are from the general fund for the African American health special emphasis grant program under Minnesota Statutes, section 144.0756.

Subd. 43. Office of American Indian Health

\$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are from the general fund for Office of American Indian Health under Minnesota Statutes, section 144.0757.

Subd. 44. Indian Health Grants; Grants to Tribes

\$535,000 in fiscal year 2026 and \$535,000 in fiscal year 2027 are from the general fund for Indian Health Grants; Grants to Tribes, under Minnesota Statutes, section 145A.14, subdivision 2b.

Subd. 45. Rural Hospital Capital Improvement Grant Program

\$1,755,000 in fiscal year 2026 and \$1,755,000 in fiscal year 2027 are from the general fund for the rural hospital capital improvement grant program under Minnesota Statutes, section 144.148.

Subd. 46. Indian Health Grants; Indian Health Grants

\$174,000 in fiscal year 2026 and \$174,000 in fiscal year 2027 are from the general fund for Indian Health Grants; Indian health grants, under Minnesota Statutes, section 145A.14, subdivision 2.

Subd. 47. Community Clinic Grants

\$311,000 in fiscal year 2026 and \$311,000 in fiscal year 2027 are from the general fund for Community Clinic Grants, under Minnesota Statutes, section 145.9268.

Subd. 48. Comprehensive Advanced Life Support

\$508,000 in fiscal year 2026 and \$508,000 in fiscal year 2027 are from the general fund for Comprehensive Advanced Life Support, under Minnesota Statutes, section 144.6062.

Subd. 49. Health Care Grants for the Uninsured; Dental Providers

\$50,000 in fiscal year 2026 and \$50,000 in fiscal year 2027 are from the general fund for Health Care Grants for the Uninsured; Dental providers, under Minnesota Statutes, section 145.929, subdivision 1.

Subd. 50. Health Care Grants for the Uninsured; Community Mental Health Programs

\$175,000 in fiscal year 2026 and \$175,000 in fiscal year 2027 are from the general fund for the health care grants for the uninsured; community mental health programs, under Minnesota Statutes, section 145.929, subdivision 2.

Subd. 51. Health Care Grants for the Uninsured; Emergency Medical Assistance Outlier Grant Program

\$590,000 in fiscal year 2026 and \$590,000 in fiscal year 2027 are from the general fund for the health care grants for the uninsured; emergency medical assistance outlier grant

program, under Minnesota Statutes, section 145.929, subdivision 3.

Subd. 52. Federally Qualified Health Centers

\$2,425,000 in fiscal year 2026 and \$2,425,000 in fiscal year 2027 are from the general fund for Federally Qualified Health Centers, under Minnesota Statutes, section 145.9269.

Subd. 53. Medical Education; Distribution of Funds

\$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are from the general fund for Medical Education; Distribution of funds, funding medical education and research costs, under Minnesota Statutes, section 62J.692, subdivision 4b.

Subd. 54. Health Professional Education Loan Forgiveness Program

\$1,600,000 in fiscal year 2026 and \$1,600,000 in fiscal year 2027 are from the general fund for the health professional education loan forgiveness program, under Minnesota Statutes, section 144.1501.

Subd. 55. Health Professionals Clinical Training Expansion and Rural and Underserved Clinical Rotations Grant Program; Programs

\$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are from the general fund for the health professionals clinical training expansion and rural and underserved clinical rotations grant program; programs, under Minnesota Statutes, section 144.1505, subdivision 2.

Subd. 56. Health Professionals Clinical Training Expansion and Rural and Underserved Clinical Rotations Grant Program; Program Oversight

\$..... in fiscal year 2026 and \$..... in fiscal year 2027 are from the general fund for the health professionals clinical training expansion and rural and underserved clinical rotations grant program; program oversight,

under Minnesota statutes, section 144.1505,
subdivision 5.

**Subd. 57. Primary Care Residency Expansion Grant
Program; Program Oversight**

\$1,500,000 in fiscal year 2026 and
\$1,500,000 in fiscal year 2027 are from the
general fund for the primary care residency
expansion grant program; program oversight,
under Minnesota Statutes, section 144.1506,
subdivision 5.

**Subd. 58. Home and Community-Based Services
Employee Scholarship and Loan Forgiveness
Program**

\$1,450,000 in fiscal year 2026 and
\$1,450,000 in fiscal year 2027 are from the
general fund for the home and
community-based services employee
scholarship and loan forgiveness program,
under Minnesota Statutes, section 144.1503.

**Subd. 59. Federally Qualified Health Centers
Registered Apprenticeship Grant Program**

\$690,000 in fiscal year 2026 and \$690,000
in fiscal year 2027 are from the general fund
for the federally qualified health centers
registered apprenticeship grant program,
under Minnesota Statutes, section 145.9272.

**Subd. 60. Primary Care Residency Expansion Grant
Program**

\$400,000 in fiscal year 2026 and \$400,000
in fiscal year 2027 are from the general fund
for the primary care residency expansion
grant program, under Minnesota Statutes,
section 144.1506.

**Subd. 61. Pediatric Primary Care Mental Health
Training Grant Program**

\$900,000 in fiscal year 2026 and \$900,000
in fiscal year 2027 are from the general fund
for the pediatric primary care mental health
training grant program, under Minnesota
Statutes, section 144.1509.

**Subd. 62. Mental Health Cultural Community
Continuing Education Grant Program**

\$450,000 in fiscal year 2026 and \$450,000 in fiscal year 2027 are from the general fund for the mental health cultural community continuing education grant program, under Minnesota Statutes, section 144.1511.

Subd. 63. Clinical Dental Innovation Grants

\$1,122,000 in fiscal year 2026 and \$1,122,000 in fiscal year 2027 are from the general fund for Clinical Dental Innovation Grants, under Minnesota Statutes, section 144.1913.

Subd. 64. Comprehensive Drug Overdose and Morbidity Prevention Act

\$7,520,000 in fiscal year 2026 and \$7,520,000 in fiscal year 2027 are from the general fund for the comprehensive drug overdose and morbidity prevention act, under Minnesota Statutes, section 144.0528.

Subd. 65. Minnesota Poison Information Centers; Establishment

\$2,379,000 in fiscal year 2026 and \$2,379,000 in fiscal year 2027 are from the general fund for Minnesota Poison Information Centers; Establishment, under Minnesota Statutes, section 145.93.

Subd. 66. Suicide Prevention

\$1,977,000 in fiscal year 2026 and \$1,977,000 in fiscal year 2027 are from the general fund for Suicide Prevention, under Minnesota Statutes, section 145.56.

Subd. 67. Sage Cancer Screening Grants

\$518,000 in fiscal year 2026 and \$518,000 in fiscal year 2027 are from the general fund for Sage Cancer Screening Grants.

Subd. 68. Regional Navigator Grants

\$4,120,000 in fiscal year 2027 are from the general fund for Regional Navigator Grants, under Minnesota Statutes, section 145.4717.

Subd. 69. Substance Use Treatment, Recovery, and Prevention Grants

\$4,950,000 in fiscal year 2026 and \$4,950,000 in fiscal year 2027 are from the general fund for Substance Use Treatment, Recovery, and Prevention Grants, under Minnesota Statutes, section 342.72.

Subd. 70. Community Health Workers; Grants Authorized

\$750,000 in fiscal year 2026 and \$750,000 in fiscal year 2027 are from the general fund for Community Health Workers; Grants Authorized, under Minnesota Statutes, section 144.1462.

Subd. 71. Long COVID and Related Conditions; Assessment and Monitoring

\$900,000 in fiscal year 2026 and \$900,000 in fiscal year 2027 are from the general fund for Long COVID and Related Conditions; Assessment and Monitoring, under Minnesota Statutes, section 145.361.

Subd. 72. Alzheimer's Public Information Program

\$80,000 in fiscal year 2026 and \$80,000 in fiscal year 2027 are from the general fund for the Alzheimer's public information program, under Laws 2023, chapter 70, article 20, section 3, subdivision 2, paragraph (v).

Subd. 73. Labor Trafficking Services Grant Program

\$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are from the general fund for the labor trafficking services grant program, under Minnesota Statutes, section 144.3885.

Subd. 74. Safe Harbor Regional Navigator

\$300,000 in fiscal year 2026 and \$300,000 in fiscal year 2027 are from the general fund for Safe harbor regional navigator under Laws 2023, chapter 70, article 20, section 3, subdivision 2, paragraph (nn).

