

STATE OF MINNESOTA

Journal of the Senate

EIGHTIETH LEGISLATURE

SIXTIETH DAY

St. Paul, Minnesota, Thursday, May 15, 1997

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Gale R. Mitchell.

The roll was called, and the following Senators answered to their names:

Anderson	Hanson	Knutson	Murphy	Runbeck
Beckman	Higgins	Krentz	Neuville	Sams
Belanger	Hottinger	Laidig	Novak	Samuelson
Berg	Janezich	Langseth	Oliver	Scheevel
Berglin	Johnson, D.E.	Larson	Olson	Scheid
Betzold	Johnson, D.H.	Lesewski	Ourada	Solon
Cohen	Johnson, D.J.	Lessard	Pappas	Spear
Day	Johnson, J.B.	Limmer	Pariseau	Stevens
Dille	Junge	Lourey	Piper	Ten Eyck
Fischbach	Kelley, S.P.	Marty	Pogemiller	Terwilliger
Flynn	Kelly, R.C.	Metzen	Price	Vickerman
Foley	Kiscaden	Moe, R.D.	Robertson	Wiener
Frederickson	Kleis	Morse	Robling	Wiger

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 73, 1170, 1266 and 1697.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 234: A bill for an act relating to human services; adding provisions for licensing

programs; imposing and modifying civil penalties; amending Minnesota Statutes 1996, sections 144.057, subdivision 1; 144A.46, subdivision 5; 245A.02, subdivisions 15, 16, and 17, and by adding subdivisions; 245A.03, subdivision 2; 245A.04, subdivisions 3, 3a, 3b, 3c, 4, 5, 6, 7, and by adding a subdivision; 245A.06, subdivisions 1, 3, 4, 5, 5a, 6, and 7; 245A.07, subdivisions 1 and 3; 245A.08, subdivisions 1 and 2; 245A.09, subdivision 7; 245A.11, subdivision 2; 245A.16, subdivision 2; 256E.115; and 364.09; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1996, sections 245A.091; 245A.20; 245A.21; and 252.53; Laws 1996, chapter 408, article 10, section 13; Minnesota Rules, parts 4668.0020; 9503.0170, subpart 7; 9525.0215; 9525.0225; 9525.0235; 9525.0243; 9525.0245; 9525.0255; 9525.0265; 9525.0275; 9525.0285; 9525.0295; 9525.0305; 9525.0315; 9525.0325; 9525.0335; 9525.0345; 9525.0355; 9525.0500; 9525.0510; 9525.0520; 9525.0530; 9525.0540; 9525.0550; 9525.0560; 9525.0570; 9525.0580; 9525.0590; 9525.0600; 9525.0610; 9525.0620; 9525.0630; 9525.0640; 9525.0650; 9525.0660; 9525.1240, subpart 1, item E, subitem (6); 9525.1500; 9525.1510; 9525.1520; 9525.1530; 9525.1540; 9525.1550; 9525.1560; 9525.1570; 9525.1590; 9525.1610; 9525.1620; 9525.1630; 9525.1640; 9525.1650; 9525.1660; 9525.1670; 9525.1680; 9525.1690; 9525.2000; 9525.2010; 9525.2020; 9525.2025; 9525.2030; 9525.2040; 9525.2050; 9525.2060; 9525.2070; 9525.2080; 9525.2090; 9525.2100; 9525.2110; 9525.2120; 9525.2130; 9525.2140; 9543.3070; 9555.8000; 9555.8100; 9555.8200; 9555.8300; 9555.8400; and 9555.8500.

Senate File No. 234 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

Mr. Morse moved that the Senate do not concur in the amendments by the House to S.F. No. 234, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 323: A bill for an act relating to human rights; prohibiting reprisals by any individual; amending Minnesota Statutes 1996, section 363.03, subdivision 7.

Senate File No. 323 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

CONCURRENCE AND REPASSAGE

Mr. Knutson moved that the Senate concur in the amendments by the House to S.F. No. 323 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 323 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Day	Frederickson	Johnson, D.E.	Kiscaden
Belanger	Dille	Hanson	Johnson, D.J.	Kleis
Berg	Fischbach	Higgins	Johnson, J.B.	Knutson
Berglin	Flynn	Hottinger	Kelley, S.P.	Krentz
Cohen	Foley	Janezich	Kelly, R.C.	Laidig

Langseth	Moe, R.D.	Pappas	Robling	Spear
Larson	Morse	Pariseau	Sams	Terwilliger
Lessard	Neuville	Piper	Samuelson	Vickerman
Lourey	Oliver	Pogemiller	Scheevel	Wiger
Marty	Olson	Price	Scheid	
Metzen	Ourada	Robertson	Solon	

Mr. Betzold voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 324: A bill for an act relating to human rights; reclassifying certain investigative data; amending Minnesota Statutes 1996, section 363.061, subdivisions 2 and 3.

Senate File No. 324 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

CONCURRENCE AND REPASSAGE

Mr. Knutson moved that the Senate concur in the amendments by the House to S.F. No. 324 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 324 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Neuville	Sams
Belanger	Higgins	Laidig	Oliver	Samuelson
Berg	Hottinger	Langseth	Olson	Scheevel
Berglin	Janezich	Larson	Ourada	Scheid
Cohen	Johnson, D.E.	Lesewski	Pappas	Solon
Day	Johnson, D.J.	Lessard	Pariseau	Stevens
Dille	Johnson, J.B.	Lourey	Piper	Ten Eyck
Fischbach	Kelley, S.P.	Marty	Pogemiller	Terwilliger
Flynn	Kelly, R.C.	Metzen	Price	Vickerman
Foley	Kleis	Moe, R.D.	Robertson	Wiger
Frederickson	Knutson	Morse	Robling	

Messrs. Betzold and Spear voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS

AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 296: A bill for an act relating to water; providing for four-year terms for soil and water conservation district supervisors; conforming the timelines for appointing supervisor replacements to other election law; amending Minnesota Statutes 1996, sections 103C.301, subdivisions 1 and 6; 103C.305, subdivision 6; 103C.311; and 103C.315, subdivision 2.

Senate File No. 296 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

CONCURRENCE AND REPASSAGE

Mr. Frederickson moved that the Senate concur in the amendments by the House to S.F. No. 296 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 296 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Laidig	Olson	Scheid
Belanger	Higgins	Langseth	Ourada	Solon
Berg	Hottinger	Larson	Pappas	Spear
Berglin	Janezich	Lesewski	Pariseau	Stevens
Betzold	Johnson, D.E.	Lessard	Piper	Ten Eyck
Cohen	Johnson, D.J.	Lourey	Pogemiller	Terwilliger
Day	Johnson, J.B.	Marty	Price	Vickerman
Dille	Kelley, S.P.	Metzen	Robertson	Wiger
Fischbach	Kelly, R.C.	Moe, R.D.	Robling	
Flynn	Kleis	Morse	Sams	
Foley	Knutson	Neuville	Samuelson	
Frederickson	Krentz	Oliver	Scheevel	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 298: A bill for an act relating to partnerships; enacting the Uniform Partnership Act of 1994; providing for limited liability partnerships; proposing coding for new law in Minnesota Statutes, chapter 322A; proposing coding for new law as Minnesota Statutes, chapter 323A; repealing Minnesota Statutes 1996, sections 323.01; 323.02, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 323.03; 323.04; 323.05; 323.06; 323.07; 323.08; 323.09; 323.10; 323.11; 323.12; 323.13; 323.14; 323.15; 323.16; 323.17; 323.18; 323.19; 323.20; 323.21; 323.22; 323.23; 323.24; 323.25; 323.26; 323.27; 323.28; 323.29; 323.30; 323.31; 323.32; 323.33; 323.34; 323.35; 323.36; 323.37; 323.38; 323.39; 323.40; 323.41; 323.42; 323.43; 323.44; 323.45; 323.46; and 323.47.

Senate File No. 298 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

CONCURRENCE AND REPASSAGE

Mr. Ten Eyck moved that the Senate concur in the amendments by the House to S.F. No. 298 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 298 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Neuville	Sams
Belanger	Higgins	Laidig	Oliver	Samuelson
Berg	Hottinger	Langseth	Olson	Scheevel
Betzold	Janezich	Larson	Ourada	Scheid
Cohen	Johnson, D.E.	Lesewski	Pappas	Solon
Day	Johnson, D.J.	Lessard	Pariseau	Spear
Dille	Johnson, J.B.	Lourey	Piper	Stevens
Fischbach	Kelley, S.P.	Marty	Pogemiller	Ten Eyck
Flynn	Kelly, R.C.	Metzen	Price	Terwilliger
Foley	Kleis	Moe, R.D.	Robertson	Vickerman
Frederickson	Knutson	Morse	Robling	Wiger

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1715: A bill for an act relating to insurance; making changes in response to the federal Health Insurance Portability and Accountability Act; amending Minnesota Statutes 1996, sections 62E.02, subdivision 13; 62E.14, subdivisions 3 and 4c; 62H.01; 62L.02, subdivisions 9, 11, 15, 19, 23, 24, 26, and by adding subdivisions; 62L.03, subdivisions 1, 2, 3, 4, and 5; and 62Q.18, subdivisions 1 and 7; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Senate File No. 1715 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

CONCURRENCE AND REPASSAGE

Mr. Oliver moved that the Senate concur in the amendments by the House to S.F. No. 1715 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1715 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Ourada	Scheid
Belanger	Janezich	Larson	Pappas	Solon
Berg	Johnson, D.E.	Lesewski	Pariseau	Spear
Betzold	Johnson, D.J.	Lessard	Piper	Stevens
Cohen	Johnson, J.B.	Lourey	Pogemiller	Ten Eyck
Dille	Kelley, S.P.	Marty	Price	Terwilliger
Fischbach	Kelly, R.C.	Metzen	Robertson	Vickerman
Flynn	Kleis	Morse	Robling	Wiger
Foley	Knutson	Neuville	Sams	
Frederickson	Krentz	Oliver	Samuelson	
Hanson	Laidig	Olson	Scheevel	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1419: A bill for an act relating to utilities; authorizing a municipal and cooperative utility to form joint ventures for the provision of utility services; amending Laws 1996, chapter 300, section 1.

Senate File No. 1419 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

Mr. Johnson, D.E. moved that the Senate do not concur in the amendments by the House to S.F. No. 1419, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 739: A bill for an act relating to telecommunications; providing policies to carry out the state's role in telecommunications regulation; providing for a state policy encouraging high speed telecommunication services and greater capacity for services; providing for a single statewide local access and transport area (LATA); amending Minnesota Statutes 1996, sections 8.33, subdivision 2; 237.12, by adding a subdivision; 237.121; 237.16, subdivision 9; 237.761, subdivisions 4 and 8; 237.762, subdivisions 1, 3, and by adding a subdivision; 237.764, subdivision 1; 237.765; 237.766; and 237.769; proposing coding for new law in Minnesota Statutes, chapter 237.

Senate File No. 739 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

Mr. Kelley, S.P. moved that S.F. No. 739 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 164: A bill for an act relating to agriculture; conforming certain food rules with federal regulations; eliminating a requirement concerning llamas; regulating raising of bison; amending Minnesota Statutes 1996, sections 31.101; 31.102, subdivision 1; 31.103, subdivision 1; and 31.104; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1996, section 17.456, subdivision 4.

Senate File No. 164 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

Mr. Wiger moved that the Senate do not concur in the amendments by the House to S.F. No. 164, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1328: A bill for an act relating to renewable energy; providing for action by the public utilities commission on purchases of wind and biomass power; requiring a study; proposing coding for new law in Minnesota Statutes, chapter 216B.

Senate File No. 1328 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

CONCURRENCE AND REPASSAGE

Mr. Johnson, D.E. moved that the Senate concur in the amendments by the House to S.F. No. 1328 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1328 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Hottinger	Langseth	Ourada	Scheid
Belanger	Janezich	Larson	Pappas	Solon
Betzold	Johnson, D.E.	Lesewski	Pariseau	Spear
Cohen	Johnson, D.J.	Lessard	Piper	Stevens
Dille	Johnson, J.B.	Lourey	Pogemiller	Ten Eyck
Fischbach	Junge	Marty	Price	Terwilliger
Flynn	Kelley, S.P.	Metzen	Robertson	Vickerman
Foley	Kleis	Morse	Robling	Wiener
Frederickson	Knutson	Neuville	Sams	Wiger
Hanson	Krentz	Oliver	Samuelson	
Higgins	Laidig	Olson	Scheevel	

Mr. Berg voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 122: A bill for an act relating to human services; requiring notification of placement or adoption of a child to the other birth parent; requiring background checks for adoption; requiring affidavits for an emergency order requiring updates to adoption study; defining content of postplacement assessment and report; permitting court-ordered grandparent visitation with an adopted child; recognition of adoption which occurred in a foreign country; defining when adoption records shall become public records; amending Minnesota Statutes 1996, sections 245A.04, subdivision 10; 257.022, subdivision 2, and by adding a subdivision; 259.20, subdivision 2; 259.22, subdivisions 2 and 4; 259.24, subdivision 2a; 259.41; 259.47, subdivisions 3, 6, 7, 8, and 10; 259.53, subdivisions 1 and 2; 259.55, subdivision 1; 259.59, subdivision 1; 259.61; 259.67, subdivision 7; 259.79, subdivision 3; 259.83, subdivision 3; and 259.89, subdivisions 1, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 259; repealing Minnesota Statutes 1996, section 259.47, subdivision 9.

Senate File No. 122 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

CONCURRENCE AND REPASSAGE

Ms. Robertson moved that the Senate concur in the amendments by the House to S.F. No. 122 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 122: A bill for an act relating to human services; requiring notification of placement or adoption of a child to the other birth parent; requiring background checks for adoption; requiring affidavits for an emergency order requiring updates to adoption study; defining content of postplacement assessment and report; permitting court-ordered grandparent visitation with an adopted child; recognition of adoption which occurred in a foreign country; defining when adoption records shall become public records; amending Minnesota Statutes 1996, sections 245A.04, subdivision 10; 257.022, subdivision 2, and by adding a subdivision; 259.20, subdivision 2; 259.22, subdivisions 2 and 4; 259.24, subdivision 2a; 259.41; 259.47, subdivisions 3, 6, 7, 8, and 10; 259.53, subdivisions 1 and 2; 259.55, subdivision 1; 259.59, subdivision 1; 259.61; 259.67, subdivision 7; 259.79, subdivision 3; and 259.83, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 259; repealing Minnesota Statutes 1996, section 259.47, subdivision 9.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kelley, S.P.	Lourey	Pappas
Belanger	Hanson	Kleis	Marty	Pariseau
Berg	Higgins	Knutson	Metzen	Piper
Betzold	Hottinger	Krentz	Moe, R.D.	Pogemiller
Cohen	Janezich	Laidig	Morse	Price
Day	Johnson, D.E.	Langseth	Neuville	Robertson
Dille	Johnson, D.J.	Larson	Oliver	Robling
Fischbach	Johnson, J.B.	Lesewski	Olson	Sams
Foley	Junge	Lessard	Ourada	Samuelson

Scheevel
Scheid

Solon
Spear

Stevens
Ten Eyck

Terwilliger
Vickerman

Wiener
Wiger

Ms. Flynn voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 184: A bill for an act relating to the environment; modifying requirements relating to toxics in products; amending Minnesota Statutes 1996, section 115A.9651.

Senate File No. 184 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

Mr. Stevens moved that the Senate do not concur in the amendments by the House to S.F. No. 184, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 501: A bill for an act relating to commerce; providing powers and duties to the commissioner; regulating securities; modifying the real estate licensing exemption for closing agents; regulating real property appraisers; regulating residential building contractors and remodelers; modifying licensing requirements for collection agencies; regulating notaries public; making technical changes; amending Minnesota Statutes 1996, sections 45.011, subdivision 1; 45.028, subdivision 1; 80A.04, subdivisions 3, 4, and by adding a subdivision; 80A.05, subdivisions 4, 5, and by adding a subdivision; 80A.06, subdivisions 1, 2, and 3; 80A.08; 80A.12, by adding a subdivision; 80A.14, subdivisions 3, 4, and by adding subdivisions; 80A.15, subdivisions 1 and 2; 80A.16; 80A.28, subdivisions 1 and 2; 80C.01, subdivision 4; 82.19, by adding a subdivision; 82.20, subdivision 15; 82.22, subdivision 13; 82.24, subdivision 5; 82B.13, subdivisions 1, 4, and 5; 82B.14; 82B.19, subdivision 1; 326.83, subdivisions 11 and 19; 326.84, subdivision 3; 326.85, by adding a subdivision; 326.921; 332.33, subdivision 1, and by adding a subdivision; 332.34; 359.061; and 359.071; proposing coding for new law in Minnesota Statutes, chapters 45; 60K; and 80A; repealing Minnesota Statutes 1996, section 60K.07, subdivision 1.

Senate File No. 501 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

Mr. Solon moved that the Senate do not concur in the amendments by the House to S.F. No. 501, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 173: A bill for an act relating to commerce; providing for the use, validity, and security of electronic signatures and messages transmitted in commerce; prescribing penalties; proposing coding for new law as Minnesota Statutes, chapter 325K.

Senate File No. 173 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

CONCURRENCE AND REPASSAGE

Mr. Kelley, S.P. moved that the Senate concur in the amendments by the House to S.F. No. 173 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 173 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Laidig	Olson	Solon
Belanger	Hottinger	Langseth	Ourada	Spear
Berg	Janezich	Larson	Pappas	Stevens
Betzold	Johnson, D.E.	Lesewski	Pariseau	Ten Eyck
Cohen	Johnson, D.J.	Lessard	Pogemiller	Terwilliger
Day	Johnson, J.B.	Lourey	Price	Vickerman
Dille	Junge	Marty	Robertson	Wiener
Fischbach	Kelley, S.P.	Metzen	Robling	Wiger
Flynn	Kelly, R.C.	Moe, R.D.	Sams	
Foley	Kleis	Morse	Samuelson	
Frederickson	Knutson	Neuville	Scheevel	
Hanson	Krentz	Oliver	Scheid	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 242: A bill for an act relating to human rights; suspending a deadline during mediation in certain cases; amending Minnesota Statutes 1996, section 363.06, by adding a subdivision.

Senate File No. 242 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1997

Mr. Moe, R.D., for Ms. Kiscaden, moved that S.F. No. 242 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1579.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1997

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 1579: A bill for an act relating to game and fish; modifying provisions prohibiting hunter, trapper, and angler harassment; modifying certain license issuing fees; amending Minnesota Statutes 1996, sections 97A.037, subdivision 1; and 97A.485, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

MOTIONS AND RESOLUTIONS

S.F. No. 457 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 457

A bill for an act relating to professions; modifying provisions relating to the board of social work; providing civil penalties; amending Minnesota Statutes 1996, sections 13.99, subdivision 50; 148B.01, subdivisions 4 and 7; 148B.03; 148B.04, subdivisions 2, 3, and 4; 148B.06, subdivision 3; 148B.07; 148B.08, subdivision 2; 148B.18, subdivisions 4, 5, 11, and by adding subdivisions; 148B.19, subdivisions 1, 2, and 4; 148B.20, subdivision 1, and by adding a subdivision; 148B.21, subdivisions 3, 4, 5, 6, 7, and by adding a subdivision; 148B.215; 148B.22, by adding a subdivision; 148B.26, subdivision 1, and by adding a subdivision; 148B.27, subdivisions 1 and 2; and 148B.28, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1996, sections 148B.01, subdivision 3; 148B.18, subdivisions 6 and 7; 148B.19, subdivision 3; and 148B.23.