Subd. 75. Cannabis and Substance Misuse Prevention and Education Programs; Youth Prevention and Education Program

\$1,500,000 in fiscal year 2026 and \$1,500,000 in fiscal year 2027 are from the general fund for the cannabis and substance misuse prevention and education programs; youth prevention and education program, under Minnesota Statutes, section 144.197, subdivision 1.

Subd. 76. Minnesota Poison Information Centers; Establishment

\$795,000 in fiscal year 2026 and \$795,000 in fiscal year 2027 are from the general fund for the Minnesota poison information centers; establishment, under Minnesota Statutes, section 145.93.

Subd. 77. Statewide Health Improvement Program; Grants to Local Communities

\$14,364,000 in fiscal year 2026 and \$14,364,000 in fiscal year 2027 are from the health care access fund for the statewide health improvement program; grants to local communities, under Minnesota Statutes, section 145.986, subdivision 1a.

Subd. 78. Primary Care Residency Training Grant Program

\$4,060,000 in fiscal year 2026 and \$4,060,000 in fiscal year 2027 are from the health care access fund for the primary care residency training grant program, under Minnesota Statutes, section 144.1507.

**Subd. 79. Health Professionals Clinical Training
Expansion and Rural and Underserved Clinical
Rotations Grant Programs**

\$..... in fiscal year 2026 and \$..... in fiscal
year 2027 are from the health care access
fund for the health professionals clinical
training expansion and rural and underserved
clinical rotations grant programs under
Minnesota Statutes, section 144.1505.

**Subd. 80. International Medical Graduates
Assistance Program**

\$420,000 in fiscal year 2026 and \$420,000
in fiscal year 2027 are from the health care
access fund for International medical
graduates assistance program, under
Minnesota Statutes, section 144.1911.

**Subd. 81. Clinical Health Care Training; Site-based
Clinical Training Grants**

\$4,657,000 in fiscal year 2026 and
\$3,451,000 in fiscal year 2027 are from the
health care access fund for the clinical health
care training; site-based clinical training
grants, under Minnesota Statutes, section
144.1508; Laws 2023, chapter 70, article 20,
section 3, subdivision 2, paragraph (n), clause
(3).

**Subd. 82. Health Professionals Education Loan
Forgiveness Program**

\$6,740,000 in fiscal year 2026 and
\$6,740,000 in fiscal year 2027 are from the
health care access fund for the health
professionals education loan forgiveness
program, under Minnesota Statutes, section
144.1501.

Subd. 83. Medical Education

\$1,000,000 in fiscal year 2026 and
\$1,000,000 in fiscal year 2027 are from the
health care access fund for Medical
Education, under Minnesota Statutes, section
62J.692.

Subd. 84. Community Clinics Grants

\$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are from the health care access fund for Community Clinic Grants, under Minnesota Statutes, section 145.9268.

Subd. 85. Rural Hospital Planning and Transition Grant Program

\$300,000 in fiscal year 2026 and \$300,000 in fiscal year 2027 are from the health care access fund for the rural hospital planning and transition grant program, under Minnesota Statutes, section 144.147.

Subd. 86. Greater Minnesota Family Medicine Residency Grant Program

\$1,000,000 in fiscal year 2026 and \$1,000,000 in fiscal year 2027 are from the health care access fund for the greater Minnesota family medicine residency grant program, under Minnesota Statutes, section 144.1912.

Subd. 87. Summer Health Care Interns

\$300,000 in fiscal year 2026 and \$300,000 in fiscal year 2027 are from the health care access fund for Summer Health Care Interns, under Minnesota Statutes, section 144.1464.

Subd. 88. National Health Service Match; Federal NHSC Match Grants

\$100,000 in fiscal year 2026 and \$100,000 in fiscal year 2027 are from the health care access fund for National Health Service Match; Federal NHSC Match Grants.

Subd. 89. Federally Qualified Health Centers

\$219,000 in fiscal year 2026 and \$219,000 in fiscal year 2027 are from the health care access fund for Federally Qualified Health Centers, under Minnesota Statutes, section 144.9269.

Subd. 90. International Medical Graduates Assistance Program

\$867,000 in fiscal year 2026 and \$867,000 in fiscal year 2027 are from the health care access fund for the international medical graduates assistance program, under Minnesota Statutes, section 144.1911.

Subd. 91. Health Care Grants for the Uninsured; Dental Providers

\$63,000 in fiscal year 2026 and \$63,000 in fiscal year 2027 are from the health care access fund for Health Care Grants for the Uninsured; Dental providers, under Minnesota Statutes, section 145.929, subdivision 1.

Subd. 92. Health Care Grants for the Uninsured; Community Mental Health Programs

\$219,000 in fiscal year 2026 and \$219,000 in fiscal year 2027 are from the health care access fund for the health care grants for the uninsured; community mental health programs, under Minnesota Statutes, section 145.929, subdivision 2.

Subd. 93. Health Care Grants for the Uninsured; Emergency Medical Assistance Outlier Grant Program

\$725,000 in fiscal year 2026 and \$725,000 in fiscal year 2027 are from the health care access fund for the health care grants for the uninsured; emergency medical assistance outlier grant program, under Minnesota Statutes, section 145.929, subdivision 3."

Page 622, line 25, delete "14" and insert "94"

Page 623, after line 6, insert:

"Subd. 3. Lead Abatement Program

\$479,000 in fiscal year 2026 and \$479,000 in fiscal year 2027 are from the general fund for the lead abatement program, under Minnesota Statutes, section 144.9512.

Subd. 4. Healthy Housing Grants

\$240,000 in fiscal year 2026 and \$240,000 in fiscal year 2027 are from the general fund for Healthy Housing Grants, under Minnesota Statutes, section 144.9513.

Subd. 5. Lead Remediation in School and Child Care Settings Grant Program

\$239,000 in fiscal year 2026 and \$239,000 in fiscal year 2027 are from the general fund for lead remediation in school and child care settings grant program, under Minnesota Statutes, section 145.9275.

Subd. 6. Refugee Health and TB Grants

\$245,000 in fiscal year 2026 and \$245,000 in fiscal year 2027 are from the general fund for Refugee Health and TB Grants.

Subd. 7. HIV Prevention Grants

\$1,281,000 in fiscal year 2026 and \$1,281,000 in fiscal year 2027 are from the general fund for HIV Prevention Grants, under Minnesota Statutes, section 145.924.

Subd. 8. Tuberculosis Grants

\$115,000 in fiscal year 2026 and \$115,000 in fiscal year 2027 are from the general fund for Tuberculosis Grants.

Subd. 9. Comprehensive Drug Overdose and Morbidity Prevention Act

\$960,000 in fiscal year 2026 and \$960,000 in fiscal year 2027 are from the general fund for the comprehensive drug overdose and morbidity prevention act, under Minnesota Statutes, section 144.0528."

Renumber the subdivisions in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|----------|------------|----------|---------|-----------|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Farnsworth | Johnson | Mathews | Weber |
| Coleman | Green | Koran | Miller | Wesenberg |
| Dahms | Gruenhagen | Kreun | Nelson | Westrom |
| Dornink | Heintzeman | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth, Housley, Howe, and Johnson.

Those who voted in the negative were:

| | | | | |
|------------|-----------------|------------|----------------|-----------|
| Boldon | Frentz | Kunesh | Mitchell | Putnam |
| Carlson | Gustafson | Kupec | Mohamed | Rest |
| Champion | Hauschild | Latz | Murphy | Seeberger |
| Clark | Hawj | Mann | Oumou Verbeten | Westlin |
| Cwodzinski | Hoffman | Marty | Pappas | Wiklund |
| Dibble | Johnson Stewart | Maye Quade | Pha | Xiong |
| Fateh | Klein | McEwen | Port | |

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Fateh, Hawj, Johnson Stewart, Marty, McEwen, Murphy, Pappas, Pha, Port, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Rasmusson moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A28):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 249, after line 6, insert:

"Sec. 21. Minnesota Statutes 2024, section 256L.04, subdivision 10, is amended to read:

Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is ~~available~~ limited to citizens or nationals of the United States; ~~and lawfully present noncitizens as defined in Code of Federal Regulations, title 45, section 155.20; and~~ undocumented noncitizens are ineligible for MinnesotaCare. For purposes of this subdivision, an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services. Families with children who are citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) Notwithstanding subdivisions 1 and 7, eligible persons include families and individuals who are lawfully present and ineligible for medical assistance by reason of immigration status and who have incomes equal to or less than 200 percent of federal poverty guidelines; ~~except that these persons may be eligible for emergency medical assistance under section 256B.06, subdivision 4.~~

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

Page 600, line 33, delete "\$106,426,000" and insert "\$88,917,000" and delete "\$170,050,000" and insert "\$112,361,000"

Page 601, line 4, delete "987,365,000" and insert "969,856,000" and delete "1,189,017,000" and insert "1,131,328,000"

Page 601, line 5, delete "1,150,775,000" and insert "1,168,284,000" and delete "1,033,813,000" and insert "1,091,502,000"

Page 601, line 7, delete "\$1,005,182,000" and insert "\$1,065,089,000"

Page 601, line 8, delete "\$1,007,298,000" and insert "\$1,069,132,000"

Page 602, delete line 3 and insert:

"Subdivision 1. Early Episode of Bipolar Disorder Grants"

Page 602, after line 7, insert:

"Subd. 2. Mobile Crisis Grants"

\$7,000,000 in fiscal year 2026 and \$7,000,000 in fiscal year 2027 are for mobile crisis grants under Minnesota Statutes, sections 245.4661, subdivision 9, paragraph (b), clause (15), and 245.4889, subdivision 1, paragraph (b), clause (4)."