May 13, 1997

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 457, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 457 be further amended as follows:

Page 14, line 13, delete the colon

Page 14, delete lines 14 to 16 and insert "an executed criminal history consent form and the fee for conducting the criminal"

Page 16, line 28, delete the colon

Page 16, delete lines 29 to 31 and insert "an executed criminal history consent form and the fee for conducting the criminal"

Page 17, line 17, after "for" insert "or the"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Don Betzold, David J. Ten Eyck, Linda Runbeck

House Conferees: (Signed) Mary Jo McGuire, Michael Paymar, Peggy Leppik

Mr. Betzold moved that the foregoing recommendations and Conference Committee Report on S.F. No. 457 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 457 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Krentz	Neuville	Samuelson
Belanger	Hottinger	Laidig	Olson	Scheevel
Berg	Janezich	Langseth	Ourada	Scheid
Betzold	Johnson, D.E.	Larson	Pappas	Solon
Cohen	Johnson, D.J.	Lesewski	Pariseau	Spear
Day	Johnson, J.B.	Lessard	Piper	Stevens
Dille	Junge	Lourey	Pogemiller	Ten Eyck
Fischbach	Kelley, S.P.	Marty	Price	Terwilliger
Flynn	Kelly, R.C.	Metzen	Robertson	Wiener
Foley	Kleis	Moe, R.D.	Robling	
Hanson	Knutson	Morse	Sams	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1888 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1888

A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; prescribing changes in certain financial assistance programs; establishing educational savings plan accounts; clarifying duties of the higher education services office; providing for appropriations for certain enrollments; defining the mission for the Minnesota state colleges and universities system; clarifying the common numbering and credit transfer requirements; making technical corrections relating to the post-secondary merger; modifying the higher education facilities authority revenue bond authority; modifying certain capital improvement projects; placing a condition on referendums by campus student associations; establishing the Minnesota Virtual University and a roundtable on vocational technical education; amending Minnesota Statutes 1996, sections 16A.69, subdivision 2; 125.1385, subdivision 2; 126.56, subdivisions 2, 4a, and 7; 135A.031, subdivision 2; 135A.052, subdivision 1; 135A.08, subdivision 2; 136A.01, subdivision 2, and by adding a subdivision; 136A.03; 136A.121, subdivisions 5, 7, and 9a; 136A.125, subdivisions 3 and 4; 136A.136, subdivision 2; 136A.15, by adding a subdivision; 136A.16, subdivisions 1, 2, 8, and by adding subdivisions; 136A.171; 136A.173, subdivisions 1, 3, and 5; 136A.174; 136A.175, subdivisions 1 and 2; 136A.233, subdivisions 1 and 2; 136A.29, subdivision 9; 136F.05; 216C.27, subdivision 7; Laws 1994, chapter 643, sections 10, subdivision 10, as amended; and 19, subdivision 9, as amended; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Laws 1995, chapter

212, article 4, section 34; and Laws 1995, First Special Session chapter 2, article 1, sections 35 and 36.

May 14, 1997

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1888, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1888 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this article. The listing of an amount under the figure "1998" or "1999" in this article indicates that the amount is appropriated to be available for the fiscal year ending June 30, 1998, or June 30, 1999, respectively. "The first year" is fiscal year 1998. "The second year" is fiscal year 1999. "The biennium" is fiscal years 1998 and 1999.

SUMMARY BY FUND

	1998	1999	TOTAL
General	\$1,180,479,000	\$1,191,244,000	\$2,371,723,000

SUMMARY BY AGENCY - ALL FUNDS

	1998	1999	TOTAL
Higher Education Services Office	136,806,000	140,802,000	277,608,000
Board of Trustees of the Minnesota State Colleges and Universities	501,682,000	513,954,000	1,015,636,000
Board of Regents of the University of Minnesota	540,842,000	535,206,000	1,076,048,000
Mayo Medical Foundation	1,149,000	1,282,000	2,431,000

APPROPRIATIONS
Available for the Year
Ending June 30
1998 1999

Sec. 2. HIGHER EDUCATION
SERVICES OFFICE

Subdivision 1. Total Appropriation	136,806,000	140,802,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. State Grants

99,046,000	115,171,000
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

The legislature intends that the higher education services office make full grant awards in each year of the biennium.

For the biennium, the private institution tuition maximum shall be \$7,860 in the first year and \$8,055 in the second year for four-year institutions and \$6,050 in the first year and \$6,200 in the second year for two-year institutions.

This appropriation contains money to set the living and miscellaneous expense allowance at \$4,500 in the first year and \$4,885 in the second year.

This appropriation includes \$250,000 each year for grants to nursing programs to recruit persons of color and to provide grants to nursing students who are persons of color. Of this amount, \$100,000 each year is for recruitment and retention of students of color in nursing programs leading to licensure as a registered nurse. Other than the grants to students, all grants shall be matched with at least the same amount from grantee sources or nonstate money.

\$50,000 in each year is for the loan repayment assistance program of Minnesota to reimburse graduates of Minnesota law schools working as lawyers in Minnesota who meet the eligibility criteria for loan repayment for law school debt. The eligibility criteria must include the following: (1) recipient's annual household income is \$30,000 or less; and (2) recipient is providing legal services full time for economically disadvantaged persons for (a) a nonprofit agency as defined by section 501(c)(3), 501(c)(4), or 501(c)(5) of the Internal Revenue Code of 1986; (b) Native American tribal governments, court systems, and public interest organizations; (c) public defense corporations; or (d) the state board of public defense. The money may be released to the program only in amounts that have been matched dollar for dollar with private money.

This appropriation contains money for the National Service Scholars program.

Subd. 3. Interstate Tuition
Reciprocity

4,000,000	4,000,000
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

The higher education services office is authorized to negotiate a reciprocity agreement with the province of Ontario.

Subd. 4. State Work Study

9,444,000	9,444,000
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Subd. 5. Minitex Library Program

2,608,000	2,608,000
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This appropriation contains money for online access to science and technology periodicals.

Subd. 6. Learning Network of Minnesota

5,500,000	5,292,000
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Up to \$1,500,000 of this amount is to assist in establishing a gigabit capacity point of presence at the University of Minnesota-Twin Cities and to support the University's participation in the national Internet two initiative for research and development of telecommunications networks. This appropriation is available to the extent matched by the University of Minnesota or private sources.

This appropriation includes money for quality improvements and inter-region and interstate connectivity for MnNet.

Subd. 7. Income Contingent Loans

The higher education services office shall administer an income contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathy programs. Applicant data collected by the higher education services office for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program under Minnesota Statutes, section 136A.162. No new applicants may be accepted after June 30, 1995.

Subd. 8. Minnesota Library
Information Network

12,000,000

-0-

This appropriation is for implementation of the Minnesota library information network, which shall be developed in cooperation with the library planning task force, and shall include: (1) an integrated library system that will serve the libraries of the University of Minnesota; the Minnesota state colleges and universities system; state government; interested public, school, and private college libraries; and not-for-profit institutions that meet the requirements; and (2) a common services gateway creating links to the integrated library system for compatible school, public, and not-for-profit library information systems statewide. Staff needed for training and user support, technical support, installation, and operation of the network shall be obtained from the Minnesota state colleges and universities system, the University of Minnesota, and other entities that have experience and expertise in operating a large library automation system. This appropriation is available until expended or until the network is completed, whichever occurs first.

Subd. 9. Edvest

1,519,000

1,520,000

Subd. 10. Agency Administration

2,689,000

2,767,000

This appropriation includes money for the Minnesota Minority Education Partnership.

Money encumbered for youth works postservice benefits shall not cancel but is available until the participants for whom the money was encumbered are no longer eligible to draw benefits.

The higher education advisory council and the student advisory council shall not expire on June 30, 1997, but shall continue for the biennium.

Subd. 11. Balances Forward

An unencumbered balance in the first year under a subdivision in this section does not cancel but is available for the second year.

Subd. 12. Transfers

The higher education services office may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity

appropriation, the child care appropriation, and the state work study appropriation.

The higher education services office shall make recommendations to the 1998 and 1999 legislatures on how to use any savings resulting from federal Pell grant changes. Options for the office to consider shall include, but not be limited to, reducing the assigned family responsibility for independent students and reducing the student share in the state grant formula.

Subd. 13. Nonrecurring Appropriations

The appropriations for the Minnesota library information network, quality improvements on MnNet, inter-region and interstate connectivity for MnNet, and the National Service Scholars program are nonrecurring.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation

501,682,000

513,954,000

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

In fiscal year 1998, each college and university is to receive its fiscal year 1997 state appropriation adjusted for enrollment changes. In addition, instructional and noninstructional appropriation increases for educational improvements, performance, technology, equipment, and the electronic academy are to be distributed to the colleges and universities based on a weighted average as follows:

(1) each campus's proportion of the fiscal year 1997 state appropriation, weighted at 70 percent; and

(2) the proportion of each campus to the total system full-year equivalent enrollment for the 1996-1997 academic year, weighted at 30 percent.

The system shall report to the legislature on the board's progress in developing a new allocation model by February 1, 1998.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$650,469,000 in the first year and \$664,765,000 in the second year.

During the biennium neither the board nor

campuses shall plan or develop doctoral level programs or degrees until after they have received the recommendation of the house and senate committees on education, finance, and ways and means.

This appropriation contains money for educational enhancements including improvements in programs, student services, advising, library acquisitions, and class size and availability, while holding down tuition increases.

This appropriation contains money for further development of the electronic academy, including delivery of academic programs statewide via electronic technology, development of multimedia instructional technology across the curriculum, development of automated student services available online and through the Internet, provision of technological services for staff and students, staff development, and challenge grants for innovative technology applications. Up to \$300,000 each year is for central office costs associated with the implementation of the electronic academy.

This appropriation includes money for improvements in instructional technology and equipment to be used for the benefit of faculty and students on campus.

This appropriation contains money to develop and implement a common student information system and central data management system, and to upgrade the management information systems network.

During the biennium, each college and university shall demonstrate to the board that, in the face of budget constraints, it has identified those programs and functions that are central to the mission of that campus and are most critical to meeting student needs, and that the campus has redirected resources to those identified areas to protect the core educational enterprise. Further, each campus shall demonstrate that it has taken actions to improve the productivity of faculty, administrators, and staff.

During the biennium, technical and consolidated colleges shall make use of instructional advisory committees consisting of employers, students, and instructors. The instructional advisory committee shall be consulted when a technical program is proposed to be created, modified, or eliminated. If a decision is made to eliminate a

program, a college shall adequately notify students and make plans to assist students affected by the closure.

In each year the board of trustees shall increase the percentage of the total general fund expenditures for direct instruction, as reported in the federal Integrated Postsecondary Education Data System (IPEDS). By February 15 of 1998 and 1999, the board of trustees shall report to the legislature the percentage of total general fund expenditures spent on direct instruction and on administrative support during the previous fiscal year.

In the process of converting to semesters, the system and campuses shall develop and incorporate mechanisms to improve credit transfer as they redesign curriculum.

This appropriation contains money for the Virtual University.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$45,765,000 in the first year and \$43,741,000 in the second year.

This appropriation contains money to reimburse campuses for snow and flood disasters.

This appropriation contains money to pay the first year's assessments for the road and entrance improvements at Inver Hills Community College. It is anticipated that the remainder of the costs will be paid from bond sources.

This appropriation contains money for development and implementation of the Minnesota career and education planning system in partnership with the University of Minnesota, the department of children, families, and learning, and the Minnesota office of technology. System maintenance and operation costs must be paid by participating agencies and institutions.

\$204,000 in the first year and \$99,000 in the second year are for debt service payments.

\$150,000 each year is for southwest Asia veterans tuition relief.

\$150,000 in the first year is to establish pilot programs at one community college, one technical college, and one consolidated community technical college to expand the child care offerings on campus to include infant care. To be chosen by the board to receive a grant, a campus must demonstrate that (1) it has an

exemplary child care program, (2) there is demand for infant care on campus, and (3) it has the physical and financial capacity to sustain an infant care program after the pilot grant has expired. The board shall provide an evaluation of the pilot programs and its recommendations on expanding infant care to other campuses to the education committees of the legislature as part of its 2000-2001 biennial budget request.

Subd. 4. State Council on
Vocational Technical Education

The appropriation in subdivision 1 includes money in the first year for the state council on vocational education.

Subd. 5. Nonrecurring Appropriations

The appropriations for the information management system, technology, equipment, the Virtual University, the Minnesota career and education planning system, building repairs and betterment, snow and flood disaster, state council on vocational education, Inver Hills Community College road assessment, and the infant care pilot project are nonrecurring.

Sec. 4. BOARD OF REGENTS OF THE
UNIVERSITY OF MINNESOTA

Subdivision 1. Total
Appropriation

	540,842,000	535,206,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Operations and
Maintenance

	470,998,000	468,362,000
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(a) Instructional Expenditures

The legislature estimates that instructional expenditures will be \$420,752,000 in the first year and \$423,096,000 in the second year.

This appropriation includes money for the Virtual University.

This appropriation includes money for programmatic improvements.

(b) Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$182,073,000 in the first year and \$178,649,000 in the second year.

This appropriation contains money for the development and implementation of the Minnesota career and education planning system in partnership with the Minnesota state colleges

and universities, the department of children, families, and learning, and the Minnesota office of technology. System maintenance and operation costs must be paid by participating agencies and institutions.

\$3,000,000 in the first year is to supplement the appropriation under Laws 1996, chapter 463, section 14, subdivision 7, for the Mariucci ice and tennis facility. The facility shall be a multisheet ice arena, unless the board of regents determines, after consultation with the Minnesota amateur sports commission, that construction of a multisheet ice arena is not feasible. Any net profits from the operation of the facility must go to the women's athletic department.

\$250,000 in the first year is for the academic health center to provide research grants of up to \$20,000 to faculty. These grants shall be given to provide developmental support for projects that have a strong potential for future funding from outside sources.

By February 15 of each year, the University shall report to the higher education divisions of the legislature on its efforts to improve opportunities for female athletes consistent with Title IX.

This appropriation contains money for the violence and abuse prevention program. The legislature intends this to be the final state appropriation. Future financing must be from nonstate sources.

Subd. 3. Special
Appropriation

69,844,000

66,844,000

The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 1999 biennial budget document.

(a) Agriculture and Extension Service

51,047,000

51,047,000

This appropriation is for the Agricultural Experiment Station, Minnesota Extension Service, and for initiatives designed to sustain Minnesota's renewable natural resource-based industries, including, but not limited to, regional sustainable agriculture partnerships, research on wheat and barley scab, spring wheat, grapes and wine, and canola.

Any salary increases granted by the university to personnel paid from the Minnesota Extension appropriation must not result in a reduction of the county portion of the salary payments.

During the biennium, the university shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of range of size and income distribution of farms and agribusinesses and must not disproportionately represent those from the upper half of the size and income distributions.

This appropriation contains money for agriculture education including money for the Minnesota agriculture leadership council and for grants. It also includes money for the university to improve recruitment and collaborative efforts at the college of agriculture, food, and environmental science.

(b) Health Sciences

10,066,000	7,066,000
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This appropriation is for indigent patients (county papers), rural physicians associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.

By January 15, 1998, the board of regents, after consultation with the board of animal health, the livestock industry, and the Minnesota Veterinary Medical Association, is requested to make recommendations to the higher education finance divisions of the legislature regarding transfer of funding for the Veterinary Diagnostic Laboratory to the board of animal health.

This appropriation contains money for technology transfer, research and public service, and the Biomedical Engineering Center endowment.

(c) Institute of Technology

1,552,000	1,552,000
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This appropriation is for the Geological Survey and the Talented Youth Mathematics Program.

(d) System Specials

7,179,000	7,179,000
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This appropriation is for general research, student loans matching money, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit. For the biennium, the board shall not reduce the total allocation for industrial relations education.

Subd. 4. Nonrecurring Appropriations

The appropriations for the administrative process redesign, the Virtual University, the Minnesota career and education planning system, the Biomedical Engineering Center endowment, technology transfer, women's ice sheet and tennis facility, violence and abuse prevention program, and programmatic improvements and performance are nonrecurring.

Sec. 5. MAYO MEDICAL FOUNDATION

Subdivision 1. Total
Appropriation

1,149,000

1,282,000

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

Subd. 2. Medical School

441,000

455,000

The state of Minnesota shall pay a capitation of \$11,047 in the first year and \$11,378 in the second year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

Subd. 3. Family Practice and
Graduate Residency Program

408,000

467,000

The state of Minnesota provides a capitation of \$15,107 in the first year and \$15,560 in the second year for each student.

Subd. 4. St. Cloud Hospital-Mayo Family
Practice Residency Program

300,000

360,000

This appropriation is to the Mayo foundation to support 10 resident physicians in the first year and 12 resident physicians in the second year in the St. Cloud Hospital-Mayo Family Practice Residency Program. The program shall prepare doctors to practice primary care medicine in the rural areas of the state. It is intended that this program will improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.

Sec. 6. POST-SECONDARY SYSTEMS

The legislature intends that the University of Minnesota and the Minnesota state colleges and universities correct technical college credit transfer problems. The systems, in conjunction with their campuses and with faculty and student representatives, shall convene faculty task forces in appropriate curricular areas to determine, within sound academic standards, which technical college courses shall transfer to academic institutions and whether each course is accepted for general education, major field, or elective credit. The task forces shall complete their work in time to implement changes for the 1998-1999 academic year. The systems shall develop mechanisms for assessing the success of the changes after they have been implemented and shall determine whether this process should be used to update the entire transfer curriculum, particularly in light of semester conversion. The systems shall report on their progress and recommendations for any further action as part of the 2000-2001 biennial budget request. By February 1, 1998, the systems shall provide a brief progress report that includes an assessment of the feasibility of common course numbering.

A college or university that establishes a lab school shall report to its governing board and the higher education divisions of the legislature by February 1, 1999, on all direct and indirect expenditures related to the establishment and operation of the school. The report shall include documentation of all sources of financing for these expenses.

The University of Minnesota and the Minnesota state colleges and universities shall jointly prepare a report to be submitted to the higher education divisions of the legislature by February 1, 1998, that provides a detailed review of current and planned expenditures on information technology. The plan shall specify the goals and objectives of the systems and the campuses in their use of technology and demonstrate how these goals and objectives will serve the state's interest in higher education.