Page 603, lines 3 and 4, delete "\$22,576,000" and insert "\$27,576,000"

Correct the subdivision and section totals and the appropriations by fund

Page 606, after line 3, insert:

"Sec. 27. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; RATE INCREASE FOR MENTAL HEALTH PRACTITIONERS AND PROFESSIONALS."

The commissioner of human services, within the cumulative amount of \$51,198,000 appropriated from the general fund in the biennium for fiscal years 2026 and 2027 and \$97,741,000 appropriated from the general fund in the biennium for fiscal years 2028 and 2029, must raise rates for mental health practitioners, as defined in Minnesota Statutes, section 245.462, subdivision 17, and mental health professionals, as defined in Minnesota Statutes, section 245.462, subdivision 18."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|----------|------------|----------|---------|-----------|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Farnsworth | Johnson | Mathews | Weber |
| Coleman | Green | Koran | Miller | Wesenberg |
| Dahms | Gruenhagen | Kreun | Nelson | Westrom |
| Dornink | Heintzeman | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth, Howe, and Johnson.

Those who voted in the negative were:

| | | | | |
|------------|-----------------|------------|----------------|-----------|
| Boldon | Frentz | Kunesh | Mitchell | Putnam |
| Carlson | Gustafson | Kupec | Mohamed | Rest |
| Champion | Hauschild | Latz | Murphy | Seeberger |
| Clark | Hawj | Mann | Oumou Verbeten | Westlin |
| Cwodzinski | Hoffman | Marty | Pappas | Wiklund |
| Dibble | Johnson Stewart | Maye Quade | Pha | Xiong |
| Fateh | Klein | McEwen | Port | |

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Fateh, Hawj, Marty, McEwen, Murphy, Pappas, Pha, Port, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Gruenhagen moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A12):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 249, after line 6, insert:

"Sec. 21. Minnesota Statutes 2024, section 256L.04, subdivision 10, is amended to read:

Subd. 10. **Citizenship requirements.** (a) Eligibility for MinnesotaCare is ~~available~~ limited to citizens or nationals of the United States; and lawfully present noncitizens as defined in Code of Federal Regulations, title 45, section 155.20; ~~and~~ Undocumented noncitizens are ineligible for MinnesotaCare. For purposes of this subdivision, an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services. Families with children who are citizens or nationals of the United States must cooperate in obtaining satisfactory documentary evidence of citizenship or nationality according to the requirements of the federal Deficit Reduction Act of 2005, Public Law 109-171.

(b) Notwithstanding subdivisions 1 and 7, eligible persons include families and individuals who are lawfully present and ineligible for medical assistance by reason of immigration status and who have incomes equal to or less than 200 percent of federal poverty guidelines; ~~except that these persons may be eligible for emergency medical assistance under section 256B.06, subdivision 4.~~

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

Page 600, line 33, delete "106,426,000" and insert "88,917,000" and delete "170,050,000" and insert "112,361,000"

Page 601, line 4, delete "987,365,000" and insert "969,856,000" and delete "1,189,017,000" and insert "1,131,328,000"

Page 601, line 5, delete "1,150,775,000" and insert "1,168,284,000" and delete "1,033,813,000" and insert "1,091,502,000"

Page 601, line 7, delete "\$1,005,182,000" and insert "\$1,065,089,000"

Page 601, line 8, delete "\$1,007,298,000" and insert "\$1,069,132,000"

Page 602, delete line 3 and insert:

"Subdivision 1. Early Episode of Bipolar Disorder Grants"

Page 602, after line 7, insert:

"Subd. 2. Mobile Crisis Grants"

\$7,000,000 in fiscal year 2026 and \$7,000,000 in fiscal year 2027 are for mobile crisis grants under Minnesota Statutes, sections 245.4661, subdivision 9, paragraph (b), clause (15), and 245.4889, subdivision 1, paragraph (b), clause (4)."

Page 603, lines 3 and 4, delete "\$22,576,000" and insert "\$27,576,000"

Correct the subdivision and section totals and the appropriations by fund

Page 606, after line 3, insert:

"Sec. 27. DIRECTION TO COMMISSIONER OF HUMAN SERVICES; RATE INCREASE FOR MENTAL HEALTH PRACTITIONERS AND PROFESSIONALS."

The commissioner of human services, within the cumulative amount of \$51,198,000 appropriated from the general fund in the biennium for fiscal years 2026 and 2027 and \$97,741,000 appropriated from the general fund in the biennium for fiscal years 2028 and 2029, must raise rates for mental health practitioners, as defined in Minnesota Statutes, section 245.462, subdivision 17, and mental health professionals, as defined in Minnesota Statutes, section 245.462, subdivision 18."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|----------|------------|----------|---------|-----------|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Farnsworth | Johnson | Mathews | Weber |
| Coleman | Green | Koran | Miller | Wesenberg |
| Dahms | Gruenhagen | Kreun | Nelson | Westrom |
| Dornink | Heintzeman | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth, Howe, and Johnson.

Those who voted in the negative were:

| | | | | |
|------------|-----------------|------------|----------------|-----------|
| Boldon | Frentz | Kupec | Mohamed | Rest |
| Carlson | Gustafson | Latz | Murphy | Seeberger |
| Champion | Hawj | Mann | Oumou Verbeten | Westlin |
| Clark | Hoffman | Marty | Pappas | Wiklund |
| Cwodzinski | Johnson Stewart | Maye Quade | Pha | Xiong |
| Dibble | Klein | McEwen | Port | |
| Fateh | Kunesh | Mitchell | Putnam | |

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Fateh, Hawj, Marty, McEwen, Mohamed, Murphy, Port, Seeberger, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Klein moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A50):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 5, line 17, delete "nonemergency services" and insert "the following when"

Page 5, line 18, delete ", including" and insert ": (1)"

Page 5, line 19, delete the period and insert ", when the patient is located outside the facility; and (2) the provision of preventive items and services, as defined in section 62Q.46, subdivision 1."

Page 5, delete subdivision 3

Renumber the subdivisions in sequence

Page 12, line 11, after "2026" insert ", except that subdivision 2 is effective January 1, 2027"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 59 and nays 8, as follows:

Those who voted in the affirmative were:

| | | | | |
|----------|------------|------------|------------|------------|
| Abeler | Champion | Dibble | Frentz | Heintzeman |
| Anderson | Clark | Dornink | Green | Hoffman |
| Bahr | Coleman | Draheim | Gruenhagen | Housley |
| Boldon | Cwodzinski | Farnsworth | Gustafson | Howe |
| Carlson | Dahms | Fateh | Hawj | Jasinski |

| | | | | |
|-----------------|------------|----------------|-----------|---------|
| Johnson | Latz | Miller | Pha | Utke |
| Johnson Stewart | Lieske | Mitchell | Port | Weber |
| Klein | Limmer | Mohamed | Pratt | Westlin |
| Koran | Mann | Murphy | Putnam | Westrom |
| Kreun | Marty | Nelson | Rarick | Wiklund |
| Kunesh | Maye Quade | Oumou Verbeten | Rest | Xiong |
| Lang | McEwen | Pappas | Seeberger | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Clark, Fateh, Gustafson, Marty, McEwen, Murphy, Port, Westlin, and Xiong.

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Howe and Johnson.

Those who voted in the negative were:

| | | | |
|------------|-----------|---------|-----------|
| Drazkowski | Hauschild | Lucero | Rasmusson |
| Duckworth | Kupec | Mathews | Wesenberg |

Pursuant to Rule 40, Senator Jasinski cast the negative vote on behalf of the following Senator: Duckworth.

The motion prevailed. So the amendment was adopted.

Senator Dahms moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A-8):

(The text of the amended House File is identical to S.F. No. 2669.)

Pages 581 to 584, delete sections 1 to 5

Page 592, delete section 16

Page 594, delete sections 20 and 21

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|----------|------------|----------|---------|-----------|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Farnsworth | Johnson | Mathews | Weber |
| Coleman | Green | Koran | Miller | Wesenberg |
| Dahms | Gruenhagen | Kreun | Nelson | Westrom |
| Dornink | Heintzeman | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Jasinski cast the affirmative vote on behalf of the following Senators: Duckworth, Howe, and Johnson.

Those who voted in the negative were:

| | | | | |
|------------|-----------------|------------|----------------|-----------|
| Boldon | Frentz | Kunesh | Mitchell | Putnam |
| Carlson | Gustafson | Kupec | Mohamed | Rest |
| Champion | Hauschild | Latz | Murphy | Seeberger |
| Clark | Hawj | Mann | Oumou Verbeten | Westlin |
| Cwodzinski | Hoffman | Marty | Pappas | Wiklund |
| Dibble | Johnson Stewart | Maye Quade | Pha | Xiong |
| Fateh | Klein | McEwen | Port | |

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Dibble, Fateh, Johnson Stewart, Marty, McEwen, Murphy, Port, Westlin, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Drazkowski moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A22):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 237, after line 12, insert:

"Sec. 16. Minnesota Statutes 2024, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and section 256L.12 shall be entered into or renewed on a calendar year basis. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

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

(c) The commissioner shall withhold five percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions when available or applicable to the populations served, and must be developed with input from external clinical experts and stakeholders, including managed care plans, county-based purchasing plans, and providers. The managed care or county-based purchasing plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics

of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23.

(d) The commissioner shall require that managed care plans:

(1) use the assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies consistent with medical assistance fee-for-service or the Department of Human Services contract requirements for all personal care assistance services under section 256B.0659 and community first services and supports under section 256B.85;

(2) by January 30 of each year that follows a rate increase for any aspect of services under section 256B.0659 or 256B.85, inform the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over rates determined under section 256B.851 of the amount of the rate increase that is paid to each personal care assistance provider agency with which the plan has a contract; and

(3) use a six-month timely filing standard and provide an exemption to the timely filing timeliness for the resubmission of claims where there has been a denial, request for more information, or system issue.

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

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

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

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

~~(i)~~ (h) The return of the withhold under ~~paragraphs~~ paragraph (e) and (f) is not subject to the requirements of paragraph (c).

~~(j)~~ (i) Managed care plans and county-based purchasing plans shall maintain current and fully executed agreements for all subcontractors, including bargaining groups, for administrative services that are expensed to the state's public health care programs. Subcontractor agreements determined to be material, as defined by the commissioner after taking into account state contracting and relevant

statutory requirements, must be in the form of a written instrument or electronic document containing the elements of offer, acceptance, consideration, payment terms, scope, duration of the contract, and how the subcontractor services relate to state public health care programs. Upon request, the commissioner shall have access to all subcontractor documentation under this paragraph. Nothing in this paragraph shall allow release of information that is nonpublic data pursuant to section 13.02.

(j) Effective for services provided on or after January 1, 2026, through December 31, 2026, the commissioner shall withhold two percent of the capitation payment provided to managed care plans under this section and county-based purchasing plans under section 256B.692, for each medical assistance enrollee. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year for capitation payments for enrollees for whom the plan submitted to the commissioner a verification of coverage form completed and signed by the enrollee. The verification of coverage form must be developed by the commissioner and made available to managed care and county-based purchasing plans. The form must require the enrollee to provide the enrollee's name and street address and the name of the managed care or county-based purchasing plan selected by or assigned to the enrollee. The form must include a signature block that allows the enrollee to attest that the information provided is accurate; the enrollee is not enrolled in, or has provided all requested information to the commissioner regarding the enrollee's participation in a group health plan, individual market plan, or medical assistance plan in a different state; and the enrollee meets the applicable eligibility requirements under section 256B.056. A plan must request that all enrollees complete the verification of coverage form, and must submit all completed forms to the commissioner by February 28, 2026. If a completed form for an enrollee is not received by the commissioner by that date:

(1) the commissioner shall not return funds to the plan withheld for that enrollee;

(2) the commissioner shall cease making capitation payments to the plan for that enrollee, effective for the April 2026 coverage month; and

(3) the commissioner shall disenroll the enrollee from medical assistance, subject to any enrollee appeal.

(k) By January 1, 2027, and every two years thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees on health and human services finance and policy on the state's compliance with federal and state eligibility requirements for individuals enrolled in the medical assistance and MinnesotaCare programs. The report mandate under this paragraph is not subject to section 256.01, subdivision 42, and does not expire. The report must analyze:

(1) the number of individuals that received benefits under the medical assistance and MinnesotaCare programs that were ineligible for such benefits;

(2) the amount of benefits provided to individuals under the medical assistance and MinnesotaCare programs that were ineligible for such benefits;

(3) the commissioner's compliance with the redetermination of eligibility requirements in sections 256B.056, subdivisions 7 and 7a, and 256L.05, subdivision 3a; and

(4) the number of enrollees disenrolled from the medical assistance program pursuant to paragraph (j), clause (3)."

Pages 249 to 250, delete sections 22 to 26

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|----------|------------|----------|---------|-----------|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Farnsworth | Johnson | Mathews | Weber |
| Coleman | Green | Koran | Miller | Wesenberg |
| Dahms | Gruenhagen | Kreun | Nelson | Westrom |
| Dornink | Heintzeman | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Duckworth, Howe, Jasinski, and Johnson.

Those who voted in the negative were:

| | | | | |
|------------|-----------------|------------|----------------|-----------|
| Boldon | Frentz | Kunesh | Mitchell | Putnam |
| Carlson | Gustafson | Kupec | Mohamed | Rest |
| Champion | Hauschild | Latz | Murphy | Seeberger |
| Clark | Hawj | Mann | Oumou Verbeten | Westlin |
| Cwodzinski | Hoffman | Marty | Pappas | Wiklund |
| Dibble | Johnson Stewart | Maye Quade | Pha | Xiong |
| Fateh | Klein | McEwen | Port | |

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Dibble, Fateh, Johnson Stewart, Latz, Marty, McEwen, Murphy, Port, Putnam, and Xiong.

The motion did not prevail. So the amendment was not adopted.

Senator Abeler moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A11):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 257, after line 19, insert:

"Sec. 33. **PROGRAM FOR AMBULANCE SERVICE PROVIDER FUNDING.**

The commissioner of human services may implement a voluntary program to increase funding to ambulance service providers licensed under Minnesota Statutes, chapter 144E, for services delivered to enrollees of fee-for-service medical assistance and medical assistance delivered by managed care and county-based purchasing plans. In developing the program, the commissioner of human services must consider a range of approaches, including but not limited to intergovernmental

transfer and certified public expenditure programs, as allowed under Code of Federal Regulations, title 42, section 433.51. The program must supplement, and not supplant or replace, any existing programs operated by the commissioner of human services to increase funding to ambulance service providers."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

| | | | | |
|------------|------------|-----------------|----------------|-----------|
| Abeler | Duckworth | Johnson | Mathews | Rasmusson |
| Anderson | Farnsworth | Johnson Stewart | Maye Quade | Rest |
| Bahr | Fatch | Klein | McEwen | Seeberger |
| Boldon | Frentz | Koran | Miller | Utke |
| Carlson | Green | Kreun | Mitchell | Weber |
| Champion | Gruenhagen | Kunesh | Mohamed | Wesenberg |
| Clark | Gustafson | Kupec | Murphy | Westlin |
| Coleman | Hauschild | Lang | Oumou Verbeten | Westrom |
| Cwodzinski | Hawj | Latz | Pappas | Wiklund |
| Dahms | Heintzeman | Lieske | Pha | Xiong |
| Dibble | Hoffman | Limmer | Port | |
| Dornink | Housley | Lucero | Pratt | |
| Draheim | Howe | Mann | Putnam | |
| Drazkowski | Jasinski | Marty | Rarick | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Dibble, Fatch, Johnson Stewart, Marty, McEwen, Port, Putnam, and Xiong.