ARTICLE 2

COLLEGE AFFORDABILITY

Section 1. [16A.645] [GOPHER STATE BONDS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of finance, in consultation with the University of Minnesota, the Minnesota state colleges and universities, and the private college council, shall establish a college savings bond program, to be known as

"gopher state bonds" to encourage individuals to save for higher education costs by investing in state general obligation bonds. The program consists of: (1) issuing a portion of the state general obligation bonds in zero coupon form and in denominations and maturities that will be attractive to individuals saving to pay for higher education costs; and (2) developing a program for marketing the bonds to investors who are saving to pay for higher education costs. The commissioner of finance may designate all or a portion of each state general obligation bond sale as "gopher state bonds."

Subd. 2. [DENOMINATIONS; MATURITIES.] The commissioner shall determine the appropriate denominations and maturities for gopher state bonds. It is the intent of the legislature to make bonds available in as small denominations as is feasible given the costs of marketing and administering the bond issue. Minimum denominations of \$500 must be made available. The minimum denomination bonds need not be made available for bonds of all maturities. For purposes of this section, "denomination" means the compounded maturity amount of the bond.

Subd. 3. [DIRECT SALE PERMITTED.] Notwithstanding the provisions of section 16A.646, subdivision 5, the commissioner may sell any series of gopher state bonds directly to the public or to financial institutions for prompt resale to the public upon the terms and conditions and the restrictions the commissioner prescribes. The commissioner may enter into all contracts deemed necessary or desirable to accomplish the sale in a cost-effective manner including a private or negotiated sale, but the commissioner may contract for investment banking and banking services only after receiving competitive proposals for the services.

Subd. 4. [MARKETING PLAN.] The commissioner and the higher education advisory council shall develop a plan for marketing gopher state bonds.

The plan must include strategies to:

- (1) inform parents and relatives about the availability of the bonds;
- (2) take orders for the bonds;
- (3) target the sale of the bonds to Minnesota residents, especially parents and relatives of children who are likely to seek higher education;
- (4) ensure that purchase of the bonds by corporations will not prevent individuals and relatives of future students from buying them; and
- (5) market the bonds at the lowest cost to the state.

Subd. 5. [EFFECT ON STUDENT GRANTS.] The first \$25,000 of gopher state bonds purchased for the benefit of a student must not be considered in determining the financial need of an applicant for the state grant program under section 136A.121. This \$25,000 is in addition to any other asset exclusion authorized under chapter 136A.

Sec. 2. [16A.646] [ZERO COUPON BONDS.]

Subdivision 1. [AUTHORITY TO ISSUE.] When authorized by law to issue state general obligation bonds, the commissioner may issue all or part of the bonds as serial maturity bonds or as zero coupon bonds or a combination of the two.

Subd. 2. [DEFINITIONS.] For purposes of this section and section 16A.645, the following terms have the meanings given them.

(a) "Compounded maturity" means the amount of principal and interest payable at maturity on zero coupon bonds.

(b) "Serial maturity bonds" means bonds maturing on a specified day in two or more consecutive years and bearing interest at a specified rate payable periodically to maturity or prior redemption.

(c) "Zero coupon bonds" means bonds in a stated principal amount, maturing on a specified

date or dates, and bearing interest that accrues and compounds to and is payable only at maturity or upon prior redemption of the bonds.

Subd. 3. [METHOD OF SALE; PRINCIPAL AMOUNT.] Except as otherwise provided by this section or section 16A.645, any series of bonds including zero coupon bonds must be issued and sold under the provisions of section 16A.641. The stated principal amount of zero coupon bonds must be used to determine the principal amount of bonds issued under the laws authorizing issuance of state general obligation bonds.

Subd. 4. [SINKING FUND.] The commissioner's order authorizing the issuance of zero coupon bonds shall establish a separate sinking fund account for the zero coupon bonds in the state bond fund. There is annually appropriated from the general fund to each zero coupon bond account, beginning in the year in which the zero coupon bonds are issued, an amount not less than the sum of:

(1) the total stated principal amount of the zero coupon bonds that would have matured from their date of issue to and including the second July 1 following the transfer of appropriated money, if the bonds matured serially in an equal principal amount in each year during their term and in the same month as their stated maturity date; plus

(2) the total amount of interest accruing on the stated principal amount of the bonds and on interest previously accrued, from bonds date of issue to and including the second July 1 following the transfer of appropriated money; less

(3) the amount in the sinking fund account for the payment of the compounded maturity amount of the bonds, including interest earnings on amounts in the account. This appropriation is in lieu of all other appropriations made with respect to zero coupon bonds. The appropriated amounts must be transferred from the general fund to the sinking fund account in the state bond fund by December 1 of each year.

Subd. 5. [SALE.] Except as otherwise provided in section 16A.645, zero coupon bonds, or a series of bonds including zero coupon bonds, must be sold at public sale at a price not less than 98 percent of their stated principal amount. No state trunk highway bond may be sold for a price of less than par and accrued interest.

Sec. 3. Minnesota Statutes 1996, section 136A.101, is amended by adding a subdivision to read:

Subd. 5a. [ASSIGNED FAMILY RESPONSIBILITY.] "Assigned family responsibility" means the amount of a family contribution to a student's cost of attendance, as determined by a federal need analysis, except that, beginning for the 1998-1999 academic year, up to \$25,000 in savings and other assets shall be subtracted from the federal calculation of net worth before determining the contribution. For dependent students, the assigned family responsibility is the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 80 percent of the student contribution.

Sec. 4. Minnesota Statutes 1996, section 136A.121, subdivision 5, is amended to read:

Subd. 5. [GRANT STIPENDS.] The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) the assigned student responsibility of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(2) the assigned family responsibility, as determined by the federal need analysis, which for (i) dependent students, is the parental contribution as calculated by the federal need analysis, and for (ii) independent students, is the student contribution as determined by the federal need analysis; and as defined in section 136A.101; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible. The minimum financial stipend is \$300 per academic year.

Sec. 5. Minnesota Statutes 1996, section 136A.121, subdivision 9a, is amended to read:

Subd. 9a. [FULL-YEAR GRANTS.] Students may receive state grants for four consecutive quarters or three consecutive semesters during the course of a single fiscal year. In calculating a state grant for the fourth quarter or third semester, the office must use the same calculation as it would for any other term, ~~except that the calculation must subtract any Pell grant for which a student would be eligible even if the student has exhausted the Pell grant for that fiscal year.~~

Sec. 6. Minnesota Statutes 1996, section 136A.125, subdivision 4, is amended to read:

Subd. 4. [AMOUNT AND LENGTH OF GRANTS.] The amount of a child care grant must be based on:

- (1) the income of the applicant and the applicant's spouse, if any;
- (2) the number in the applicant's family, as defined by the office; and
- (3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be ~~\$1,700~~ \$2,000 for each eligible child per academic year. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 7. Minnesota Statutes 1996, section 136A.1355, is amended to read:

136A.1355 [RURAL PHYSICIANS.]

Subdivision 1. [CREATION OF ACCOUNT.] A rural physician education account is established in the health care access fund. The ~~higher education services office commissioner~~ shall use money from the account to establish a loan forgiveness program for medical ~~students~~ residents agreeing to practice in designated rural areas, as defined by the commissioner.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician must submit a letter of interest to the ~~higher education services office commissioner~~. A ~~student or~~ resident who is accepted must sign a contract to agree to serve at least ~~three of the first five years~~ following residency in a designated rural area.

Subd. 3. [LOAN FORGIVENESS.] For each ~~fiscal year beginning on and year after July 1, 1995, the higher education services office commissioner may accept up to four applicants who are fourth year medical students, three~~ 12 applicants who are medical residents, including four applicants who are pediatric residents, and four six applicants who are family practice residents, and one applicant who is an two applicants who are internal medicine resident residents, per fiscal year for participation in the loan forgiveness program. If the ~~higher education services office commissioner does not receive enough applicants per fiscal year to fill the number of residents in the specific areas of practice, the resident applicants may be from any area of practice. The eight~~ 12 resident applicants may be in any year of training; however, priority must be given to the following categories of residents in descending order: third year residents, second year residents, and first year residents. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education services office commissioner shall annually pay an amount equal to one year of qualified loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment. In addition, if in any year that a resident participating in the loan forgiveness program serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments to

enable the rural physician to take a vacation, engage in activities outside the practice area, or otherwise be relieved of rural practice commitments, the participating resident may designate up to an additional \$2,000, above the \$10,000 yearly maximum, for each year of residency during which the resident substitutes for a rural physician for four or more weeks.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the required three-year minimum commitment of service in a designated rural area, the ~~higher education services office commissioner~~ shall collect from the participant the amount paid by the ~~commissioner~~ under the loan forgiveness program. The ~~higher education services office commissioner~~ shall deposit the money collected in the rural physician education account established in subdivision 1. The commissioner shall allow waivers of all or part of the money owed the commissioner if emergency circumstances prevented fulfillment of the three-year service commitment.

Subd. 5. [LOAN FORGIVENESS; UNDERSERVED URBAN COMMUNITIES.] For each fiscal year year beginning on and after July 1, 1995, the ~~higher education services office commissioner~~ may accept up to four applicants who are either ~~fourth year medical students, or residents in family practice, pediatrics, or internal medicine~~ per fiscal year for participation in the urban primary care physician loan forgiveness program. The resident applicants may be in any year of residency training; however, priority will be given to the following categories of residents in descending order: third year residents, second year residents, and first year residents. If the ~~higher education services office commissioner~~ does not receive enough qualified applicants per fiscal year to fill the number of slots for urban underserved communities, the slots may be allocated to ~~students or~~ residents who have applied for the rural physician loan forgiveness program in subdivision 1. Applicants are responsible for securing their own loans. For purposes of this provision, "qualifying educational loans" are government and commercial loans for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated underserved urban area, up to a maximum of four years, the ~~higher education services office commissioner~~ shall annually pay an amount equal to one year of qualified loans. Participants who move their practice from one designated underserved urban community to another remain eligible for loan repayment.

Sec. 8. Minnesota Statutes 1996, section 136A.136, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY OF METROPOLITAN HEALTHCARE FOUNDATION'S PROJECT LINC.] The metropolitan healthcare foundation's project LINC shall administer the grant program and award grants to eligible health care facility employees. To be eligible to receive a grant, a person must be:

- (1) an employee of a health care facility located in Minnesota, whom the facility has recommended to the metropolitan healthcare foundation's project LINC for consideration;
- (2) working part time, up to 32 fewer hours than the person's regular schedule per pay period, for the health care facility organization, while maintaining full salary and original benefits and a salary greater than the number of hours worked;
- (3) enrolled full time in a Minnesota school or college of nursing to complete a baccalaureate or master's degree in nursing; and
- (4) a resident of the state of Minnesota.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent. The grant must be used for tuition, fees, and books. Priority in awarding grants shall be given to persons with the greatest financial need. The health care facility may require its employee to commit to a reasonable postprogram completion of employment at the health care facility as a condition for the financial support the facility provides.

Sec. 9. Minnesota Statutes 1996, section 136A.233, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time in a degree, diploma, or certificate program in a Minnesota post-secondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education services office.

(d) "Eligible employer" means any eligible post-secondary institution ~~and, any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the person's residence of the handicapped person or the person over 65, or a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field.~~

(e) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

(g) "Half-time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Sec. 10. Minnesota Statutes 1996, section 136A.233, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS.] Work-study payments shall be made to eligible students by post-secondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the post-secondary institution on the basis of student financial need.

(b) In selecting students for participation, priority must be given to students enrolled for at least 12 credits.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

(f) Each post-secondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

(h) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Sec. 11. Minnesota Statutes 1996, section 136A.233, is amended by adding a subdivision to read:

Subd. 4. [COOPERATION WITH LOCAL SCHOOLS.] Each campus using the state work study program is encouraged to cooperate with its local public elementary and secondary schools to place college work study students in activities in the schools, such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards including the profiles of learning. College students shall work under direct supervision; therefore, school hiring authorities are not required to request criminal background checks on these students under section 120.1045.

Sec. 12. [136A.241] [EDVEST PROGRAM ESTABLISHED.]

An EdVest savings program is established. In establishing this program, the legislature seeks to encourage individuals to save for post-secondary education by:

- (1) providing a qualified state tuition program under federal tax law;
- (2) providing matching grants for contributions to the program by low- and middle-income families; and
- (3) by encouraging individuals, foundations, and businesses to provide additional grants to participating students.

Sec. 13. [136A.242] [DEFINITIONS.]

Subdivision 1. [GENERAL.] For purposes of sections 136A.241 to 136A.245, the following terms have the meanings given.

Subd. 2. [ADJUSTED GROSS INCOME.] "Adjusted gross income" means adjusted gross income as defined in section 62 of the Internal Revenue Code.

Subd. 3. [BENEFICIARY.] "Beneficiary" means the designated beneficiary for the account, as defined in section 529(e)(1) of the Internal Revenue Code.

Subd. 4. [BOARD.] "Board" means the state board of investment.

Subd. 5. [DIRECTOR.] "Director" means the director of the higher education services office.

Subd. 6. [EXECUTIVE DIRECTOR.] "Executive director" means the executive director of the state board of investment.

Subd. 7. [INTERNAL REVENUE CODE.] "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

Subd. 8. [OFFICE.] "Office" means the higher education services office.

Subd. 9. [PROGRAM.] "Program" or "EdVest" refers to the program established under sections 136A.241 to 136A.245.

Sec. 14. [136A.243] [HIGHER EDUCATION SERVICES OFFICE.]

Subdivision 1. [RESPONSIBILITIES.] (a) The director shall establish the rules, terms, and conditions for the program, subject to the requirements of sections 136A.241 to 136A.245.

(b) The director shall prescribe the application forms, procedures, and other requirements that apply to the program.

Subd. 2. [ACCOUNTS-TYPE PROGRAM.] The office must establish the program and the program must be operated as an accounts-type program that permits individuals to save for qualified higher education costs incurred at any institution, regardless of whether it is private or public or whether it is located within or outside of this state. A separate account must be maintained for each beneficiary for whom contributions are made.

Subd. 3. [CONSULTATION WITH STATE BOARD OF INVESTMENT.] In designing and establishing the program's requirements and in negotiating or entering contracts with third parties under subdivision 8, the director shall consult with the executive director.

Subd. 4. [PROGRAM TO COMPLY WITH FEDERAL LAW.] The director shall take steps to ensure that the program meets the requirements for a qualified state tuition program under section 529 of the Internal Revenue Code. The director may request a private letter ruling or rulings from the Internal Revenue Service or take any other steps to ensure that the program qualifies under section 529 of the Internal Revenue Code or other relevant provisions of federal law.

Subd. 5. [MINIMUM PENALTY.] In establishing the terms of the program, the office must provide that refunds of amounts in an account are subject to a minimum penalty, as required by section 529(b)(3) of the Internal Revenue Code. If the refunds or payments are not used for qualified higher education expenses of the designated beneficiary, this penalty must equal, at least, the proportionate amount of any matching grants deposited in the account under section 136A.245 and the investment return on the grants, plus an additional penalty that meets the requirement of federal law.

Subd. 6. [THREE-YEAR PERIOD FOR WITHDRAWAL OF GRANTS.] A matching grant deposited in the account under section 136A.245 may not be withdrawn within three years of the establishment of the account of the beneficiary. In calculating the three-year period, the period held in another account is included, if the account includes a rollover from another account under section 529(c)(3)(C) of the Internal Revenue Code.

Subd. 7. [MARKETING.] The director shall make parents and other interested individuals aware of the availability and advantages of the program as a way to save for higher education costs. The cost of these promotional efforts must be paid entirely from state general fund appropriations and may not be funded with fees imposed on participants.

Subd. 8. [ADMINISTRATION.] The director shall administer the program, including accepting and processing applications, maintaining account records, making payments, making matching grants under section 136A.245, and undertaking any other necessary tasks to administer the program. The office may contract with one or more third parties to carry out some or all of these administrative duties, including promotion and marketing of the program. The office and the board may jointly contract with third-party providers, if the office and board determine that it is desirable to contract with the same entity or entities for administration and investment management.

Subd. 9. [AUTHORITY TO IMPOSE FEES.] The office may impose fees on participants in the program to recover the costs of administration. The office must use its best efforts to keep these fees as low as possible, consistent with efficient administration, so that the returns on savings invested in the program will be as high as possible.

Sec. 15. [136A.244] [INVESTMENT OF ACCOUNTS.]

Subdivision 1. [STATE BOARD TO INVEST.] The state board of investment shall invest the money deposited in accounts in the program.

Subd. 2. [PERMITTED INVESTMENTS.] The board may invest the accounts in any permitted investment under section 11A.24.

Subd. 3. [CONTRACTING AUTHORITY.] The board may contract with one or more third parties for investment management, recordkeeping, or other services in connection with investing the accounts. The board and office may jointly contract with third-party providers, if the office and board determine that it is desirable to contract with the same entity or entities for administration and investment management.

Subd. 4. [FEES.] The board may impose fees on participants in the program to recover the cost of investment management and related tasks for the program. The board must use its best efforts to keep these fees as low as possible, consistent with high quality investment management, so that the returns on savings invested in the program will be as high as possible.

Sec. 16. [136A.245] [MATCHING GRANTS.]

Subdivision 1. [MATCHING GRANT QUALIFICATION.] By March 1 of each year, a state matching grant must be added to each account established under the program if the following conditions are met:

- (1) the contributor applies, in writing in a form prescribed by the director, for a matching grant;
- (2) a minimum contribution of \$200 was made during the preceding calendar year; and
- (3) the family income of the beneficiary did not exceed \$80,000.

Subd. 2. [FAMILY INCOME.] For purposes of this section, "family income" means:

- (1) if the beneficiary is under age 25, the combined adjusted gross income of the beneficiary's parents as reported on the federal tax return or returns for the most recently available tax year; or
- (2) if the beneficiary is age 25 or older, the combined adjusted gross income of the beneficiary and spouse, if any.

Subd. 3. [AMOUNT OF MATCHING GRANT.] The amount of the matching grant for a beneficiary equals:

- (1) if the beneficiary's family income is \$50,000 or less, 15 percent of the sum of the contributions made to the beneficiary's account during the calendar year, not to exceed \$300; and
- (2) if the beneficiary's family income is more than \$50,000 but not more than \$80,000, five percent of the sum of the contributions made to the beneficiary's account during the calendar year, not to exceed \$300.

Subd. 4. [BUDGET LIMIT.] If the total amount of matching grants determined under subdivision 3 exceeds the amount of the appropriation for the fiscal year, the director shall proportionately reduce each grant so that the total equals the available appropriation.

Subd. 5. [COORDINATION WITH DEPARTMENT OF REVENUE.] In administering matching grants, the director may require that applicants submit sufficient information to determine whether the beneficiary qualifies for a grant, including the Social Security numbers, family income information, and any other information the director determines necessary. The applicant or applicants may authorize the director to request information from the commissioner of revenue to verify eligibility for a grant from tax information on file with the commissioner or obtained from the Internal Revenue Service. If this method is used and the taxpayer has authorized a release of the information to the director, the commissioner of revenue may verify that the beneficiary is eligible for a grant at a specified rate and maximum and disclose that information to the director, notwithstanding the provisions of chapter 270B.

Subd. 6. [PRIVATE CONTRIBUTIONS.] (a) The office may solicit and accept contributions from private corporations, other businesses, foundations, or individuals to provide:

- (1) matching grants under this section in addition to those funded with direct appropriations; or
- (2) grants to students who withdraw money from accounts established under the program.

(b) Amounts contributed may only be used for those purposes. Amounts contributed are appropriated to the director to make grants.

(c) Contributors may designate a specific field of study, geographic area, or other criteria that govern use of the grants funded with their contributions, but may not discriminate on the basis of race, ethnicity, or gender. The office may refuse contributions that are subject, in the judgment of the director, to unacceptable conditions on their use.

Sec. 17. Minnesota Statutes 1996, section 181.06, subdivision 2, is amended to read:

Subd. 2. [PAYROLL DEDUCTIONS.] A written contract may be entered into between an employer and an employee wherein the employee authorizes the employer to make payroll deductions for the purpose of paying union dues, premiums of any life insurance, hospitalization and surgical insurance, group accident and health insurance, group term life insurance, group annuities or contributions to credit unions or a community chest fund, a local arts council, a local science council or a local arts and science council, or Minnesota benefit association, a federally or state registered political action committee, or participation in any employee stock purchase plan or savings plan for periods longer than 60 days, including gopher state bonds established under section 16A.645.

Sec. 18. [STUDENT FEES.]

By December 1, 1998, the higher education services office shall provide information to the public post-secondary boards advising them how to maximize financial aid when establishing student fees.

Sec. 19. [NATIONAL SERVICE SCHOLARS PROGRAM.]

A national service scholars program is established under the administration of the higher education services office to match scholarship grants made under the National Service Scholars program of the Corporation for National Service to students attending Minnesota high schools and who will attend a Minnesota post-secondary institution. Not more than one matching grant of \$500 may be made for each high school per year. The state money shall be available until June 30, 1999, if federal money is available.

Sec. 20. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall renumber Minnesota Statutes, section 136A.1355, in an appropriate place in Minnesota Statutes, chapter 144.

Sec. 21. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment. Sections 1, 2, and 17 are effective for the sale of general obligation bonds after July 1, 1998.

ARTICLE 3

OTHER PROVISIONS

Section 1. Minnesota Statutes 1996, section 16A.69, subdivision 2, is amended to read:

Subd. 2. [TRANSFER BETWEEN ACCOUNTS.] Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement, or upon the abandonment of the project, the agency to whom the appropriation was made may transfer the unencumbered balance in the project account to another project enumerated in the same section of that appropriation act. The transfer must be made only to cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this section is appropriated for the purposes for which transferred. For transfers for technical colleges by the state board of technical of trustees of the Minnesota state colleges and universities, the total cost of both projects and the required local share for both projects are adjusted accordingly. The agency proposing a transfer shall report to the chair of the senate finance committee and the chair of the house of representatives ways and means committee before the transfer is made under this subdivision.

Sec. 2. [41D.01] [MINNESOTA AGRICULTURE EDUCATION LEADERSHIP COUNCIL.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The Minnesota agriculture education leadership council is established. The council is composed of 16 members as follows:

- (1) the chair of the University of Minnesota agricultural education program;
- (2) a representative of the commissioner of children, families, and learning;

(3) a representative of the Minnesota state colleges and universities recommended by the chancellor;

(4) the president and the president-elect of the Minnesota vocational agriculture instructors association;

(5) a representative of the Future Farmers of America Foundation;

(6) a representative of the commissioner of agriculture;

(7) the dean of the college of agriculture, food, and environmental sciences at the University of Minnesota;

(8) two members representing agriculture education and agriculture business appointed by the governor;

(9) the chair of the senate committee on agriculture and rural development;

(10) the chair of the house committee on agriculture;

(11) the ranking minority member of the senate committee on agriculture and rural development, and a member of the senate committee on children, families and learning designated by the subcommittee on committees of the committee on rules and administration; and

(12) the ranking minority member of the house agriculture committee, and a member of the house education committee designated by the speaker.

Subd. 2. [POWERS AND DUTIES.] Specific powers and duties of the council are to:

(1) develop recommendations to the legislature and the governor and provide review for agriculture education programs in Minnesota;

(2) establish a grant program to foster and encourage the development of secondary and post-secondary agriculture education programs;

(3) coordinate and articulate Minnesota's agriculture education policy across all programs and institutions;

(4) identify the critical needs for agriculture educators;

(5) serve as a link between the agribusiness sector and the agriculture education system to communicate mutual concerns, needs, and projections;

(6) establish and maintain an increased awareness of agriculture education and its continued need to all citizens of Minnesota;

(7) operate the Minnesota center for agriculture education created in section 41D.03;

(8) gain broad public support for agriculture education in Minnesota; and

(9) report annually on its activities to the senate agriculture and rural development committee and the house agriculture committee.

Subd. 3. [COUNCIL OFFICERS; TERMS AND COMPENSATION OF APPOINTEES; STAFF.] (a) The chair of the senate agriculture and rural development committee and the chair of the house agriculture committee are the cochairs of the council.

(b) The council's membership terms, compensation, filling of vacancies, and removal of members are as provided in section 15.0575.

(c) The council may employ an executive director and any other staff to carry out its functions.

Subd. 4. [EXPIRATION.] This section expires on June 30, 2002.

Sec. 3. [41D.02] [AGRICULTURE EDUCATION GRANT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota agriculture education leadership council shall establish a program to provide grants under subdivisions 2 and 3 to educational institutions and other appropriate entities for secondary and post-secondary agriculture education programs.

Subd. 2. [SECONDARY AGRICULTURAL EDUCATION.] The council may provide grants for:

- (1) planning and establishment costs for secondary agriculture education programs;
- (2) new instructional and communication technologies; and
- (3) curriculum updates.

Subd. 3. [POST-SECONDARY EDUCATION.] The council may provide grants for:

- (1) new instructional and communication technologies; and
- (2) special project funding, including programming, in-service training, and support staff.

Sec. 4. [41D.03] [MINNESOTA CENTER FOR AGRICULTURE EDUCATION.]

Subdivision 1. [GOVERNANCE.] The Minnesota center for agriculture education is governed by the Minnesota agriculture education leadership council.

Subd. 2. [POWERS AND DUTIES OF COUNCIL.] (a) The council has the powers necessary for the care, management, and control of the Minnesota center for agriculture education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The council may employ necessary employees, and contract for other services to ensure the efficient operation of the center for agriculture education.

(c) The council may receive and award grants. The council may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance. The council shall adopt internal procedures to administer and monitor aids and grants.

(d) The council may establish or coordinate evening, continuing education, and summer programs for teachers and pupils.

(e) The council may determine the location for the Minnesota center for agriculture education and any additional facilities related to the center, including the authority to lease a temporary facility.

(f) The council may enter into contracts with other public and private agencies and institutions for building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the council itself. The council may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

Subd. 3. [CENTER ACCOUNT.] There is established in the state treasury a center for agriculture education account in the special revenue fund. All money collected by the council, including rental income, shall be deposited in the account. Money in the account, including interest earned, is appropriated to the council for the operation of its services and programs.

Subd. 4. [EMPLOYEES.] (a) The council shall employ persons who shall serve in the unclassified service.

(b) The employees hired under this subdivision and any other necessary employees hired by the council shall be state employees in the executive branch.

Subd. 5. [POLICIES.] The council may adopt administrative policies about the operation of the center.

Subd. 6. [PUBLIC POST-SECONDARY INSTITUTIONS; PROVIDING SPACE.] Public post-secondary institutions shall provide space for the Minnesota center for agriculture education at a reasonable cost to the center to the extent that space is available at the public post-secondary institutions.

Subd. 7. [PURCHASING INSTRUCTIONAL ITEMS.] Technical educational equipment may be procured for programs of the Minnesota center for agriculture education by the council either by brand designation or in accordance with standards and specifications the council may adopt, notwithstanding chapter 16B.

Sec. 5. [41D.04] [RESOURCE, MAGNET, AND OUTREACH PROGRAMS.]

Subdivision 1. [RESOURCE AND OUTREACH.] The center shall offer resource and outreach programs and services statewide aimed at the enhancement of agriculture education opportunities for pupils in elementary and secondary school.

Subd. 2. [CENTER RESPONSIBILITIES.] The center shall:

(1) provide information and technical services to agriculture teachers, professional agriculture organizations, school districts, and the department of children, families, and learning;

(2) gather and conduct research in agriculture education;

(3) design and promote agriculture education opportunities for all Minnesota pupils in elementary and secondary schools; and

(4) serve as liaison for the department of children, families, and learning to national organizations for agriculture education.

Sec. 6. Minnesota Statutes 1996, section 125.1385, subdivision 2, is amended to read:

Subd. 2. [COMPENSATION.] State money for faculty exchange programs is to compensate for expenses that are unavoidable and beyond the normal living expenses exchange participants would incur if they were not involved in this exchange. The ~~state university~~ board of trustees of the Minnesota state colleges and universities, the board of regents, ~~or of the University of Minnesota~~, and their respective campuses, in conjunction with the participating school districts, must control costs for all participants as much as possible, through means such as arranging housing exchanges, providing campus housing, and providing university, state, or school district cars for transportation. The boards and campuses may seek other sources of funding to supplement these appropriations, if necessary.

Sec. 7. Minnesota Statutes 1996, section 126.56, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE STUDENT.] To be eligible for a scholarship, a student shall:

(1) be a United States citizen or permanent resident of the United States;

(2) be a resident of Minnesota;

(3) attend an eligible program;

(4) have completed at least one year of secondary school but not have graduated from high school;

(5) have earned at least a B average or its equivalent during the semester or quarter prior to application, or have earned at least a B average or its equivalent during the semester or quarter

prior to application in the academic subject area applicable to the summer program the student wishes to attend; ~~and~~

- (6) demonstrate need for financial assistance; and
- (7) be 19 years of age or younger.

Sec. 8. Minnesota Statutes 1996, section 126.56, subdivision 4a, is amended to read:

Subd. 4a. [ELIGIBLE PROGRAMS.] A scholarship may be used only for an eligible program. To be eligible, a program must:

- (1) provide, as its primary purpose, academic instruction for student enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign languages;
- (2) not be offered for credit to post-secondary students;
- (3) not provide remedial instruction;
- (4) meet any other program requirements established by the ~~state board of education and the higher education services office~~; and
- (5) be approved by the ~~commissioner~~ director of the higher education services office.

Sec. 9. Minnesota Statutes 1996, section 126.56, subdivision 7, is amended to read:

Subd. 7. [ADMINISTRATION.] The higher education services office ~~and commissioner~~ shall determine the time and manner for scholarship applications, awards, and program approval.

Sec. 10. Minnesota Statutes 1996, section 135A.052, subdivision 1, is amended to read:

Subdivision 1. [STATEMENT OF MISSIONS.] The legislature recognizes each type of public post-secondary system institution to have a distinctive mission within the overall provision of public higher education in the state and a responsibility to cooperate with the each other systems. These missions are as follows:

- (1) the technical ~~college system~~ colleges shall offer vocational training and education to prepare students for skilled occupations that do not require a baccalaureate degree;
- (2) the community ~~college system~~ colleges shall offer lower division instruction in academic programs, occupational programs in which all credits earned will be accepted for transfer to a baccalaureate degree in the same field of study, and remedial studies, for students transferring to baccalaureate institutions and for those seeking associate degrees;
- (3) consolidated community technical colleges shall offer the same types of instruction, programs, certificates, diplomas, and degrees as the technical colleges and community colleges offer;
- (4) the state ~~university system~~ universities shall offer undergraduate and graduate instruction through the master's degree, including specialist certificates, in the liberal arts and sciences and professional education; and
- (4) (5) the University of Minnesota shall offer undergraduate, graduate, and professional instruction through the doctoral degree, and shall be the primary state supported academic agency for research and extension services.

It is part of the mission of each system that within the system's resources the system's governing board and chancellor or president shall endeavor to:

- (a) prevent the waste or unnecessary spending of public money;
- (b) use innovative fiscal and human resource practices to manage the state's resources and operate the system as efficiently as possible;

(c) coordinate the system's activities wherever appropriate with the activities of the other systems system and governmental agencies;

(d) use technology where appropriate to increase system productivity, improve customer service, increase public access to information about the system, and increase public participation in the business of the system;

(e) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A; and

(f) recommend to the legislature appropriate changes in law necessary to carry out the mission of the system.

Sec. 11. Minnesota Statutes 1996, section 136A.03, is amended to read:

136A.03 [EXECUTIVE OFFICERS; EMPLOYEES.]

The director of the higher education services office shall possess the powers and perform the duties as prescribed by the higher education services council and shall serve in the unclassified service of the state civil service. The director, or the director's designated representative, on behalf of the office is authorized to sign contracts and execute all instruments necessary or appropriate to carry out the purposes of sections 136A.01 to 136A.178 for the office. The salary of the director shall be established by the higher education services council according to section 15A.081, subdivision 1. The director shall be a person qualified by training or experience in the field of higher education or in financial aid administration. The director may appoint other professional employees who shall serve in the unclassified service of the state civil service. All other employees shall be in the classified civil service.

An officer or professional employee in the unclassified service as provided in this section is a person who has studied higher education or a related field at the graduate level or has similar experience and who is qualified for a career in financial aid and other aspects of higher education and for activities in keeping with the planning and administrative responsibilities of the office and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

Sec. 12. Minnesota Statutes 1996, section 136A.16, subdivision 8, is amended to read:

Subd. 8. Money made available to the office that is not immediately needed for the purposes of sections 136A.15 to 136A.1702 may be invested by the office. The money must be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. The money may also be invested in prime quality commercial paper that is eligible for investment in the state employees retirement fund. All interest and profits from such investments inure to the benefit of the office or may be pledged for security of bonds issued by the office or its predecessor, the Minnesota higher education coordinating board.

Sec. 13. Minnesota Statutes 1996, section 136A.16, is amended by adding a subdivision to read:

Subd. 13. The office may sue and be sued.

Sec. 14. Minnesota Statutes 1996, section 136A.16, is amended by adding a subdivision to read:

Subd. 14. The office may sell at public or private sale, at the price or prices determined by the office, any note or other instrument or obligation evidencing or securing a loan made by the office or its predecessor, the Minnesota higher education coordinating board.

Sec. 15. Minnesota Statutes 1996, section 136A.16, is amended by adding a subdivision to read:

Subd. 15. The office may obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions.

Sec. 16. Minnesota Statutes 1996, section 136A.171, is amended to read:

136A.171 [REVENUE BONDS; ISSUANCE; PROCEEDS.]

The higher education services office may issue revenue bonds to obtain funds for loans made in accordance with the provisions of this chapter. The aggregate amount of revenue bonds, issued directly by the office, outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, shall not exceed \$550,000,000. Proceeds from the issuance of bonds may be held and invested by the office pending disbursement in the form of loans. All interest and profits from the investments shall inure to the benefit of the office and shall be available to the ~~board~~ office for the same purposes as the proceeds from the sale of revenue bonds including, but not limited to, costs incurred in administering loans under this chapter and loan reserve funds.

Sec. 17. Minnesota Statutes 1996, section 136A.173, subdivision 3, is amended to read:

Subd. 3. The revenue bonds may be issued as serial bonds or as term bonds, or the office, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the ~~members~~ director of the office and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, payable at such time or times, be in denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The revenue bonds or notes may be sold at public or private sale for such price or prices as the office shall determine. Pending preparation of the definitive bonds, the office may issue interim receipts or certificates which shall be exchanged for such definite bonds.

Sec. 18. Minnesota Statutes 1996, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$350,000,000~~ \$500,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 19. Minnesota Statutes 1996, section 136F.28, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purpose of this section, the following terms have the meaning given to them:

(a) "Southwest Asia veteran" means a person who:

(1) served in the active military service in any branch of the armed forces of the United States any time between August 1, 1990, and February 27, 1992;

(2) became eligible for the Southwest Asia Service Medal as a result of the service;

(3) was a Minnesota resident at the time of induction into the armed forces and for the one year immediately preceding induction; and

(4) has been separated or discharged from active military service under conditions other than dishonorable.

(b) "Technical college" means a technical college or consolidated community technical college under the governance of the Minnesota state colleges and universities.

Sec. 20. Minnesota Statutes 1996, section 136F.32, is amended to read:

136F.32 [DEGREES; DIPLOMAS; CERTIFICATES.]

Subdivision 1. [APPROVAL.] The board may approve awarding of appropriate certificates, diplomas, or degrees to persons who complete a prescribed curriculum.

Subd. 2. [TECHNICAL AND CONSOLIDATED TECHNICAL COLLEGES.] A technical college or consolidated technical community college shall offer students the option of pursuing diplomas and certificates in each technical education program, unless the board determines that this is not practicable for certain programs. All credits earned for a diploma or certificate shall be applicable toward any available degree in the same program.

Sec. 21. Minnesota Statutes 1996, section 136F.49, is amended to read:

136F.49 [LICENSURE.]

The board ~~may~~ shall adopt policies for licensure of teaching personnel in technical colleges and for vocational technical instructors teaching outside the Minnesota state colleges and universities system. The board may establish a processing fee for the issuance, renewal, or extension of a license.

Sec. 22. Minnesota Statutes 1996, section 136F.581, subdivision 2, is amended to read:

Subd. 2. [POLICIES AND PROCEDURES.] The board shall develop policies, and each college and university shall develop procedures, for purchases and contracts that are consistent with subdivision 1. The policies and procedures shall be developed through the system and campus labor management committees and shall include provisions requiring the system and campuses to determine that they cannot use available staff before contracting with additional outside consultants or services. In addition, each college and university, in consultation with the system office, shall develop procedures for those purchases and contracts that can be accomplished by a college and university without board approval. The board policies must allow each college and university the local authority to enter into contracts for construction projects of up to \$250,000 and to make other purchases of up to \$50,000, without receiving board approval. The board may allow a college or university local authority to make purchases over \$50,000 without receiving board approval.

Sec. 23. Minnesota Statutes 1996, section 136F.72, subdivision 1, is amended to read:

Subdivision 1. [ACTIVITY FUNDS.] The board may establish in each state college and university a fund to be known as the activity fund. The purpose of these funds shall be to provide for the administration of state college and university activities designed for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings. The activity funds shall encompass accounts for student activities, student health services authorized college and university agencies, authorized auxiliary enterprises, federal, state, and private student ~~loans~~ financial aid, gifts and endowments, and other accounts as the board may prescribe.

Sec. 24. Minnesota Statutes 1996, section 136F.80, is amended to read:

136F.80 [GRANTS; GIFTS; BEQUESTS; DEVICES; ENDOWMENTS.]