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Duckworth, Howe, Jasinski, and Johnson.

The motion prevailed. So the amendment was adopted.

Senator Abeler moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A-4):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 104, line 7, delete "must not exceed" and insert "are"

Page 104, line 18, delete "must not"

Page 104, line 19, delete "exceed" and insert "are"

Page 105, lines 4 and 13, delete "must not exceed" and insert "are"

Page 105, line 23, delete "an amount not to exceed"

Page 106, line 9, delete "must not exceed" and insert "are"

The motion prevailed. So the amendment was adopted.

Senator Abeler moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A-1):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 459, after line 5, insert:

"Section 1. Minnesota Statutes 2024, section 142A.609, subdivision 11, is amended to read:

Subd. 11. **Treatment of Supplemental Security Income.** (a) If a child placed in foster care receives benefits through Supplemental Security Income (SSI) at the time of foster care placement or subsequent to placement in foster care, the financially responsible agency may only apply to be the payee for the child for the duration of the child's placement in foster care when the court has ordered the financially responsible agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative or to file a termination of parental rights petition under section 260C.204, paragraph (e), clause (2) or (3); ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521; or approved the continued voluntary foster care placement for the child under section 260D.07. If a child continues to be eligible for SSI after finalization of the adoption or transfer of permanent legal and physical custody and is determined to be eligible for a payment under Northstar Care for Children, a permanent caregiver may choose to receive payment from both programs simultaneously. The permanent caregiver is responsible to report the amount of the payment to the Social Security Administration and the SSI payment will be reduced as required by the Social Security Administration.

(b) If a financially responsible agency applies to be the payee for a child who receives benefits through SSI, or receives the benefits under this subdivision on behalf of a child, the financially responsible agency must provide written notice by certified mail, return receipt requested to:

(1) the child, if the child is 13 years of age or older;

(2) the child's parent, guardian, or custodian or if there is no legal parent or custodian the child's relative selected by the agency;

(3) the guardian ad litem;

(4) the legally responsible agency; and

(5) the counsel appointed for the child pursuant to section 260C.163, subdivision 3.

(c) If a financially responsible agency receives benefits under this subdivision on behalf of a child 13 years of age or older, the legally responsible agency and the guardian ad litem must disclose this information to the child in person in a manner that best helps the child understand the information. This paragraph does not apply in circumstances where the child is living outside of Minnesota.

(d) If a financially responsible agency receives the benefits under this subdivision on behalf of a child, it cannot use those funds for any other purpose than the care of that child. The financially

responsible agency must not commingle any benefits received under this subdivision and must not put the benefits received on behalf of a child under this subdivision into a general fund.

(e) If a financially responsible agency receives any benefits under this subdivision, it must keep a record of:

- (1) the total dollar amount it received on behalf of all children it receives benefits for;
- (2) the total number of children it applied to be a payee for; and
- (3) the total number of children it received benefits for.

(f) By July 1, 2025, and each July 1 thereafter, each financially responsible agency must submit a report to the commissioner of children, youth, and families that includes the information required under paragraph (e). By September 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over child protection that compiles the information provided to the commissioner by each financially responsible agency under paragraph (e); subdivision 12, paragraph (e); and section 260C.331, subdivision 7, paragraph (d). This paragraph expires January 31, 2034.

Sec. 2. Minnesota Statutes 2024, section 142A.609, subdivision 12, is amended to read:

Subd. 12. Treatment of Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; and black lung benefits. (a) If a child placed in foster care receives Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; or black lung benefits at the time of foster care placement or subsequent to placement in foster care, the financially responsible agency may only apply to be the payee for the child for the duration of the child's placement in foster care when the court has ordered the financially responsible agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative or to file a termination of parental rights petition under section 260C.204, paragraph (e), clause (2) or (3); ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521; or approved the continued voluntary foster care placement for the child under section 260D.07. If it is anticipated that a child will be eligible to receive Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; or black lung benefits after finalization of the adoption or assignment of permanent legal and physical custody, the permanent caregiver shall apply to be the payee of those benefits on the child's behalf.

(b) If the financially responsible agency applies to be the payee for a child who receives Retirement, Survivors, and Disability Insurance; veteran's benefits; railroad retirement benefits; or black lung benefits, or receives the benefits under this subdivision on behalf of a child, the financially responsible agency must provide written notice by certified mail, return receipt requested to:

- (1) the child, if the child is 13 years of age or older;
- (2) the child's parent, guardian, or custodian or if there is no legal parent or custodian the child's relative selected by the agency;
- (3) the guardian ad litem;

(4) the legally responsible agency; and

(5) the counsel appointed for the child pursuant to section 260C.163, subdivision 3.

(c) If a financially responsible agency receives benefits under this subdivision on behalf of a child 13 years of age or older, the legally responsible agency and the guardian ad litem must disclose this information to the child in person in a manner that best helps the child understand the information. This paragraph does not apply in circumstances where the child is living outside of Minnesota.

(d) If a financially responsible agency receives the benefits under this subdivision on behalf of a child, it cannot use those funds for any other purpose than the care of that child. The financially responsible agency must not commingle any benefits received under this subdivision and must not put the benefits received on behalf of a child under this subdivision into a general fund.

(e) If a financially responsible agency receives any benefits under this subdivision, it must keep a record of:

(1) the total dollar amount it received on behalf of all children it receives benefits for;

(2) the total number of children it applied to be a payee for; and

(3) the total number of children it received benefits for.

(f) By July 1, 2025, and each July 1 thereafter, each financially responsible agency must submit a report to the commissioner of children, youth, and families that includes the information required under paragraph (e)."

Page 482, after line 2, insert:

"Sec. 25. Minnesota Statutes 2024, section 260C.331, subdivision 1, is amended to read:

Subdivision 1. **Care, examination, or treatment.** (a) Except where parental rights are terminated, the following costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court:

(1) whenever legal custody of a child is transferred by the court to a responsible social services agency;

(2) whenever legal custody is transferred to a person other than the responsible social services agency, but under the supervision of the responsible social services agency; or

(3) whenever a child is given physical or mental examinations or treatment under order of the court, and no provision is otherwise made by law for payment for the care, examination, or treatment of the child, ~~these costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court.~~

(b) The court may order, and the responsible social services agency may require, the parents or custodian of a child, while the child is under the age of 18, to use income and resources attributable to the child for the period of care, examination, or treatment, except for clothing and personal needs

allowance as provided in section 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income and resources attributable to the child include, but are not limited to, Social Security benefits, Supplemental Security Income (SSI), veterans benefits, railroad retirement benefits, and child support for the child. When the child is over the age of 18, and continues to receive care, examination, or treatment, the court may order, and the responsible social services agency may require, reimbursement from the child for the cost of care, examination, or treatment from the income and resources attributable to the child less the clothing and personal needs allowance. Income does not include earnings from a child over the age of 18 who is working as part of a plan under section 260C.212, subdivision 1, paragraph (c), clause (12), to transition from foster care, or the income and resources that are needed to complete the requirements listed in section 260C.203. The responsible social services agency shall determine whether requiring reimbursement, either through child support or parental fees, for the cost of care, examination, or treatment from the parents or custodian of a child is in the child's best interests. In determining whether to require reimbursement, the responsible social services agency shall consider:

(1) whether requiring reimbursement would compromise the parent's ability to meet the requirements of the reunification plan;

(2) whether requiring reimbursement would compromise the parent's ability to meet the child's needs after reunification; and

(3) whether redirecting existing child support payments or changing the representative payee of ~~social security~~ federal benefits to the responsible social services agency would limit the parent's ability to maintain financial stability for the child.

(c) If the income and resources attributable to the child are not enough to reimburse the county for the full cost of the care, examination, or treatment, the court may inquire into the ability of the parents to reimburse the county for the cost of care, examination, or treatment and, after giving the parents a reasonable opportunity to be heard, the court may order, and the responsible social services agency may require, the parents to contribute to the cost of care, examination, or treatment of the child. When determining the amount to be contributed by the parents, the court shall use a fee schedule based upon ability to pay that is established by the responsible social services agency and approved by the commissioner of children, youth, and families. The income of a stepparent who has not adopted a child shall be excluded in calculating the parental contribution under this section. In determining whether to require reimbursement, the responsible social services agency shall consider:

(1) whether requiring reimbursement would compromise the parent's ability to meet the requirements of the reunification plan;

(2) whether requiring reimbursement would compromise the parent's ability to meet the child's needs after reunification; and

(3) whether requiring reimbursement would compromise the parent's ability to meet the needs of the family.