Subdivision 1. [RECEIPT AND ACCEPTANCE.] The board may apply for, receive, and accept on behalf of the state and for the benefit of any state college or university any grant, gift, bequest, devise, or endowment that any person, firm, corporation, foundation, or association, ~~or government agency~~ may make to the board for the purposes of the state colleges and universities, or any federal, state, or private money made available for the purpose of providing student financial aid at the state colleges and universities. The board may use any money given to it or to any of the state colleges and universities consistent with the terms and conditions under which the money was received and for the purposes stated. All moneys received under this subdivision are appropriated to the board for use in the colleges and universities and shall be administered within the college and university activity funds. These moneys shall not be taken into account in determining appropriations or allocations. All taxes and special assessments constituting a lien on any real property received and accepted by the board under this section shall be paid in full before title is transferred to the state.

Subd. 2. [DEPOSIT OF MONEY.] The board shall provide by policy, in accordance with provisions of chapter ~~118~~ 118A, for the deposit of all money received or referred to under this section. Whenever the board shall by resolution determine that there are moneys in the state college or university funds not currently needed, the board may by resolution authorize and direct the president of the college or university to invest a specified amount in securities as are duly authorized as legal investments for savings banks and trust companies. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state. Notwithstanding the provisions of chapter ~~118~~ 118A, the state board of investment may invest assets of the board, colleges, and universities when requested by the board, college, or university.

Sec. 25. [136F.81] [TRANSFER OF GIFTS.]

A college or university that receives a gift or bequest that is intended for purposes performed by a foundation approved under section 136F.46 may transfer the money to its foundation, provided the money is used only for public purposes.

Sec. 26. Minnesota Statutes 1996, section 137.022, subdivision 2, is amended to read:

Subd. 2. [INCOME.] ~~The All~~ income from the permanent university fund is appropriated annually to the board of regents. Authority over this income is vested solely in the board but must be used by the board directly to enhance the mission of the university. This appropriation of income must not be used to reduce other appropriations made to the board of regents. The determination of this income shall be based on the procedures detailed in section 11A.16, subdivision 5, or 11A.12, subdivision 2.

Sec. 27. Minnesota Statutes 1996, section 216C.27, subdivision 7, is amended to read:

Subd. 7. [BUILDING EVALUATORS.] The commissioner shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy efficiency standards. The commissioner shall, by rule pursuant to chapter 14, adopt standards for the certification and performance of evaluators and set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner shall encourage the certification of existing groups of trained municipal personnel and qualified individuals from community-based organizations and public service organizations. Each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy efficiency standards established pursuant to subdivision 1. The inspections shall be made within 30 days of the request. The commissioner shall enter into an agreement with the ~~department of children, families, and learning~~ board of trustees of the Minnesota state colleges and universities for the provision of evaluator training through at institutions that offer the technical colleges training. The commissioner may contract with the ~~technical colleges~~ board to reduce the training costs to the students. The commissioner may eliminate the examination fee for persons seeking upgraded certificates. The commissioner may also establish requirements for continuing education, periodic recertification, and revocation of certification for evaluators.

Sec. 28. Minnesota Statutes 1996, section 583.22, subdivision 5, is amended to read:

Subd. 5. [DIRECTOR.] "Director" means the director of the ~~agricultural extension service~~ conflict and change center at the University of Minnesota's Humphrey Institute or the director's designee.

Sec. 29. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; Laws 1991, chapter 208, section 2; Laws 1993, First Special Session chapter 2, article 6, section 2; and Laws 1995, chapter 212, article 2, section 11, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, ~~1997~~ 1998.

Sec. 30. Laws 1994, chapter 643, section 19, subdivision 9, as amended by Laws 1995, chapter 224, section 124, is amended to read:

Subd. 9. Museum and Center for
American Indian History

1,100,000

This appropriation is for the board of trustees of the Minnesota state colleges and universities to plan, design, and construct a museum and center for American Indian history and policy. The facility shall be located at Bemidji State University. This appropriation is ~~not~~ available ~~unless matched by \$1,000,000 from nonpublic sources~~ dollar for dollar to the extent matched by nonstate money, provided that a minimum of \$500,000 must be raised from nonstate money. If more than \$1,100,000 is raised from nonstate money, the money may be used to expand the project. Initiation of the project must begin prior to June 30, 2001. The board of trustees of the Minnesota state colleges and universities is not required to pay any debt service for this appropriation.

Sec. 31. Laws 1996, chapter 366, section 6, is amended to read:

Sec. 6. [MORATORIUM.]

Notwithstanding any law to the contrary, until June 30, ~~1997~~ 1998, an educational institution that was licensed under Minnesota Statutes, chapter 141, on December 31, 1995, must continue to comply with the provisions of that chapter and may not use any of the exemptions available under Minnesota Statutes, section 141.35.

Sec. 32. Laws 1997, chapter 32, is amended by adding a section to read:

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day after the final enactment of S. F. No. 1888.

Sec. 33. [STUDENT ORGANIZATIONS.]

A campus student association shall not hold a referendum to determine statewide affiliation before May 1, 1998, or before the statewide student associations for the community colleges and technical colleges consolidate, whichever is sooner.

Sec. 34. [MINNESOTA VIRTUAL UNIVERSITY.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota Virtual University is established as a public-private partnership consisting of the University of Minnesota, the Minnesota state colleges and universities, and private colleges and universities to ensure that lifelong learning opportunities are developed and available to Minnesota citizens and businesses. The Minnesota Virtual University shall establish multiple points of entry for students with immediate access to all instructional, support, and administrative services.

Subd. 2. [COORDINATION.] The University of Minnesota, the Minnesota state colleges and universities, and the private colleges and universities are requested to:

(1) oversee the development and implementation of an electronic system that will support immediate access to all instructional, support, and administrative services in a seamless and customer-friendly manner;

(2) include private businesses, and other institutions that could support the development of a virtual university; and

(3) develop an electronic system supporting student services, including, but not limited to, course catalogs, registration systems, credit banks, and occupation and employer data. The electronic system shall be designed to integrate with existing and future systems supporting the University of Minnesota, the Minnesota state colleges and universities, and private colleges and universities.

Sec. 35. [MNSCU EXCLUSION.]

Notwithstanding any law to the contrary, the Minnesota state colleges and universities are not a state agency for the purposes of laws relating to the office of technology.

Sec. 36. [ROUNDTABLE ON VOCATIONAL TECHNICAL EDUCATION.]

Subdivision 1. [ESTABLISHMENT; MEMBERS.] A roundtable discussion on vocational technical education in the state shall be convened. The roundtable shall consist of 13 members as follows:

(1) the commissioner of the department of children, families, and learning or the commissioner's designee;

(2) the chancellor of the Minnesota state colleges and universities or the chancellor's designee;

(3) a majority member of the higher education budget division of the senate committee on children, families and learning, appointed by the senate majority leader, and a minority member of the same division appointed by the minority leader;

(4) a majority member of the higher education finance division of the education committee of the house, appointed by the speaker of the house, and a minority member of the same division appointed by the minority leader;

(5) a member of the state vocational school planning committee, selected by the committee; and

(6) the following members, appointed by the governor:

(i) one member of the state council on vocational technical education;

(ii) a member of private industry who regularly hires graduates of vocational technical education programs;

(iii) a secondary vocational technical educator;

(iv) a post-secondary faculty member in vocational technical education;

(v) a current student in vocational technical education; and

(vi) a representative of organized labor.

Subd. 2. [DUTIES.] The roundtable shall make recommendations on strategies needed to effectively provide efficient vocational technical education in Minnesota. The roundtable shall consider at least the following issues:

(1) how counseling at the secondary and post-secondary level could improve student success in job placement;

(2) how recruitment efforts by technical colleges could help fill classroom vacancies;

(3) how to encourage cooperation with industry in curriculum design, internship development, and projection of potential job growth areas; and

(4) the relationship of technical colleges to current school-to-work programs.

Subd. 3. [REPORTS.] The roundtable shall report to the legislature on its recommendations by January 15, 1998. The state council on vocational technical education and the Minnesota state colleges and universities shall provide staffing and other necessary support to the roundtable.

Subd. 4. [PLANNING COMMITTEE; CONTINUATION.] The state vocational school planning committee, established under Laws 1995, First Special Session chapter 3, article 3, section 12, shall continue until June 30, 1998.

Sec. 37. [BOARD AUTHORITY TO PURCHASE, SELL, TRANSFER, LEASE, AND CONVEY CERTAIN LAND AND IMPROVEMENTS.]

Subdivision 1. [AUTHORITY.] The board of trustees may purchase, sell, transfer, lease, and convey land and improvements described in this section, and may retain all proceeds from the sale or lease of real estate under Minnesota Statutes, section 136F.71. The provisions of Minnesota Statutes, sections 94.09 to 94.16 and 103F.535, do not apply to real estate transactions authorized by this section.

Subd. 2. [ST. CLOUD.] The board of trustees may purchase fee title from the Central Minnesota Council of Boy Scouts, Inc., of approximately 1.4 acres of land that includes an office building and that is contiguous to St. Cloud Technical College for college operations.

Subd. 3. [INVER HILLS; NORMANDALE LAND TRANSFERS.] (a) The board of trustees may transfer fee title to approximately eight acres of state-owned real estate operated by Inver Hills Community College to the city of Inver Grove Heights. The purpose of the transfer is to provide land for the construction of a community library at no cost to the state, the board, or Inver Hills Community College. In the event that the property is no longer used for public purposes, title to the land shall revert to the state. The transfer is contingent on the board of trustees acquiring fee title to approximately eight acres of real estate owned by the city of Inver Grove Heights, adjacent to Inver Hills Community College, for college operations.

(b) The board of trustees may transfer fee title to approximately 12 acres of state-owned real estate that comprises Normandale Community College's athletic fields to the city of Bloomington. In the event that the property is no longer used for public purposes, title to the land shall revert to the state. The transfer is contingent on the board acquiring fee title to approximately 12 acres of real estate owned by the city of Bloomington, which is in the vicinity of Normandale Community College, for college operations. The land acquired by the college must remain undeveloped. The transfer must include provisions to allow the college continued use of the fields.

Subd. 4. [WINONA, JACKSON, MAHTOMEDI PROPERTY SALE.] (a) The board of trustees may sell the state's interest in an aviation hangar and related land operated by the Winona campus of Winona-Red Wing Technical College for no less than the assessed value of the property. The sale may be by public auction, sealed bid, listing with a real estate broker licensed under Minnesota Statutes, chapter 82, or other means selected by the board of trustees.

(b) The board of trustees may sell a former armory building operated by the Jackson campus of Minnesota West Community and Technical College for no less than the assessed value of the property. The sale may be by public auction, sealed bid, listing with a real estate broker licensed under Minnesota Statutes, chapter 82, or other means selected by the board of trustees.

(c) The board of trustees may sell or lease for \$1 state-owned real estate operated by Century Community and Technical College to the city of Mahtomedi for construction of an ice arena. Additional terms may be set by the board. The board shall ensure adequate future educational development space is maintained on the east campus and shall give priority to other state-owned land operated by Century Community and Technical College. Any sale or lease must include provisions for use of the facility by the college. If the land is sold and later is no longer used for city recreational purposes, the property shall revert to the state. Prior to any negotiations with the city of Mahtomedi, the chancellor must report to the chairs of the house and senate education committees on the relationship of the ice arena to the long-term educational and facility development goals of the college.

Subd. 5. [MINNEAPOLIS TRANSFER.] Notwithstanding the provisions of Minnesota Statutes, chapter 94, or any other state law, if the board of trustees of the Minnesota state colleges and universities system or the school board of special school district No. 1, Minneapolis, ceases to use its portion of the real property along Second Avenue North adjacent to Bassett's creek in Minneapolis known as the transportation center for a purpose related to normal, authorized board functions or activities, or if the board of trustees or the school board wishes to permanently abandon, sell, or lease or otherwise transfer the control of a material part of its portion of the real property, the board of trustees must offer to convey its portion of the property to the school board for \$1 or the school board must offer to convey its portion of the property to the board of trustees for \$1. The board of trustees and the school board are each authorized to convey their portion of the property upon timely acceptance of such offer. An offer extended shall become void if not accepted in writing within 60 days of issuance.

Subd. 6. [MANKATO STATE.] The board of trustees of the Minnesota state colleges and universities may accept money from the Mankato State University Foundation to construct a black box theater on the Mankato State University campus. The board shall supervise the construction as provided in Minnesota Statutes, section 136F.64.

Subd. 7. [ST. CLOUD STATE UNIVERSITY.] The board of trustees of the Minnesota state colleges and universities may build a bus stop structure with some retail services on the campus of St. Cloud State University. It is intended that no appropriation for this specific purpose is needed or obligated by this authorization. An operating agreement may be executed for a period of five to 25 years subject to the requirements of Minnesota Statutes, section 16B.24, subdivision 5.

Subd. 8. [NORTH HENNEPIN COMMUNITY COLLEGE.] Notwithstanding Minnesota Statutes, section 16B.26, the board of trustees may grant permanent utility, drainage, and access easements at North Hennepin Community College, in a form prescribed by the attorney general.

Sec. 38. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the phrases "state board of technical colleges," "state board for vocational technical education," "state board for community colleges," and "state university board," or similar, to "board of trustees of the Minnesota state colleges and universities" in Minnesota Statutes, sections 3.754; 16A.662, subdivision 5; 352.01, subdivision 2b; and 354.66, subdivision 1a.

Sec. 39. [REPEALER.]

Minnesota Statutes 1996, sections 126.113; and 137.41; Laws 1995, chapter 212, article 4, section 34; and Laws 1995, First Special Session chapter 2, article 1, sections 35 and 36, are repealed.

Sec. 40. [EFFECTIVE DATES.]

Sections 21, 29, and 31 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing and modifying programs that promote college affordability; providing for agriculture education; clarifying the role of the higher education services office; making technical changes related to the post-secondary merger; increasing the higher education facilities authority bonding authority; modifying certain conditions for the Minnesota state colleges and universities; prescribing uses for the permanent university fund; extending the repeal of the farmer-lender mediation act; permitting certain land conveyances; placing a condition on referenda by campus student associations; establishing the Minnesota Virtual University, a roundtable on vocational technical education, and an agriculture education leadership council; amending Minnesota Statutes 1996, sections 16A.69, subdivision 2; 125.1385, subdivision 2; 126.56, subdivisions 2, 4a, and 7; 135A.052, subdivision 1; 136A.03; 136A.101, by adding a

subdivision; 136A.121, subdivisions 5 and 9a; 136A.125, subdivision 4; 136A.1355; 136A.136, subdivision 2; 136A.16, subdivision 8, and by adding subdivisions; 136A.171; 136A.173, subdivision 3; 136A.233, subdivisions 2, 3, and by adding a subdivision; 136A.29, subdivision 9; 136F.28, subdivision 2; 136F.32; 136F.49; 136F.581, subdivision 2; 136F.72, subdivision 1; 136F.80; 137.022, subdivision 2; 181.06, subdivision 2; 216C.27, subdivision 7; and 583.22, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1994, chapter 643, section 19, subdivision 9, as amended; Laws 1996, chapter 366, section 6; and Laws 1997, chapter 32, by adding a section; proposing coding for new law in Minnesota Statutes, chapters 16A; 136A; and 136F; proposing coding for new law as Minnesota Statutes, chapter 41D; repealing Minnesota Statutes 1996, sections 126.113 and 137.41; Laws 1995, chapter 212, article 4, section 34; and Laws 1995, First Special Session chapter 2, article 1, sections 35 and 36."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) LeRoy A. Stumpf, Sam G. Solon, Deanna L. Wiener, Cal Larson, Steve L. Murphy

House Conferees: (Signed) Gene Pelowski, Jr., Lyndon R. Carlson, Ruth Johnson, Peggy Leppik, Hilda Bettermann

Ms. Wiener, for Mr. Stumpf, moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1888 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1888 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Oliver	Scheevel
Belanger	Higgins	Laidig	Olson	Scheid
Berg	Hottinger	Langseth	Ourada	Solon
Berglin	Janezich	Larson	Pappas	Spear
Betzold	Johnson, D.E.	Lesewski	Pariseau	Stevens
Cohen	Johnson, D.J.	Lessard	Piper	Ten Eyck
Day	Johnson, J.B.	Lourey	Pogemiller	Terwilliger
Dille	Junge	Marty	Price	Vickerman
Fischbach	Kelley, S.P.	Metzen	Robertson	Wiener
Flynn	Kelly, R.C.	Moe, R.D.	Robling	Wiger
Foley	Kleis	Morse	Sams	
Frederickson	Knutson	Neuville	Samuelson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 302 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 302

A bill for an act relating to health; allowing certain community health clinics to offer health care services on a prepaid basis; proposing coding for new law in Minnesota Statutes, chapter 62Q.

May 14, 1997

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 302, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 302 be further amended as follows:

Page 1, line 8, delete "has" and insert "is"

Page 1, line 9, delete "been"

Page 1, line 10, after "62Q.19" insert "and is associated with a hospital, a governmental unit, or the University of Minnesota"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Linda Berglin, Carol Flynn, Sheila M. Kiscaden

House Conferees: (Signed) Karen Clark, Lee Greenfield, Richard Mulder

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S.F. No. 302 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 302 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Oliver	Samuelson
Belanger	Higgins	Langseth	Olson	Scheevel
Berg	Hottinger	Larson	Ourada	Scheid
Berglin	Johnson, D.E.	Lesewski	Pappas	Solon
Betzold	Johnson, D.J.	Lessard	Pariseau	Spear
Cohen	Johnson, J.B.	Lourey	Piper	Ten Eyck
Day	Junge	Marty	Pogemiller	Terwilliger
Dille	Kelley, S.P.	Metzen	Price	Vickerman
Fischbach	Kleis	Moe, R.D.	Robertson	Wiener
Flynn	Knutson	Morse	Robling	
Foley	Krentz	Neuville	Sams	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 473 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 473

A bill for an act relating to human services; eliminating the Medicare certification requirement for home care providers; increasing the annual payment to counties for detoxification transportation; amending Minnesota Statutes 1996, sections 144A.46, subdivision 2; 254A.17, subdivision 3; 256B.055, subdivision 12; and 256B.071, subdivisions 1, 3, and 4.

May 13, 1997

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 473, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 473 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 144A.46, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] The following individuals or organizations are exempt from the requirement to obtain a home care provider license:

(1) a person who is licensed as a registered nurse under sections 148.171 to 148.285 and who independently provides nursing services in the home without any contractual or employment relationship to a home care provider or other organization;

(2) a personal care assistant who provides services to only one individual under the medical assistance program as authorized under sections ~~256B.0625~~, subdivision 19, and 256B.04, subdivision 16;

(3) a person or organization that exclusively offers, provides, or arranges for personal care assistant services to only one individual under the medical assistance program as authorized under sections 256B.0625, subdivision 19, and 256B.04, subdivision 16;

(4) a person who is registered under sections 148.65 to 148.78 and who independently provides physical therapy services in the home without any contractual or employment relationship to a home care provider or other organization;

(5) a provider that is licensed by the commissioner of human services to provide semi-independent living services under Minnesota Rules, parts 9525.0500 to 9525.0660 when providing home care services to a person with a developmental disability;

(6) a provider that is licensed by the commissioner of human services to provide home and community-based services under Minnesota Rules, parts 9525.2000 to 9525.2140 when providing home care services to a person with a developmental disability;

(7) a person or organization that provides only home management services, if the person or organization is registered under section ~~144A.43, subdivision 3~~ 144A.461; or

(8) a person who is licensed as a social worker under sections 148B.18 to 148B.28 and who provides social work services in the home independently and not through any contractual or employment relationship with a home care provider or other organization.

An exemption under this subdivision does not excuse the individual from complying with applicable provisions of the home care bill of rights.

Sec. 2. Minnesota Statutes 1996, section 256B.071, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] (a) "Dual entitlees" means recipients eligible for either the medical assistance program or the alternative care program who are also eligible for the federal Medicare program.

(b) For purposes of this section, "home care services" means home health agency services, private duty nursing services, personal care assistant services, waived services, alternative care program services, hospice services, rehabilitation therapy services, and suppliers of medical supplies and equipment.

Sec. 3. Minnesota Statutes 1996, section 256B.071, subdivision 3, is amended to read:

Subd. 3. [~~REFERRALS TO MEDICARE CERTIFIED PROVIDERS REQUIRED.~~] ~~Non-Medicare certified home care providers and nonparticipating Medicare certified home care service providers medical suppliers that do not participate or accept Medicare assignment must refer and document the referral of dual eligible recipients to Medicare certified providers when Medicare is determined to be the appropriate payer for services and supplies and equipment or services. Non-Medicare certified and nonparticipating Medicare certified home care service Providers will be terminated from participation in the medical assistance program for failure to make such referrals.~~

Sec. 4. Minnesota Statutes 1996, section 256B.071, subdivision 4, is amended to read:

Subd. 4. [~~MEDICARE CERTIFICATION REQUIREMENT.~~] Medicare certification is required of all medical assistance enrolled home care service providers as ~~defined in subdivision 1 within one year of the date the Minnesota department of health gives notice to the department that initial Medicare surveys will resume~~ required under Title XIX of the Social Security Act.

Sec. 5. [~~PERSONAL CARE ASSISTANT PROVIDERS.~~]

The commissioner of health shall create a unique category of licensure as appropriate for providers offering, providing, or arranging personal care assistant services to more than one individual. The commissioner shall work with the department of human services, providers, consumers, and advocates in developing the licensure standards. Prior to promulgating the rule, the commissioner shall submit the proposed rule to the legislature by January 15, 1999.

Sec. 6. [~~EFFECTIVE DATE.~~]

Sections 1 to 5 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; clarifying the exemptions for persons required to obtain a home care provider license; eliminating the Medicare certification requirement for home care providers; requiring the commissioner of health to develop licensure for providers of personal care assistant services; amending Minnesota Statutes 1996, sections 144A.46, subdivision 2; and 256B.071, subdivisions 1, 3, and 4."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Linda Berglin, Pat Piper, Sheila M. Kiscaden

House Conferees: (Signed) Lee Greenfield, John Dorn, Fran Bradley

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S.F. No. 473 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 473 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Day	Frederickson	Johnson, D.E.	Kelly, R.C.
Belanger	Dille	Hanson	Johnson, D.J.	Kiscaden
Berg	Fischbach	Higgins	Johnson, J.B.	Kleis
Berglin	Flynn	Hottinger	Junge	Knutson
Betzold	Foley	Janezich	Kelley, S.P.	Krentz

Laidig	Metzen	Piper	Scheevel	Vickerman
Langseth	Morse	Pogemiller	Scheid	Wiener
Larson	Oliver	Price	Solon	Wiger
Lesewski	Olson	Robertson	Spear	
Lessard	Ourada	Robling	Stevens	
Lourey	Pappas	Sams	Ten Eyck	
Marty	Pariseau	Samuelson	Terwilliger	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Kiscaden moved that S.F. No. 242 be taken from the table. The motion prevailed.

S.F. No. 242: A bill for an act relating to human rights; suspending a deadline during mediation in certain cases; amending Minnesota Statutes 1996, section 363.06, by adding a subdivision.

CONCURRENCE AND REPASSAGE

Ms. Kiscaden moved that the Senate concur in the amendments by the House to S.F. No. 242 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 242 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Knutson	Neuville	Scheevel
Belanger	Higgins	Krentz	Oliver	Scheid
Berg	Hottinger	Laidig	Olson	Solon
Berglin	Janezich	Langseth	Ourada	Spear
Betzold	Johnson, D.E.	Larson	Pappas	Stevens
Cohen	Johnson, D.J.	Lesewski	Pariseau	Ten Eyck
Day	Johnson, J.B.	Lessard	Piper	Vickerman
Dille	Junge	Lourey	Pogemiller	Wiener
Fischbach	Kelley, S.P.	Marty	Price	Wiger
Flynn	Kelly, R.C.	Metzen	Robertson	
Foley	Kiscaden	Moe, R.D.	Robling	
Frederickson	Kleis	Morse	Samuelson	

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 378, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 378: A bill for an act relating to taxation; recodifying taxes on liquor; providing civil and criminal penalties; appropriating money; amending Minnesota Statutes 1996, sections 16A.26;

340A.301, subdivision 8; 340A.302, subdivision 1; 340A.414, subdivision 7; 340A.417; and 340A.7035; proposing coding for new law as Minnesota Statutes, chapter 297G; repealing Minnesota Statutes 1996, sections 297C.01; 297C.02; 297C.03; 297C.04; 297C.045; 297C.05; 297C.06; 297C.07; 297C.08; 297C.09; 297C.10; 297C.11; 297C.12; 297C.13; 297C.14; 297C.16; and 297C.17.

Senate File No. 378 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1997

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 575, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 575: A bill for an act relating to employment; modifying requirements for drug and alcohol testing; clarifying provisions on review of personnel records by employees; setting a limit for penalties on unpaid OSHA fines; providing the criminal penalty of gross misdemeanor for an assault on an occupational safety and health investigator; amending Minnesota Statutes 1996, sections 181.953, subdivision 6; 181.961, subdivision 2; 182.666, subdivision 7; and 609.2231, subdivision 6.

Senate File No. 575 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1997

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 735, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 735: A bill for an act relating to metropolitan government; allowing the metropolitan council to determine an allocation method for wastewater services; amending Minnesota Statutes 1996, sections 473.511, subdivision 4; 473.517; and 473.519.

Senate File No. 735 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1997

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Morse moved that H.F. No. 632 be taken from the table. The motion prevailed.

H.F. No. 632: A bill for an act relating to public administration; modifying requirements for spending to improve the capitol area and construct bridges, environmental learning centers, and community performing arts centers; appropriating money; amending Laws 1994, chapter 643, sections 3, subdivision 2; 15, subdivisions 2 and 4; and 23, subdivision 28, as amended; and Laws 1996, chapter 463, sections 13, subdivision 2; and 24, subdivision 8; repealing Laws 1996, chapter 463, section 7, subdivision 26.

RECONSIDERATION

Having voted on the prevailing side, Mr. Betzold moved that the vote whereby the Pogemiller amendment to H.F. No. 632 was adopted on May 14, 1997, be now reconsidered. The motion prevailed. So the vote was reconsidered.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 632. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the Pogemiller amendment.

The roll was called, and there were yeas 37 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Janezich	Limmer	Ourada	Samuelson
Beckman	Johnson, D.H.	Lourey	Pappas	Scheid
Belanger	Johnson, J.B.	Marty	Pariseau	Spear
Berglin	Junge	Metzen	Piper	Ten Eyck
Betzold	Kelley, S.P.	Neuville	Pogemiller	Wiener
Flynn	Kelly, R.C.	Novak	Robertson	
Foley	Kiscaden	Oliver	Runbeck	
Higgins	Krentz	Olson	Sams	

Those who voted in the negative were:

Berg	Hanson	Laidig	Morse	Terwilliger
Cohen	Hottinger	Langseth	Price	Vickerman
Day	Johnson, D.E.	Larson	Robling	Wiger
Dille	Johnson, D.J.	Lesewski	Scheevel	
Fischbach	Kleis	Lessard	Solon	
Frederickson	Knutson	Moe, R.D.	Stevens	

The motion prevailed. So the amendment was adopted.

Mr. Samuelson moved to amend H.F. No. 632, as amended by the Senate May 14, 1997, as follows:

(The text of the amended House File is identical to S.F. No. 436.)

Page 34, after line 4, insert:

"Sec. 22. [BRAINERD REGIONAL TREATMENT CENTER.]

Subdivision 1. [APPROPRIATION.] \$1,000,000 is appropriated from the bond proceeds fund to the commissioner of human services to repair and remodel building 19 at the Brainerd regional treatment center for up to 48 beds to lease to Crow Wing county for inmate housing.

Subd. 2. [BOND SALE AUTHORIZATION.] To provide the money appropriated in this section from the bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$1,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7."

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

Pursuant to Rule 22, Mr. Metzen moved that he be excused from voting on H.F. No. 632. The motion prevailed.

H.F. No. 632 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 46 and nays 17, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	Krentz	Neuville	Spear
Beckman	Janezich	Laidig	Oliver	Ten Eyck
Belanger	Johnson, D.E.	Larson	Olson	Terwilliger
Berglin	Johnson, D.H.	Lesewski	Pappas	Vickerman
Betzold	Johnson, J.B.	Lessard	Piper	Wiener
Cohen	Junge	Lourey	Pogemiller	Wiger
Day	Kelley, S.P.	Marty	Price	
Flynn	Kelly, R.C.	Moe, R.D.	Robertson	
Foley	Kiscaden	Morse	Runbeck	
Frederickson	Knutson	Murphy	Scheid	

Those who voted in the negative were:

Berg	Hottinger	Limmer	Robling	Stevens
Dille	Johnson, D.J.	Novak	Sams	
Fischbach	Kleis	Ourada	Samuelson	
Hanson	Langseth	Pariseau	Scheevel	

So the bill, as amended, was passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Beckman moved that the following members be excused for a Conference Committee on H.F. No. 2158 from 10:00 a.m. to 12:00 noon.

Messrs. Beckman; Johnson, D.H.; Novak; Limmer and Ms. Runbeck. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1316 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1316

A bill for an act relating to state agencies; multimember agencies; changing certain publication dates and requirements; modifying registration requirements; changing the expiration date for certain multimember agencies; extending expiration dates for certain health-related advisory councils; extending certain advisory committees; exempting certain advisory councils and committees from expiration; setting expiration dates for certain advisory committees and commissions; adding a member to the food safety advisory committee; making technical changes; extending life of Mississippi river parkway commission to June 30, 2001; amending Minnesota Statutes 1996, sections 15.059, subdivision 5, and by adding a subdivision; 15.0597, subdivisions 2 and 3; 15.0599, subdivisions 1, 4, 5, and by adding a subdivision; 17.136; 17.49, subdivision 1; 18B.305, subdivision 3; 21.112, subdivision 2; 28A.20, subdivision 2, and by adding a subdivision; 31.95, subdivision 3a; 145.881, subdivision 1; 148.622, subdivision 3; 161.1419, subdivision 8; 214.32, subdivision 1; 245.697, subdivision 1; 254A.035, subdivision 2; and 254A.04; proposing coding for new law in Minnesota Statutes, chapters 15; and 147A.

May 14, 1997

The Honorable Allan H. Spear
President of the Senate

The Honorable Phil Carruthers
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1316, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1316 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1996, section 15.059, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION DATE.] (a) ~~Unless a different date is specified by law, the existence of each advisory council and committee created established before January 1, 1993 1997, and governed by this section shall terminate on terminates June 30, 1993 1997. An advisory council or committee whose expiration is not governed by this section does not terminate June 30, 1993, unless specified by other law.~~ An advisory council or committee ~~created established~~ established by law and in existence after June 30, 1993 1997, expires on the date specified in the law ~~creating establishing~~ the group or on June 30, 1997 2001, whichever is sooner. This ~~expiration provision subdivision~~ applies whether or not the law ~~creating establishing~~ the group provides that the group is governed by this section.

(b) ~~An advisory council or committee does not expire in accordance with paragraph (a) if it:~~

~~(1) is an occupational licensure advisory group to a licensing board or agency;~~

~~(2) administers and awards grants; or~~

~~(3) is required by federal law or regulation.~~

A council or committee covered by this paragraph expires June 30, 2001.

Sec. 2. Minnesota Statutes 1996, section 15.059, is amended by adding a subdivision to read:

Subd. 5a. [NO EXPIRATION.] ~~Notwithstanding subdivision 5, the advisory councils and committees listed in this subdivision do not expire June 30, 1997. These groups expire June 30, 2001, unless the law creating the group or this subdivision specifies an earlier expiration date.~~

Investment advisory council, created in section 11A.08;

Intergovernmental information systems council, created in section 16B.42, expires June 30, 1999;

Feedlot and manure management advisory committee, created in section 17.136;

Aquaculture advisory committee, created in section 17.49;

Dairy producers board, created in section 17.76;

Pesticide applicator education and examination review board, created in section 18B.305;

Advisory seed potato certification task force, created in section 21.112;

Food safety advisory committee, created in section 28A.20;

Minnesota organic advisory task force, created in section 31.95;

Public programs risk adjustment work group, created in section 62Q.03, expires June 30, 1999;

Workers' compensation self-insurers' advisory committee, created in section 79A.02;

Youth corps advisory committee, created in section 84.0887;

Iron range off-highway vehicle advisory committee, created in section 85.013;

Mineral coordinating committee, created in section 93.002;

Game and fish fund citizen advisory committees, created in section 97A.055;

Wetland heritage advisory committee, created in section 103G.2242;

Wastewater treatment technical advisory committee, created in section 115.54;

Solid waste management advisory council, created in section 115A.12;
Nuclear waste council, created in section 116C.711;
Genetically engineered organism advisory committee, created in section 116C.93;
Environment and natural resources trust fund advisory committee, created in section 116P.06;
Child abuse prevention advisory council, created in section 119A.13;
Chemical abuse and violence prevention council, created in section 119A.27;
Youth neighborhood services advisory board, created in section 119A.29;
Interagency coordinating council, created in section 120.1701, expires June 30, 1999;
Desegregation/integration advisory board, created in section 121.1601;
Nonpublic education council, created in section 123.935;
Permanent school fund advisory committee, created in section 124.078;
Indian scholarship committee, created in section 124.48;
American Indian education committees, created in section 126.531;
Summer scholarship advisory committee, created in section 126.56;
Multicultural education advisory committee, created in section 126.82;
Male responsibility and fathering grants review committee, created in section 126.84;
Library for the blind and physically handicapped advisory committee, created in section 134.31;
Higher education advisory council, created in section 136A.031;
Student advisory council, created in section 136A.031;
Cancer surveillance advisory committee, created in section 144.672;
Maternal and child health task force, created in section 145.881;
State community health advisory committee, created in section 145A.10;
Mississippi River Parkway commission, created in section 161.1419;
School bus safety advisory committee, created in section 169.435;
Advisory council on workers' compensation, created in section 175.007;
Code enforcement advisory council, created in section 175.008;
Medical services review board, created in section 176.103;
Apprenticeship advisory council, created in section 178.02;
OSHA advisory council, created in section 182.656;
Health professionals services program advisory committee, created in section 214.32;
Rehabilitation advisory council for the blind, created in section 248.10;
American Indian advisory council, created in section 254A.035;

Alcohol and other drug abuse advisory council, created in section 254A.04;

Medical assistance drug formulary committee, created in section 256B.0625;

Home care advisory committee, created in section 256B.071;

Preadmission screening, alternative care, and home and community-based services advisory committee, created in section 256B.0911;

Traumatic brain injury advisory committee, created in section 256B.093;

Minnesota commission serving deaf and hard-of-hearing people, created in section 256C.28;

American Indian child welfare advisory council, created in section 257.3579;

Juvenile justice advisory committee, created in section 268.29;

Northeast Minnesota economic development fund technical advisory committees, created in section 298.2213;

Iron range higher education committee, created in section 298.2214;

Northeast Minnesota economic protection trust fund technical advisory committee, created in section 298.297;

Pipeline safety advisory committee, created in section 299J.06, expires June 30, 1998;

Battered women's advisory council, created in section 611A.34.

Sec. 3. Minnesota Statutes 1996, section 15.0597, subdivision 2, is amended to read:

Subd. 2. [COLLECTION OF DATA.] The chair of an existing agency or the chair's designee, or the appointing authority for the members of a newly created agency, shall provide the secretary, on forms prepared and distributed by the secretary, with the following data pertaining to that agency:

- (1) the name of the agency, its mailing address, and telephone number;
- (2) the legal authority for the creation of the agency and the name of the person appointing agency members;
- (3) the powers and duties of the agency;
- (4) the number of authorized members, together with any prescribed restrictions on eligibility such as employment experience or geographical representation;
- (5) the dates of commencement and expiration of the membership terms and the expiration date of the agency, if any;
- (6) the compensation of members, and appropriations or other funds available to the agency;
- (7) the regular meeting schedule, if any, and approximate number of hours per month of meetings or other activities required of members;
- (8) the roster of current members, including mailing addresses and telephone numbers; and
- (9) a breakdown of the membership showing distribution by county, legislative district, and congressional district, and, only if the member has voluntarily supplied the information, the sex, political party preference or lack thereof of party preference, race, and national origin of the members.

The secretary may provide for the submission of data in accordance with this subdivision by electronic means. The publication requirement under clause (8) may be met by publishing a

member's home or business address and telephone number, the address and telephone number of the agency to which the member is appointed, the member's electronic mail address, if provided, or any other information that would enable the public to communicate with the member.

Sec. 4. Minnesota Statutes 1996, section 15.0597, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF AGENCY DATA.] The secretary of state shall provide for annual updating of the required data and shall annually arrange for the publication in the state register of the compiled data from all agencies on or about ~~November~~ October 15 of each year. Copies of the compilation ~~shall~~ must be delivered to the governor and the legislature. Copies of the compilation ~~shall~~ must be made available by the secretary to any interested person at cost, and copies ~~shall~~ must be available for viewing by interested persons. The chair of an agency who does not submit data required by this section or who does not notify the secretary of a vacancy in the agency, ~~shall~~ is not be eligible for a per diem or expenses in connection with agency service until December 1 of the following year.

Sec. 5. Minnesota Statutes 1996, section 15.0599, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For purposes of this section, "agency" means:

(1) a state board, commission, council, committee, authority, task force, including an advisory task force established under section 15.014 or 15.0593, other multimember agency, however designated, established by statute or order and having statewide jurisdiction;

(2) the metropolitan council established by section 473.123, a metropolitan agency as defined in section 473.121, subdivision 5a, or a multimember body, however designated, appointed by the metropolitan council established by section 473.123 or a metropolitan agency as defined in section 473.121, subdivision 5a, if the membership includes at least one person who is not a member of the council or the agency; ~~and~~

(3) a multimember body whose members are appointed by the legislature if the body has at least one nonlegislative member; and

(4) any other multimember body established by law with at least one appointed member, without regard to the appointing authority.