(d) If the responsible social services agency determines that reimbursement is in the child's best interests, the court shall order the amount of reimbursement attributable to the parents or custodian,

or attributable to the child, or attributable to both sources, withheld under chapter 518A from the income of the parents or the custodian of the child. A parent or custodian who fails to pay without good reason may be proceeded against for contempt, or the court may inform the county attorney, who shall proceed to collect the unpaid sums, or both procedures may be used.

(e) If the court orders a physical or mental examination for a child, the examination is a medically necessary service for purposes of determining whether the service is covered by a health insurance policy, health maintenance contract, or other health coverage plan. Court-ordered treatment shall be subject to policy, contract, or plan requirements for medical necessity. Nothing in this paragraph changes or eliminates benefit limits, conditions of coverage, co-payments or deductibles, provider restrictions, or other requirements in the policy, contract, or plan that relate to coverage of other medically necessary services.

(f) Notwithstanding paragraph (b), (c), or (d), a parent, custodian, or guardian of the child is not required to use income and resources attributable to the child to reimburse the county for costs of care and is not required to contribute to the cost of care of the child during any period of time when the child is returned to the home of that parent, custodian, or guardian pursuant to a trial home visit under section 260C.201, subdivision 1, paragraph (a).

(g) The responsible social services agency may only apply to be the representative payee for the child's federal benefits under paragraph (b) when the court has ordered the agency to develop a plan for the transfer of permanent legal and physical custody of the child to a relative or to file a termination of parental rights petition under section 260C.204, paragraph (e), clause (2) or (3); ordered the child permanently placed away from the parent under sections 260C.503 to 260C.521; or approved the continued voluntary foster care placement for the child under section 260D.07."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Maye Quade moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A53):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 581, after line 31, insert:

"Sec. 2. [62Q.60] COVERAGE OF INFERTILITY TREATMENT.

Subdivision 1. **Scope.** This section applies to all large group health plans that provide maternity benefits to Minnesota residents. This section only applies to large group health plans.

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

(b) "Diagnosis of and treatment for infertility" means procedures and medications:

(1) to diagnose or treat infertility; and

(2) consistent with established, published, or approved medical practices or professional guidelines from the American College of Obstetricians and Gynecologists or the American Society for Reproductive Medicine.

(c) "Infertility" means a disease, condition, or status characterized by:

(1) the failure of a person with a uterus to establish a pregnancy or to carry a pregnancy to live birth after the following duration of unprotected sexual intercourse, regardless of whether a pregnancy resulted in miscarriage during such time:

(i) for a person under the age of 35, 12 months duration; or

(ii) for a person 35 years of age or older, six months duration;

(2) a person's inability to reproduce without medical intervention either as a single individual or with the person's partner; or

(3) a licensed health care provider's determination that a patient is infertile based on the patient's medical, sexual, and reproductive history; age; physical findings; or diagnostic testing.

(d) "Standard fertility preservation services" means procedures that are consistent with the established medical practices or professional guidelines published by the American Society for Reproductive Medicine or the American Society of Clinical Oncology for a person who has a medical condition or is expected to undergo medication therapy, surgery, radiation, chemotherapy, or other medical treatment that is recognized by medical professionals to cause a risk of impairment to fertility.

Subd. 3. **Required coverage.** (a) Health plans must provide comprehensive coverage for:

(1) diagnosis of and treatment for infertility; and

(2) standard fertility preservation services.

(b) Coverage under this section must include unlimited embryo transfers, but may impose a limit of four completed oocyte retrievals. Single embryo transfer must be used when medically appropriate and recommended by the treating health care provider.

(c) Coverage for surgical reversal of elective sterilization is not required under this section.

Subd. 4. **Cost-sharing requirements.** A health plan must not impose on the coverage under this section any cost-sharing requirement that is greater than the cost-sharing requirement imposed on maternity coverage under the plan, including but not limited to the following requirements:

(1) co-payment;

(2) deductible; or

(3) coinsurance.

Subd. 5. **Exclusions and limitations.** (a) A health plan must not impose any benefit maximum, waiting period, utilization review, referral requirement, or any other limitation on the coverage under this section, except as provided in subdivision 3, paragraphs (b) and (c), that is not generally applicable to maternity coverage under the health plan.

(b) The prohibition under this subdivision includes but is not limited to any exclusion, limitation, or other restriction on:

(1) fertility medications that are different from those imposed on other prescription medications; and

(2) any fertility services based on an enrollee's participation in fertility services provided by or to a third party.

EFFECTIVE DATE. This section is effective January 1, 2026, and applies to all health plans issued or renewed on or after that date.

Sec. 3. Minnesota Statutes 2024, section 62Q.679, is amended to read:

62Q.679 RELIGIOUS OBJECTIONS.

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Closely held for-profit entity" means an entity that is not a nonprofit entity, has more than 50 percent of the value of its ownership interest owned directly or indirectly by five or fewer owners, and has no publicly traded ownership interest. For purposes of this paragraph:

(1) ownership interests owned by a corporation, partnership, limited liability company, estate, trust, or similar entity are considered owned by that entity's shareholders, partners, members, or beneficiaries in proportion to their interest held in the corporation, partnership, limited liability company, estate, trust, or similar entity;

(2) ownership interests owned by a nonprofit entity are considered owned by a single owner;

(3) ownership interests owned by all individuals in a family are considered held by a single owner. For purposes of this clause, "family" means brothers and sisters, including half-brothers and half-sisters, a spouse, ancestors, and lineal descendants; and

(4) if an individual or entity holds an option, warrant, or similar right to purchase an ownership interest, the individual or entity is considered to be the owner of those ownership interests.

(c) "Eligible organization" means an organization that opposes covering some or all health benefits under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60 on account of religious objections and that is:

(1) organized as a nonprofit entity and holds itself out to be religious; or

(2) organized and operates as a closely held for-profit entity, and the organization's owners or highest governing body has adopted, under the organization's applicable rules of governance and

consistent with state law, a resolution or similar action establishing that the organization objects to covering some or all health benefits under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60 on account of the owners' sincerely held religious beliefs.

(d) "Exempt organization" means an organization that is organized and operates as a nonprofit entity and meets the requirements of section 6033(a)(3)(A)(i) or (iii) of the Internal Revenue Code of 1986, as amended.

Subd. 2. Exemption. (a) An exempt organization is not required to provide coverage under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60 if the exempt organization has religious objections to the coverage. An exempt organization that chooses to not provide coverage pursuant to this paragraph must notify employees as part of the hiring process and must notify all employees at least 30 days before:

- (1) an employee enrolls in the health plan; or
- (2) the effective date of the health plan, whichever occurs first.

(b) If the exempt organization provides partial coverage under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60, the notice required under paragraph (a) must provide a list of the portions of such coverage which the organization refuses to cover.

Subd. 3. Accommodation for eligible organizations. (a) A health plan established or maintained by an eligible organization complies with the coverage requirements of section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60, with respect to the health benefits identified in the notice under this paragraph, if the eligible organization provides notice to any health plan company with which the eligible organization contracts that it is an eligible organization and that the eligible organization has a religious objection to coverage for all or a subset of the health benefits under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60.

(b) The notice from an eligible organization to a health plan company under paragraph (a) must include: (1) the name of the eligible organization; (2) a statement that it objects to coverage for some or all of the health benefits under section 62Q.522, 62Q.524, ~~or~~ 62Q.585, or 62Q.60, including a list of the health benefits to which the eligible organization objects, if applicable; and (3) the health plan name. The notice must be executed by a person authorized to provide notice on behalf of the eligible organization.

(c) An eligible organization must provide a copy of the notice under paragraph (a) to prospective employees as part of the hiring process and to all employees at least 30 days before:

- (1) an employee enrolls in the health plan; or
- (2) the effective date of the health plan, whichever occurs first.

(d) A health plan company that receives a copy of the notice under paragraph (a) with respect to a health plan established or maintained by an eligible organization must, for all future enrollments in the health plan:

(1) expressly exclude coverage for those health benefits identified in the notice under paragraph (a) from the health plan; and

(2) provide separate payments for any health benefits required to be covered under section 62Q.522, 62Q.524, ~~or 62Q.585~~, or 62Q.60 for enrollees as long as the enrollee remains enrolled in the health plan.