"Secretary" means the secretary of state.

Sec. 6. Minnesota Statutes 1996, section 15.0599, subdivision 4, is amended to read:

Subd. 4. [REGISTRATION; INFORMATION REQUIRED.] (a) The appointing authority of a newly established agency or the authority's designee shall provide the secretary with the following information:

(1) the name, mailing address, and telephone number of the agency;

(2) the legal authority for the establishment of the agency and the name and the title of the person or persons appointing agency members;

(3) the powers and duties of the agency and whether the agency, however designated, is best described by section 15.012, paragraph (a), (b), (c), (e), or (f);

(4) the number of authorized members, together with any prescribed restrictions on eligibility;

(5) the roster of current members, including mailing addresses and telephone numbers;

(6) a breakdown of the membership showing distribution by county, legislative district, and congressional district and compliance with any restrictions listed in accordance with clause (4);

(7) if any members have voluntarily provided the information, the sex, age, political preference or lack of preference, race, and national origin of those members;

(8) the dates of commencement and expiration of membership terms and the expiration date of the agency, if any;

(9) the compensation of members and appropriations or other money available to the agency;

(10) the name of the state agency or other entity, if any, required to provide staff or administrative support to the agency;

(11) the regular meeting schedule, if any, and the approximate number of hours a month of meetings or other activities required of members; and

(12) a brief statement of the goal or purpose of the agency, along with a summary of what an existing agency has done, or what a newly established agency plans to do to achieve its goal or purpose.

The publication requirement under clause (5) may be met by publishing a member's home or business address and telephone number, the address and telephone number of the agency to which the member is appointed, the member's electronic mail address, or any other information that would enable the public to communicate with the member.

(b) The chair of an existing agency or the chair's designee shall provide information, covering the fiscal year in which it is registering, on the number of meetings it has held, its expenses, and the number of staff hours, if any, devoted to its support. The chair or designee shall also, if necessary, update any of the information previously provided in accordance with paragraph (a).

(c) The secretary shall provide forms for the reporting of information required by this subdivision and may provide for reporting by electronic means.

Sec. 7. Minnesota Statutes 1996, section 15.0599, is amended by adding a subdivision to read:

Subd. 4a. [ELIGIBILITY FOR COMPENSATION.] The members of an agency that submits all the information required by this section by the prescribed deadlines are eligible to receive compensation, but no compensation, including reimbursement for expenses, may be paid to members of an agency not in compliance with this section. If an agency has not submitted all required information by its applicable deadline, the secretary shall notify the agency that it is not in compliance and that it has 30 days from the date of the notice to achieve compliance. If the agency is out of compliance at the end of the 30-day period, the secretary shall notify the commissioner of finance that members of the agency are not entitled to compensation. If the agency subsequently complies with this section, the secretary shall notify the commissioner that the agency's members are eligible for compensation from the date of compliance. No retroactive compensation may be paid, however, for any period during which the agency was out of compliance.

Sec. 8. Minnesota Statutes 1996, section 15.0599, subdivision 5, is amended to read:

Subd. 5. [REPORTING BY SECRETARY.] By August ~~October~~ 15 of each year, the secretary shall furnish copies and a summary of the information collected under subdivision 4 to the legislative reference library.

Sec. 9. Minnesota Statutes 1996, section 15.0599, is amended by adding a subdivision to read:

Subd. 6. [ELECTRONIC PUBLICATION.] Any material that under sections 15.0597 to 15.0599 is required to be published in the State Register may instead be published on the World Wide Web.

If that option is used, the secretary of state shall publish notice of that fact in the State Register at least once a year and shall send the same notice by United States mail to all persons who have registered with the secretary for the purpose of receiving notice of the secretary's listings.

Sec. 10. Minnesota Statutes 1996, section 16B.42, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The intergovernmental information systems advisory

council is composed of (1) two members from each of the following groups: counties outside of the seven-county metropolitan area, cities of the second and third class outside the metropolitan area, cities of the second and third class within the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, school districts outside the metropolitan area, and public libraries; (3) one member each appointed by the state departments of children, families, and learning, human services, revenue, and economic security, the office of strategic and long-range planning, and the legislative auditor; (4) one member from the office of the state auditor, appointed by the auditor; (5) the assistant commissioner of administration for the information policy office; (6) one member appointed by each of the following organizations: league of Minnesota cities, association of Minnesota counties, Minnesota association of township officers, and Minnesota association of school administrators; and (7) one member of the house of representatives appointed by the speaker and one member of the senate appointed by the subcommittee on committees of the committee on rules and administration. The legislative members appointed under clause (7) are nonvoting members. The commissioner of administration shall appoint members under clauses (1) and (2). The terms, compensation, and removal of the appointed members of the advisory council are as provided in section 15.059, but the council does not expire until June 30, 1997 1999.

Sec. 11. Minnesota Statutes 1996, section 17.136, is amended to read:

17.136 [ANIMAL FEEDLOTS; POLLUTION CONTROL; FEEDLOT AND MANURE MANAGEMENT ADVISORY COMMITTEE.]

(a) The commissioner of agriculture and the commissioner of the pollution control agency shall establish a feedlot and manure management advisory committee to identify needs, goals, and suggest policies for research, monitoring, and regulatory activities regarding feedlot and manure management. In establishing the committee, the commissioner shall give first consideration to members of the existing feedlot advisory group.

(b) The committee must include representation from beef, dairy, pork, chicken, and turkey producer organizations. The committee shall not exceed 18 members, but, after June 30, 1997, must include representatives from at least ~~three~~ four environmental organizations, eight livestock producers, and four experts in soil and water science, nutrient management, and animal husbandry, one member from an organization representing local units of government, ~~one member from and chairs of the senate, and one member from the house of representatives committees that deal with agricultural policy or the designees of the chairs.~~ In addition, the ~~department~~ departments of agriculture, health, and natural resources, the pollution control agency, board of water and soil resources, soil and water conservation districts, the federal ~~Soil~~ Natural Resource Conservation Service, the association of Minnesota counties, and the ~~Agricultural Stabilization and Conservation Farm Service Agency~~ shall serve on the committee as ex officio nonvoting members.

(c) ~~Persons who participated in activities of the feedlot advisory group existing on and before August 1, 1994, must be allowed to speak at proceedings of the advisory committee. These persons hold nonvoting status and are not eligible for reimbursement of expenses under paragraph (h).~~

(d) The advisory committee shall elect a chair and a vice-chair from its members. The department and the agency shall provide staff support to the committee.

(e) (d) The commissioner of agriculture and the commissioner of the pollution control agency shall consult with the advisory committee during the development of any policies, rules, or funding proposals or recommendations relating to feedlots or feedlot-related manure management.

(f) (e) The commissioner of agriculture shall consult with the advisory committee on establishing a list of manure management research needs and priorities.

(g) (f) The advisory committee shall advise the commissioners on other appropriate matters.

(h) (g) Nongovernment members of the advisory committee shall receive expenses, in accordance with section 15.059, subdivision 6. The advisory committee expires on June 30, ~~1997~~ 2001.

Sec. 12. Minnesota Statutes 1996, section 17.49, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish and promote a program of aquaculture in consultation with an advisory committee consisting of the University of Minnesota, the commissioner of natural resources, the commissioner of agriculture, representatives of the private aquaculture industry, and the chairs of the environment and natural resources committees of the house of representatives and senate. The advisory committee expires on June 30, 2001.

Sec. 13. Minnesota Statutes 1996, section 18B.305, subdivision 3, is amended to read:

Subd. 3. [PESTICIDE APPLICATOR EDUCATION AND EXAMINATION REVIEW BOARD.] (a) The commissioner shall establish and chair a pesticide applicator education and examination review board. This board, consisting of 15 members, must meet at least once a year before the initiation of pesticide educational planning programs. The purpose of the board is to discuss topics of current concern that can be incorporated into pesticide applicator training sessions and appropriate examinations. This board shall review and evaluate the various educational programs recently conducted and recommend options to increase overall effectiveness.

(b) Membership on this board must represent industry, private, nonprofit organizations, include applicators representing various licensing categories, such as agriculture, turf and ornamental, aerial, aquatic, and structural pest control and private pesticide applicators, and other governmental agencies, including the University of Minnesota, the pollution control agency, department of health, department of natural resources, and department of transportation.

(c) Membership on the board must include representatives from environmental protection organizations.

(d) This board shall review licensing and certification requirements for private, commercial, and noncommercial applicators and provide a report to the commissioner with recommendations by January 15, 1998. This board shall review category requirements and provide recommendations to the commissioner. This board expires on June 30, 2001.

Sec. 14. Minnesota Statutes 1996, section 21.112, subdivision 2, is amended to read:

Subd. 2. [ADVISORY SEED POTATO CERTIFICATION TASK FORCE.] The commissioner may appoint an advisory seed potato certification task force. If the task force is appointed each member shall be a grower in Minnesota of certified seed potatoes. ~~The task force shall expire, and the terms, compensation and removal of members shall be as provided in section 15.059. The task force shall expire June 30, 2001.~~

Sec. 15. Minnesota Statutes 1996, section 28A.20, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) The food safety advisory committee consists of:

- (1) the commissioner of agriculture;
- (2) the commissioner of health;
- (3) a representative of the United States Food and Drug Administration;
- (4) a representative of the United States Department of Agriculture;
- (5) a representative of the agricultural utilization research institute;

~~(5)~~ (6) one person from the University of Minnesota knowledgeable in food and food safety issues; and

~~(6) eight~~ (7) nine members appointed by the governor who are interested in food and food safety, of whom:

- (i) two persons are health or food professionals;
- (ii) one person represents a statewide general farm organization;
- (iii) one person represents a local food inspection agency; and
- (iv) one person represents a food-oriented consumer group.

(b) Members shall serve without compensation. Members appointed by the governor shall serve four-year terms.

Sec. 16. Minnesota Statutes 1996, section 28A.20, is amended by adding a subdivision to read:

Subd. 6. [EXPIRATION.] This section expires on June 30, 2001.

Sec. 17. Minnesota Statutes 1996, section 31.95, subdivision 3a, is amended to read:

Subd. 3a. [CERTIFICATION ORGANIZATIONS.] (a) A Minnesota grown organic product that is labeled "certified" must be certified by a designated certification organization.

(b) A certified organic product sold in this state must be certified by a designated certification organization or by a certification organization approved by the commissioner. Before approving a certification organization, the commissioner must seek the evaluation and recommendation of the Minnesota organic advisory task force.

(c) The commissioner shall appoint a Minnesota organic advisory task force composed of members of the organic industry to advise the commissioner on organic issues. Members of the task force may not be paid compensation or costs for expenses. The task force expires on June 30, 2001.

Sec. 18. Minnesota Statutes 1996, section 62Q.03, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC PROGRAMS.] (a) A separate risk adjustment system must be developed for state-run public programs, including medical assistance, general assistance medical care, and MinnesotaCare. The system must be developed in accordance with the general risk adjustment methodologies described in this section, must include factors in addition to age and sex adjustment, and may include additional demographic factors, different targeted conditions, and/or different payment amounts for conditions. The risk adjustment system for public programs must attempt to reflect the special needs related to poverty, cultural, or language barriers and other needs of the public program population.

(b) The commissioners of health and human services shall jointly convene a public programs risk adjustment work group responsible for advising the commissioners in the design of the public programs risk adjustment system. The public programs risk adjustment work group is governed by section 15.059 for purposes of membership terms and removal of members and shall terminate on June 30, 1999. The work group shall meet at the discretion of the commissioners of health and human services. The commissioner of health shall work with the risk adjustment association to ensure coordination between the risk adjustment systems for the public and private sectors. The commissioner of human services shall seek any needed federal approvals necessary for the inclusion of the medical assistance program in the public programs risk adjustment system.

(c) The public programs risk adjustment work group must be representative of the persons served by publicly paid health programs and providers and health plans that meet their needs. To the greatest extent possible, the appointing authorities shall attempt to select representatives that have historically served a significant number of persons in publicly paid health programs or the uninsured. Membership of the work group shall be as follows:

- (1) one provider member appointed by the Minnesota Medical Association;

(2) two provider members appointed by the Minnesota Hospital Association, at least one of whom must represent a major disproportionate share hospital;

(3) five members appointed by the Minnesota Council of HMOs, one of whom must represent an HMO with fewer than 50,000 enrollees located outside the metropolitan area and one of whom must represent an HMO with at least 50 percent of total membership enrolled through a public program;

(4) two representatives of counties appointed by the Association of Minnesota Counties;

(5) three representatives of organizations representing the interests of families, children, childless adults, and elderly persons served by the various publicly paid health programs appointed by the governor;

(6) two representatives of persons with mental health, developmental or physical disabilities, chemical dependency, or chronic illness appointed by the governor; and

(7) three public members appointed by the governor, at least one of whom must represent a community health board. The risk adjustment association may appoint a representative, if a representative is not otherwise appointed by an appointing authority.

(d) The commissioners of health and human services, with the advice of the public programs risk adjustment work group, shall develop a work plan and time frame and shall coordinate their efforts with the private sector risk adjustment association's activities and other state initiatives related to public program managed care reimbursement. The commissioners of health and human services shall report to the health care commission and to the appropriate legislative committees on January 15, 1996, and on January 15, 1997, on any policy or legislative changes necessary to implement the public program risk adjustment system.

Sec. 19. Minnesota Statutes 1996, section 120.1701, subdivision 3, is amended to read:

Subd. 3. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of at least 17, but not more than 25 members is established, in compliance with Public Law Number 102-119, section 682. The members shall be appointed by the governor. Council members shall elect the council chair. The representative of the commissioner of children, families, and learning may not serve as the chair. The council shall be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, children, families, and learning, health, human services, and economic security, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

Each year by June 1, the council shall recommend to the governor and the commissioners of children, families, and learning, health, human services, commerce, and economic security policies for a comprehensive and coordinated system.

Notwithstanding any other law to the contrary, the state interagency coordinating council shall expire on June 30, ~~1997~~ 1999.

Sec. 20. Minnesota Statutes 1996, section 124.48, subdivision 3, is amended to read:

Subd. 3. [INDIAN SCHOLARSHIP COMMITTEE.] The Minnesota Indian scholarship committee is established. Members shall be appointed by the state board with the assistance of the Indian affairs council as provided in section 3.922, subdivision 6. Members shall be reimbursed for expenses as provided in section 15.059, subdivision 6. The state board shall determine the membership terms and duration of the committee, which expires no later than June 30, ~~1997~~ 2001. The committee shall provide advice to the state board in awarding scholarships to eligible American Indian students and in administering the state board's duties regarding awarding of American Indian post-secondary preparation grants to school districts.

Sec. 21. Minnesota Statutes 1996, section 126.531, subdivision 3, is amended to read:

Subd. 3. Each committee shall be reimbursed for expenses according to section 15.059, subdivision 6. The state board shall determine the membership terms and the duration of each committee, which expire no later than June 30, ~~1997~~ 2001.

Sec. 22. Minnesota Statutes 1996, section 126.56, subdivision 5, is amended to read:

Subd. 5. [ADVISORY COMMITTEE.] An advisory committee shall assist the state board of education in approving eligible programs and shall assist the higher education services office in planning, implementing, and evaluating the scholarship program. The committee shall consist of 11 members, to include the executive director of the higher education services office or a representative, the commissioner of children, families, and learning or a representative, two secondary school administrators and two secondary teachers appointed by the commissioner of children, families, and learning, the executive director of the academic excellence foundation, a private college representative appointed by the president of the Minnesota private college council, a community college representative and a state university representative appointed by the chancellor of the Minnesota state colleges and universities, and a University of Minnesota representative appointed by the president of the University of Minnesota. The committee expires June 30, ~~1997~~ 2001.

Sec. 23. Minnesota Statutes 1996, section 134.31, subdivision 5, is amended to read:

Subd. 5. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee of five members to advise the staff of the Minnesota library for the blind and physically handicapped on long-range plans and library services. Members shall be people who use the library. Section 15.059 governs this committee except that the committee shall expire on June 30, ~~1997~~ 2001.

Sec. 24. Minnesota Statutes 1996, section 144.672, subdivision 1, is amended to read:

Subdivision 1. [RULE AUTHORITY.] The commissioner of health shall collect cancer incidence information, analyze the information, and conduct special studies designed to determine the potential public health significance of an increase in cancer incidence.

The commissioner shall adopt rules to administer the system, collect information, and distribute data. The rules must include, but not be limited to, the following:

- (1) the type of data to be reported;
- (2) standards for reporting specific types of data;
- (3) payments allowed to hospitals, pathologists, and registry systems to defray their costs in providing information to the system;

(4) criteria relating to contracts made with outside entities to conduct studies using data collected by the system. The criteria may include requirements for a written protocol outlining the purpose and public benefit of the study, the description, methods, and projected results of the study, peer review by other scientists, the methods and facilities to protect the privacy of the data, and the qualifications of the researcher proposing to undertake the study;

(5) specification of fees to be charged under section 13.03, subdivision 3, for all out-of-pocket expenses for data summaries or specific analyses of data requested by public and private agencies, organizations, and individuals, and which are not otherwise included in the commissioner's annual summary reports. Fees collected are appropriated to the commissioner to offset the cost of providing the data; and

(6) establishment of a committee to assist the commissioner in the review of system activities. ~~The committee expires as provided in section 15.059, subdivision 5. The committee is governed by section 15.059, except it expires June 30, 2001.~~

Sec. 25. Minnesota Statutes 1996, section 145.881, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION OF TASK FORCE.] The commissioner shall establish and appoint a maternal and child health advisory task force consisting of 15 members who will provide equal representation from:

- (1) professionals with expertise in maternal and child health services;
- (2) representatives of community health boards as defined in section 145A.02, subdivision 5; and
- (3) consumer representatives interested in the health of mothers and children.

~~No members shall be employees of the state department of health. Task force members shall be appointed and removed as provided in section 15.059, subdivisions 2 and 4. The maternal and child health advisory task force shall terminate on the date provided by section 15.059, subdivision 5, and members shall receive compensation as provided in Section 15.059, subdivision 6 governs the maternal and child health advisory task force.~~

Sec. 26. Minnesota Statutes 1996, section 148.622, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP TERMS; OFFICERS; QUORUM; EXPENSES.] (a) Members must be appointed for staggered terms of four years, with terms beginning August 1 of each even-numbered year. The terms of the initial board members shall ~~must~~ be determined by lot as follows: ~~three~~ one member must be appointed for a term that expires August 1, 2000; two members shall ~~must~~ be appointed for terms that expire August 1, 1999 1998; two members must be appointed for terms that expire August 1, 1997; and two members must be appointed for terms that expire August 1, 1995. Members of the board serve until the expiration of the term to which they have been appointed or until their successors have qualified. A person may not be appointed to serve more than two consecutive terms.

(b) The board shall organize annually and select a chair and vice-chair.

(c) Four members of the board, including two professional members and two public members, constitute a quorum to do business.