(e) The health plan company must not impose any cost-sharing requirements, including co-pays, deductibles, or coinsurance, or directly or indirectly impose any premium, fee, or other charge for the health benefits under section 62Q.522 on the enrollee. The health plan company must not directly or indirectly impose any premium, fee, or other charge for the health benefits under section 62Q.522, 62Q.524, ~~or 62Q.585~~, or 62Q.60 on the eligible organization or health plan.

(f) On January 1, 2025, and every year thereafter a health plan company must notify the commissioner, in a manner determined by the commissioner, of the number of eligible organizations granted an accommodation under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2026."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Klein questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Hauschild moved to amend the Klein (A50) amendment to H.F. No. 2435, adopted by the Senate May 14, 2025, as follows (A56):

Page 1, after line 3, insert:

"Page 5, line 16, before "Health" insert "(a)"

Page 1, after line 9, insert:

"Page 5, after line 19, insert:

"(b) Health care providers are prohibited from charging, billing, or collecting a facility fee directly from a patient for those services set forth in paragraph (a), clause (2)."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 31, as follows:

Those who voted in the affirmative were:

| | | | | |
|----------|------------|------------|----------|--------|
| Abeler | Dornink | Green | Housley | Kreun |
| Anderson | Draheim | Gruenhagen | Howe | Kupec |
| Bahr | Drazkowski | Hauschild | Jasinski | Lang |
| Coleman | Duckworth | Heintzeman | Johnson | Lieske |
| Dahms | Farnsworth | Hoffman | Koran | Limmer |

Lucero
Mathews
Miller

Nelson
Pratt
Rarick

Rasmusson
Utke
Weber

Wesenberg
Westrom

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Duckworth, Howe, Jasinski, and Johnson.

Those who voted in the negative were:

Boldon
Carlson
Champion
Clark
Cwodzinski
Dibble
Fateh

Frentz
Gustafson
Hawj
Johnson Stewart
Klein
Kunesh
Latz

Mann
Marty
Maye Quade
McEwen
Mitchell
Mohamed
Murphy

Oumou Verbeten
Pappas
Pha
Port
Putnam
Rest
Seeberger

Westlin
Wiklund
Xiong

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Fateh, Marty, McEwen, Murphy, Port, Putnam, Seeberger, and Xiong.

The motion prevailed. So the amendment was adopted.

Senator Hauschild moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A-7):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 85, after line 8, insert:

"Sec. 28. Minnesota Statutes 2024, section 144.1222, subdivision 2d, is amended to read:

Subd. 2d. **Hot-tubs Spa pools on rental houseboats property.** (a) For the purposes of this subdivision, "spa pool" has the meaning given in Minnesota Rules, part 4717.0250, subpart 9.

~~(a)~~ (b) Except as provided in paragraph (c), a hot-water spa pool intended for seated recreational use, including a hot tub or whirlpool, that is located on a houseboat that is rented to the public the property of a stand-alone, single-unit rental property, offered for rent by the property owner or through a resort, and only intended to be used by the occupants of the rental property:

(1) is not a public pool and;

(2) is exempt from the requirements for public pools under subdivisions 1 to 2c, 4, and 5 and Minnesota Rules, chapter 4717, except as otherwise provided in this paragraph; and

(3) may be used by renters so long as:

(i) the water temperature in the spa pool does not exceed 106 degrees Fahrenheit; and

(ii) prior to check-in by each new rental party, the resort or property owner tests the water in the spa pool for the concentration of chlorine or bromine, pH, and alkalinity, and the water in the spa pool meets the requirements for disinfection residue, pH, and alkalinity in Minnesota Rules, part 4717.1750, subparts 4, 5, and 6.

~~(b)~~ (c) A spa pool intended for seated recreational use, including a hot tub or whirlpool, that is located on a houseboat that is rented to the public:

(1) is not a public pool;

(2) is exempt from the requirements for public pools under subdivisions 1 to 2c, 4, and 5 and Minnesota Rules, chapter 4717; and

(3) is exempt from the requirements under paragraph (b), clause (3).

(d) A political subdivision must not adopt a local law, rule, or ordinance that prohibits the operation of, or establishes additional requirements for, a spa pool that meets the criteria in paragraph (b) or (c).

(e) A ~~hot water~~ spa pool under this subdivision must be conspicuously posted with the following notice and must be provided to renters upon check in:

"NOTICE

This spa is exempt from state and local anti-entrapment and sanitary requirements that prevent ~~disease transmission~~ waterborne diseases such as Legionnaires' disease, Pseudomonas folliculitis (hot tub rash), and chemical burns and is not subject to inspection.

USE AT YOUR OWN RISK

This notice is required under Minnesota Statutes, section 144.1222, subdivision 2d.""

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Rasmusson moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A57):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 63, after line 17, insert:

"Sec. 78. **EMERGENCY AMBULANCE SERVICE GRANTS.**

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

(b) "Ambulance service" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 3.

(c) "Capital expenses" means expenses that are incurred by a licensed ambulance service provider for the purchase, improvement, or maintenance of long-term assets to improve the efficiency or capability of the ambulance services, with an expected useful life of greater than five years.

(d) "Director" means the director of the Office of Emergency Medical Services.

(e) "EMS responses" means the number of responses provided within a primary service area during calendar year 2024 by the licensed ambulance service provider designated to serve the primary service area.

(f) "Licensed ambulance service provider" or "provider" means a natural person, partnership, association, corporation, Tribal government, or unit of government that possesses an ambulance service license under Minnesota Statutes, chapter 144E.

(g) "Metropolitan county" means a metropolitan county listed in Minnesota Statutes, section 473.121, subdivision 4.

(h) "Multiple license holder" means a licensed ambulance service provider, a licensed ambulance service provider's parent company, a subsidiary of the licensed ambulance service provider, or a subsidiary of the licensed ambulance service provider's parent company that collectively holds more than one license.

(i) "Nonexcluded license" means a license that is not excluded under subdivision 3 from receiving grants under this section.

(j) "Operational expenses" means costs related to personnel expenses, supplies and equipment, fuel, vehicle maintenance, travel, education, fundraising, and expenses associated with obtaining advanced life support intercepts.

(k) "Primary service area" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 10.

(l) "Response density" means the quotient of EMS responses divided by the square mileage of the primary service area.

(m) "Unit of government" means a county, a statutory or home rule charter city, or a township.

Subd. 2. **Excluded services.** The director must exclude EMS responses by a specialized life support service as described in Minnesota Statutes, section 144E.101, subdivision 9, when calculating EMS responses, response density, and grant payments under this section.

Subd. 3. **Certain multiple license holders excluded.** (a) Except as provided under paragraph (b), all licenses held by a multiple license holder are ineligible for grant payments under this section if any license held by a multiple license holder is designated to serve a primary service area, any portion of which is located within the cities of Duluth, Mankato, Moorhead, Rochester, or St. Cloud, or a metropolitan county.

(b) For a multiple license holder affiliated with a private, nonprofit adult hospital that is located in Hennepin County and designated by the commissioner of health as a level I trauma hospital, only

the licenses held by the multiple license holder and located entirely within one or more metropolitan counties are ineligible for grant payments under this section.

Subd. 4. **Eligibility.** A licensed ambulance service provider is eligible for grants under this section if the licensed ambulance service provider:

- (1) possessed a nonexcluded license in calendar year 2023;
- (2) continues to operate under the nonexcluded license during calendar year 2025; and
- (3) completes the requirements under subdivision 5.

Subd. 5. **Application process.** (a) An eligible licensed ambulance service provider may apply to the director, in the form and manner determined by the director, for a grant under this section. Applications must be submitted by September 16, 2025. The director may require an eligible licensed ambulance service provider to submit any information necessary, including financial statements, to make the calculations under subdivision 6. An eligible licensed ambulance service provider who applies for a grant under this section must provide a copy of the application to the executive director of the board by September 16, 2025.

(b) The director must establish a process for verifying the data submitted with applications under this section. By September 20, 2025, for each eligible licensed ambulance service provider that applies for a grant under paragraph (a), the director must certify the following information:

- (1) EMS responses by primary service area reported for calendar year 2024;
- (2) EMS responses by primary service area reported for calendar year 2024 that were provided by a specialized life support service;
- (3) information necessary to determine the location of each primary service area, including municipalities served; and
- (4) the square mileage of each primary service area as of January 1, 2025.

Subd. 6. **Director calculations.** (a) Prior to determining a grant amount for eligible licensed ambulance service providers, the director must make the calculations in paragraphs (b) to (d).

(b) The director must determine the amount equal to dividing 20 percent of the amount appropriated for grant payments under this section equally among all eligible licensed ambulance service providers who possess at least one nonexcluded license. Eligible licensed ambulance service providers who possess only one nonexcluded license do not qualify for a payment under this paragraph if the nonexcluded license has a response density greater than 30.

(c) For each nonexcluded license with a response density less than or equal to 30 held by an eligible licensed ambulance service provider, the director must determine the amount equal to the product of 40 percent of the amount appropriated for grants under this section multiplied by the quotient of the square mileage of the primary service area served under the nonexcluded license divided by the total square mileage of all primary service areas served under nonexcluded licenses.

(d) For each nonexcluded license with a response density less than or equal to 30 held by an eligible licensed ambulance service provider, the director must determine the amount equal to the product of 40 percent of the amount appropriated for grants under this section multiplied by the quotient of the number of points determined under clauses (1) to (4) for each nonexcluded license with a response density less than or equal to 30 divided by the total points determined under clauses (1) to (4) for all nonexcluded licenses with a response density less than or equal to 30 held by eligible licensed ambulance service providers. For calculations under this paragraph, the director must determine points as follows:

(1) for EMS response one to EMS response 500, a nonexcluded license is awarded ten points for each EMS response;

(2) for EMS response 501 to EMS response 1,500, a nonexcluded license is awarded five points for each EMS response;

(3) for EMS response 1,501 to EMS response 2,500, a nonexcluded license is awarded zero points for each EMS response; and

(4) for EMS response 2,501 and each subsequent EMS response, a nonexcluded license's points are reduced by two points for each EMS response, except a nonexcluded license's total awarded points must not be reduced below zero.

Subd. 7. **Grant amount.** The director must make a grant award to each eligible licensed ambulance service provider in the amount equal to the sum of the amounts calculated in subdivision 6, paragraphs (b) to (d), for each nonexcluded license held by the eligible licensed ambulance service.

Subd. 8. **Eligible uses.** A licensed ambulance service provider must spend grant money received under this section on operational expenses and capital expenses incurred to provide ambulance services within the licensed ambulance service provider's primary service area that is located in Minnesota.

Subd. 9. **Administration.** (a) The director must certify the grant amount to each licensed ambulance service provider by December 1, 2025.

(b) The director must award the full grant amount to each eligible licensed ambulance service provider by December 26, 2025.

(c) Any money not spent on or encumbered for eligible uses by December 31, 2026, must be returned to the director.

Subd. 10. **Report.** By February 15, 2027, each licensed ambulance service provider that receives a grant under this section must submit a report to the director and the chairs and ranking minority members of the legislative committees with jurisdiction over health finance and policy. The report must include the grant amount that each licensed ambulance service provider received, the grant amount that was spent on or encumbered for operational expenses, the grant amount that was spent on or encumbered for capital expenses, and documentation sufficient to establish that grant money was spent on or encumbered for eligible uses as defined in subdivision 8. The director may request financial statements or other information necessary to verify that grants were spent on eligible uses.

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

Page 90, delete section 34

Page 629, delete line 26 and insert "emergency ambulance service grants"

Page 629, line 27, delete everything before the period

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pratt moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A55):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 590, after line 22, insert:

"Sec. 14. Laws 2023, chapter 59, article 1, section 42, is amended to read:

Sec. 42. **APPLICATION.**

Family and medical benefits under Minnesota Statutes, chapter 268B, may be paid for starting January 1, ~~2026~~ 2027."

Page 594, after line 7, insert:

"Sec. 22. **CONFORMING EFFECTIVE DATES.**

Notwithstanding any other law to the contrary, the effective dates in Laws 2023, chapter 59, as amended by Laws 2024, chapter 127, article 73, are extended as necessary to conform with the amendments in section 14."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Klein questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Pratt appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|------------|-----------------|------------|----------------|-----------|
| Boldon | Frentz | Kunesh | Mitchell | Putnam |
| Carlson | Gustafson | Kupec | Mohamed | Rest |
| Champion | Hauschild | Latz | Murphy | Seeberger |
| Clark | Hawj | Mann | Oumou Verbeten | Westlin |
| Cwodzinski | Hoffman | Marty | Pappas | Wiklund |
| Dibble | Johnson Stewart | Maye Quade | Pha | Xiong |
| Fateh | Klein | McEwen | Port | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Fateh, Marty, McEwen, Murphy, Pappas, Port, Putnam, Seeberger, and Xiong.

Those who voted in the negative were:

| | | | | |
|----------|------------|----------|---------|-----------|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Farnsworth | Johnson | Mathews | Weber |
| Coleman | Green | Koran | Miller | Wesenberg |
| Dahms | Gruenhagen | Kreun | Nelson | Westrom |
| Dornink | Heintzeman | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Lang cast the negative vote on behalf of the following Senators: Duckworth, Howe, Jasinski, and Johnson.

So the decision of the President was sustained.

Senator Wesenberg moved to amend H.F. No. 2435, as amended pursuant to Rule 45, adopted by the Senate May 13, 2025, as follows (A51):

(The text of the amended House File is identical to S.F. No. 2669.)

Page 257, after line 25, insert:

"Sec. 34. **REPEALER.**

Minnesota Statutes 2024, section 256B.0625, subdivision 16, is repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

| | | | | |
|----------|------------|----------|---------|-----------|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Farnsworth | Johnson | Mathews | Weber |
| Coleman | Green | Koran | Miller | Wesenberg |
| Dahms | Gruenhagen | Kreun | Nelson | Westrom |
| Dornink | Heintzeman | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Lang cast the affirmative vote on behalf of the following Senators: Duckworth, Howe, Jasinski, and Johnson.

Those who voted in the negative were:

| | | | | |
|------------|-----------------|------------|----------------|-----------|
| Boldon | Frentz | Kunesh | Mitchell | Putnam |
| Carlson | Gustafson | Kupec | Mohamed | Rest |
| Champion | Hauschild | Latz | Murphy | Seeberger |
| Clark | Hawj | Mann | Oumou Verbeten | Westlin |
| Cwodzinski | Hoffman | Marty | Pappas | Wiklund |
| Dibble | Johnson Stewart | Maye Quade | Pha | Xiong |
| Fateh | Klein | McEwen | Port | |

Pursuant to Rule 40, Senator Frentz cast the negative vote on behalf of the following Senators: Fateh, Marty, McEwen, Murphy, Pappas, Port, Putnam, and Xiong.

The motion did not prevail. So the amendment was not adopted.

H.F. No. 2435 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

| | | | | |
|------------|-----------------|------------|----------------|-----------|
| Boldon | Frentz | Kunesh | Mitchell | Putnam |
| Carlson | Gustafson | Kupec | Mohamed | Rest |
| Champion | Hauschild | Latz | Murphy | Seeberger |
| Clark | Hawj | Mann | Oumou Verbeten | Westlin |
| Cwodzinski | Hoffman | Marty | Pappas | Wiklund |
| Dibble | Johnson Stewart | Maye Quade | Pha | Xiong |
| Fateh | Klein | McEwen | Port | |

Pursuant to Rule 40, Senator Frentz cast the affirmative vote on behalf of the following Senators: Marty, McEwen, Murphy, Pappas, Port, Putnam, and Xiong.

Those who voted in the negative were:

| | | | | |
|----------|------------|----------|---------|-----------|
| Abeler | Drazkowski | Howe | Limmer | Rasmusson |
| Anderson | Duckworth | Jasinski | Lucero | Utke |
| Bahr | Farnsworth | Johnson | Mathews | Weber |
| Coleman | Green | Koran | Miller | Wesenberg |
| Dahms | Gruenhagen | Kreun | Nelson | Westrom |
| Dornink | Heintzeman | Lang | Pratt | |
| Draheim | Housley | Lieske | Rarick | |

Pursuant to Rule 40, Senator Lang cast the negative vote on behalf of the following Senators: Duckworth, Howe, and Johnson.

So the bill, as amended, was passed and its title was agreed to.

APPOINTMENTS

Senator Murphy from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2442: Senators Frentz, Xiong, and Mathews.

Senator Murphy moved that the foregoing appointments be approved. The motion prevailed.

ADJOURNMENT

Senator Frentz moved that the Senate do now adjourn until 11:00 a.m., Thursday, May 15, 2025.
The motion prevailed.

Thomas S. Bottern, Secretary of the Senate