(d) The board shall hold at least two regular meetings each year. Additional meetings may be held at the call of the chair or at the written request of any three members of the board. At least 14 days' written advance notice of the board meeting is required.

(e) Board members receive compensation for their services in accordance with section 15.0575.

Sec. 27. Minnesota Statutes 1996, section 161.1419, subdivision 8, is amended to read:

Subd. 8. [EXPIRATION.] The commission shall expire on June 30, 1997 2001.

Sec. 28. Minnesota Statutes 1996, section 175.008, is amended to read:

175.008 [CODE ENFORCEMENT ADVISORY COUNCIL; CREATION.]

The commissioner shall appoint an 11 member advisory council on code enforcement. The terms, compensation, removal of council members, and expiration of the council are governed by section 15.059, except that the advisory council shall not expire before June 30, ~~1995~~ 2001. The council shall advise the commissioner on matters within the council's expertise or under the regulation of the commissioner.

Sec. 29. Minnesota Statutes 1996, section 178.02, subdivision 2, is amended to read:

Subd. 2. [TERMS.] The council shall expire and the terms, compensation and removal of appointed members shall be as provided in section 15.059, except that the council shall not expire before June 30, ~~1995~~ 2001.

Sec. 30. Minnesota Statutes 1996, section 182.656, subdivision 3, is amended to read:

Subd. 3. A majority of the council members constitutes a quorum. The council shall meet at the call of its chair, or upon request of any six members. A tape recording of the meeting with the tape being retained for a one-year period will be available upon the request and payment of costs to any interested party. The council shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059, except that the council shall not expire before June 30, ~~1995~~ 2001.

Sec. 31. Minnesota Statutes 1996, section 214.32, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT.] (a) A health professionals services program committee is established, consisting of one person appointed by each participating board, with each participating board having one vote. The committee shall designate one board to provide administrative management of the program, set the program budget and the pro rata share of program expenses to be borne by each participating board, provide guidance on the general operation of the program, including hiring of program personnel, and ensure that the program's direction is in accord with its authority. No more than half plus one of the members of the committee may be of one gender.

(b) The designated board, upon recommendation of the health professional services program committee, shall hire the program manager and employees and pay expenses of the program from funds appropriated for that purpose. The designated board may apply for grants to pay program expenses and may enter into contracts on behalf of the program to carry out the purposes of the program. The participating boards shall enter into written agreements with the designated board.

(c) An advisory committee is established to advise the program committee consisting of:

(1) one member appointed by each of the following: the Minnesota Academy of Physician Assistants, the Minnesota Dental Association, the Minnesota Chiropractic Association, the Minnesota Licensed Practical Nurse Association, the Minnesota Medical Association, the Minnesota Nurses Association, and the Minnesota Podiatric Medicine Association;

(2) one member appointed by each of the professional associations of the other professions regulated by a participating board not specified in clause (1); and

(3) two public members, as defined by section 214.02.

Members of the advisory committee shall be appointed for two years and members may be reappointed.

No more than half plus one of the members of the committee may be of one gender.

The advisory committee expires June 30, ~~1997~~ 2001.

Sec. 32. Minnesota Statutes 1996, section 245.697, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] A state advisory council on mental health is created. The council must have 30 members appointed by the governor in accordance with federal requirements. The council must be composed of:

- (1) the assistant commissioner of mental health for the department of human services;
- (2) a representative of the department of human services responsible for the medical assistance program;
- (3) one member of each of the four core mental health professional disciplines (psychiatry, psychology, social work, nursing);
- (4) one representative from each of the following advocacy groups: mental health association of Minnesota, Minnesota alliance for the mentally ill, and Minnesota mental health law project;
- (5) providers of mental health services;
- (6) consumers of mental health services;
- (7) family members of persons with mental illnesses;
- (8) legislators;
- (9) social service agency directors;
- (10) county commissioners; and
- (11) other members reflecting a broad range of community interests, as the United States Secretary of Health and Human Services may prescribe by regulation or as may be selected by the governor.

The council shall select a chair. Terms, compensation, and removal of members and filling of vacancies are governed by section 15.059. ~~The council does not expire as provided in section 15.059.~~ Notwithstanding provisions of section 15.059, the council and its subcommittee on children's mental health do not expire. The commissioner of human services shall provide staff support and supplies to the council.

Sec. 33. Minnesota Statutes 1996, section 254A.035, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP TERMS, COMPENSATION, REMOVAL AND EXPIRATION.] The membership of this council shall be composed of 17 persons who are American Indians and who are appointed by the commissioner. The commissioner shall appoint one representative from each of the following groups: Red Lake Band of Chippewa Indians; Fond du Lac Band, Minnesota Chippewa Tribe; Grand Portage Band, Minnesota Chippewa Tribe; Leech Lake Band, Minnesota Chippewa Tribe; Mille Lacs Band, Minnesota Chippewa Tribe; Bois Forte Band, Minnesota Chippewa Tribe; White Earth Band, Minnesota Chippewa Tribe; Lower Sioux Indian Reservation; Prairie Island Sioux Indian Reservation; Shakopee Mdewakanton Sioux Indian Reservation; Upper Sioux Indian Reservation; International Falls Northern Range; Duluth Urban Indian Community; and two representatives from the Minneapolis Urban Indian Community and two from the St. Paul Urban Indian Community. The terms, compensation, and removal of American Indian advisory council members shall be as provided in section 15.059. The council expires June 30, ~~1997~~ 2001.

Sec. 34. Minnesota Statutes 1996, section 254A.04, is amended to read:

254A.04 [CITIZENS ADVISORY COUNCIL.]

There is hereby created an alcohol and other drug abuse advisory council to advise the department of human services concerning the problems of alcohol and other drug dependency and abuse, composed of ten members. Five members shall be individuals whose interests or training are in the field of alcohol dependency and abuse; and five members whose interests or training are in the field of dependency and abuse of drugs other than alcohol. The terms, compensation and

removal of members shall be as provided in section 15.059. The council expires June 30, 1997 2001. The commissioner of human services shall appoint members whose terms end in even-numbered years. The commissioner of health shall appoint members whose terms end in odd-numbered years.

Sec. 35. [EFFECTIVE DATE.]

This act is effective June 30, 1997."

Delete the title and insert:

"A bill for an act relating to state agencies; modifying requirements for advisory councils and committees and multimember agencies; changing certain publication dates and requirements; changing expiration dates; amending Minnesota Statutes 1996, sections 15.059, subdivision 5, and by adding a subdivision; 15.0597, subdivisions 2 and 3; 15.0599, subdivisions 1, 4, 5, and by adding subdivisions; 16B.42, subdivision 1; 17.136; 17.49, subdivision 1; 18B.305, subdivision 3; 21.112, subdivision 2; 28A.20, subdivision 2, and by adding a subdivision; 31.95, subdivision 3a; 62Q.03, subdivision 5a; 120.1701, subdivision 3; 124.48, subdivision 3; 126.531, subdivision 3; 126.56, subdivision 5; 134.31, subdivision 5; 144.672, subdivision 1; 145.881, subdivision 1; 148.622, subdivision 3; 161.1419, subdivision 8; 175.008; 178.02, subdivision 2; 182.656, subdivision 3; 214.32, subdivision 1; 245.697, subdivision 1; 254A.035, subdivision 2; and 254A.04."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Deanna L. Wiener, Steven Morse, Dan Stevens

House Conferees: (Signed) Mindy Greiling, Darlene Luther, Peg Larsen

Ms. Wiener moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1316 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1316 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Knutson	Murphy	Samuelson
Beckman	Higgins	Krentz	Neuville	Scheevel
Belanger	Hottinger	Laidig	Novak	Scheid
Berg	Janezich	Langseth	Oliver	Spear
Berglin	Johnson, D.E.	Larson	Olson	Stevens
Betzold	Johnson, D.H.	Lesewski	Pappas	Ten Eyck
Cohen	Johnson, D.J.	Lessard	Pariseau	Terwilliger
Day	Johnson, J.B.	Limmer	Piper	Vickerman
Dille	Junge	Lourey	Pogemiller	Wiener
Fischbach	Kelley, S.P.	Marty	Robertson	Wiger
Flynn	Kelly, R.C.	Metzen	Robling	
Foley	Kiscaden	Moe, R.D.	Runbeck	
Frederickson	Kleis	Morse	Sams	

Mr. Ourada voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Stevens moved that S.F. No. 1963 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 985: Messrs. Foley, Kleis, Ms. Junge, Messrs. Sams and Neuville.

S.F. No. 1255: Mr. Belanger, Mrs. Pariseau and Mr. Marty.

S.F. No. 1880: Ms. Krentz replaces Ms. Ranum.

H.F. No. 1460: Ms. Wiener replaces Ms. Ranum.

S.F. No. 164: Messrs. Wiger, Sams and Dille.

S.F. No. 501: Messrs. Solon; Johnson, D.H. and Belanger.

S.F. No. 1419: Messrs. Johnson, D.E.; Novak and Metzen.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1486 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1486: A bill for an act relating to retirement; various public pension plans and retirement programs; including seasonal revenue department employees in general state employee retirement plan coverage; modifying various pension provisions relating to the Minnesota state colleges and universities, the higher education individual retirement account plan, and the higher education supplemental retirement plan; requiring a study by the state board of investment on tax-sheltered annuities and the evaluation of insurance companies providing tax-sheltered annuities; providing for the requalification for police and paid firefighter relief association amortization state aid in certain instances; clarifying the handling of unclaimed money and property obtained by the Minneapolis police department; modifying the retirement date for certain Hibbing high school teachers; revising and streamlining the investment performance reporting requirements of various public pension plans; modifying penalty provisions for noncompliance with investment performance reporting requirements; authorizing certain Minnesota correctional facility-Red Wing employees to elect correctional state employee retirement plan coverage; authorizing various correctional employees to transfer prior eligible service credit to the correctional state employee retirement plan; authorizing certain Minnesota state colleges and universities faculty a limited exemption from the general state employees retirement plan

reemployed annuitant earnings limitation; authorizing the teachers retirement association to accept a beneficiary designation change form filed late; authorizing certain public employees retirement association disabilitants to purchase service credit for a period of uncredited St. Paul parks and recreation division employment; amending Minnesota Statutes 1996, sections 69.051, subdivisions 1, 1a, and 1b; 136F.45, by adding subdivisions; 352.01, subdivisions 2a and 2b; 354B.21, subdivision 3; 354C.11; 356.20, by adding a subdivision; 356.219; 423A.02, subdivision 2; 423B.06, subdivisions 1 and 1a; 424A.02, subdivision 10; and Laws 1996, chapter 408, article 8, sections 21, 22, subdivision 1, and 24; repealing Minnesota Statutes 1996, section 356.218; and Laws 1995, chapter 262, article 1, sections 8, 9, 10, 11, and 12.

Mr. Morse moved to amend S.F. No. 1486 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

POLICE STATE AID AND PAID FIREFIGHTER
RETIREMENT COVERAGE COSTS

Section 1. Minnesota Statutes 1996, section 69.021, subdivision 4, is amended to read:

Subd. 4. [DETERMINATION OF QUALIFIED STATE AID RECIPIENTS; CERTIFICATION TO COMMISSIONER OF REVENUE FINANCE.] (a) The commissioner shall determine which municipalities and independent nonprofit firefighting corporations are qualified to receive fire state aid and which municipalities and counties are qualified to receive police state peace-officer aid.

(b) The commissioner shall determine qualification for state aid upon receipt of:

(1) the fire department personnel and equipment certification or the police department and qualified peace officers certificate, whichever is ~~applicable~~ applies, required under section 69.011;

(2) the financial compliance report required under section 6.495, subdivision 3, if applicable; and

(3) any other relevant information which comes to the attention of the commissioner.

(c) Upon completion of the determination, on or before October 1, the commissioner shall ~~calculate under subdivision 6~~ the amount of ~~(a) state peace-officer~~:

(1) the police state aid which each county or municipality is to receive under subdivisions 5, 6, 7a, and 10; and

~~(b)~~ (2) the fire state aid which each municipality or nonprofit firefighting corporation is to receive under subdivisions 5 and 7.

(d) The commissioner shall certify to the commissioner of finance the name of each county or municipality, and the amount of state aid which each county or municipality is to receive, in the case of police state peace-officer aid; ~~and. The commissioner shall certify to the commissioner of finance the name of each municipality or independent nonprofit firefighting corporation and the amount of state aid which each municipality or independent nonprofit firefighting corporation is to receive, in the case of fire state aid.~~

Sec. 2. Minnesota Statutes 1996, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] (a) The amount of fire state aid available for apportionment ~~shall be, before the addition of the minimum fire state aid allocation amount under subdivision 7, is equal to 107 percent of the amount of premium taxes paid to the state upon the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report. This amount shall be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations.~~

~~(b) The total amount for apportionment in respect to peace officer state aid is equal to 104 percent of the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report, plus the payment amounts received under section 60A.152 since the last aid apportionment, and reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the police relief associations. The total amount for apportionment in respect to firefighters fire state aid shall must not be less than two percent of the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report after subtracting the following amounts:~~

~~(1) the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations; and~~

~~(2) one percent of the premiums reported by town and farmers' mutual insurance companies and mutual property and casualty companies with total assets of \$5,000,000 or less.~~

(b) The total amount for apportionment as police state aid is equal to 104 percent of the amount of premium taxes paid to the state on the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report, plus the payment amounts received under section 60A.152 since the last aid apportionment, and reduced by the amount required to pay the costs and expenses of the state auditor for audits or exams of police relief associations. The total amount for apportionment in respect to the police state aid program shall must not be less than two percent of the amount of premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report after subtracting the amount required to pay the state auditor's cost and expenses of the audits or exams of the police relief associations.

(c) The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

Sec. 3. Minnesota Statutes 1996, section 69.021, subdivision 6, is amended to read:

Subd. 6. [CALCULATION OF APPORTIONMENT OF POLICE STATE PEACE OFFICERS AID TO COUNTIES.] The peace officers police state aid available shall must be distributed to the counties in proportion to the relationship that the total number of active peace officers, as defined in section 69.011, subdivision 1, clause (g), in each county who are employed either by municipalities maintaining police departments or by the county, bears to the total number of peace officers employed by all municipalities and counties, subject to any reduction under subdivision 10. Any necessary additional adjustments shall be made to subsequent apportionments.

Sec. 4. Minnesota Statutes 1996, section 69.021, subdivision 7a, is amended to read:

Subd. 7a. [APPORTIONMENT OF POLICE STATE AID.] (a) Subject to the reduction provided for under subdivision 10, the commissioner shall apportion the police state peace officer aid to each municipality and to the county in the following manner:

(1) for all municipalities maintaining police departments and the county, the state aid must be distributed in proportion to the relationship that the total number of peace officers, as determined under section 69.011, subdivision 1, clause (g), and subdivision 2, clause (b), employed by each that municipality and by the or county for 12 calendar months and the proportional or fractional number who were employed less than 12 months bears to the total number of peace officers employed by all municipalities and counties subject to any reduction under subdivision 10;

(2) for each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full-time equivalent number of peace officers providing contract service to that municipality must be credited against the municipality's contract obligation; and

(3) for each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full-time equivalent number of peace officers providing contract service to that municipality on a full-time equivalent basis must be credited against the contract obligation of the municipality receiving contract service.

~~(b) No municipality entitled to receive state peace officer aid may be apportioned less state peace officer aid for any year under Laws 1976, chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of state peace officer aid to other municipalities within the county and to the county must be adjusted in proportion to the total number of peace officers in the municipalities and the county, so that the amount of state peace officer aid apportioned does not exceed the amount of state peace officer aid available for apportionment.~~

Sec. 5. Minnesota Statutes 1996, section 69.021, subdivision 8, is amended to read:

Subd. 8. [POPULATION AND MARKET VALUE.] In computations relating to fire state aid requiring the use of population figures, only official statewide federal census figures are to be used. Increases or decreases in population disclosed by reason of any special census shall must not be taken into consideration.

In calculations relating to fire state aid requiring the use of market value property figures, only the latest available market value property figures ~~are to~~ may be used.

Sec. 6. Minnesota Statutes 1996, section 69.021, subdivision 9, is amended to read:

Subd. 9. [APPEAL.] In the event that any municipality, county, fire relief association or police department relief association feels itself to be aggrieved, it may request the commissioner to review and adjust the apportionment of funds within the county in the case of police state peace officer aid, and or within the state in the case of fire state aid, and. The decision of the commissioner ~~shall be~~ is subject to appeal, review, and adjustment by the district court in the county in which the applicable fire or police department is located.

Sec. 7. Minnesota Statutes 1996, section 69.021, subdivision 10, is amended to read:

Subd. 10. [REDUCTION IN POLICE STATE AID APPORTIONMENT.] (a) The commissioner of revenue shall reduce the apportionment of police state aid under subdivisions 5, paragraph (b), 6, and ~~7~~ 7a, for eligible employer units by any excess police state aid.

(b) "Excess police state aid" is:

(1) for counties and for municipalities in which police retirement coverage is provided wholly by the public employees police and fire fund and all police officers are members of the plan governed by sections 353.63 to 353.657, the amount in excess of the employer's total prior calendar year obligation under section 353.65, as defined in paragraph (c), as certified by the executive director of the public employees retirement association;

(2) for municipalities in which police retirement coverage is provided in part by the public employees police and fire fund governed by sections 353.63 to 353.657 and in part by a local police consolidation account governed by chapter 353A, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association;

(3) for municipalities in which police retirement coverage is provided in part by the public employees police and fire fund governed by sections 353.63 to 353.657 and in part by a local police relief association governed by sections 69.77 and 423A.01, the amount in excess of the employer's total prior calendar year obligation as defined in paragraph (c), as certified by the executive director of the public employees retirement association, plus the amount of the financial requirements of the relief association certified to the applicable municipality during the prior calendar year under section 69.77, subdivisions 2b and 2c, reduced by the amount of member contributions deducted from the covered salary of the relief association during the prior calendar year under section 69.77, subdivision 2a, as certified by the chief administrative officer of the applicable municipality; and

(4) for the metropolitan airports commission, if there are police officers hired before July 1, 1978, with retirement coverage by the Minneapolis employees retirement fund remaining, the amount in excess of the commission's total prior calendar year obligation as defined in paragraph

(c), as certified by the executive director of the public employees retirement association, plus the amount determined by expressing the commission's total prior calendar year contribution to the Minneapolis employees retirement fund under section 422A.101, subdivisions 2 and 2a, as a percentage of the commission's total prior calendar year covered payroll for commission employees covered by the Minneapolis employees retirement fund and applying that percentage to the commission's total prior calendar year covered payroll for commission police officers covered by the Minneapolis employees retirement fund, as certified by the chief administrative officer of the metropolitan airports commission.

(c) The employer's total prior calendar year obligation with respect to the public employees police and fire plan is the total prior calendar year obligation under section 353.65, subdivision 3, for police officers as defined in section 353.64, subdivision 2, and the actual total prior calendar year obligation under section 353.65, subdivision 3, for firefighters, as defined in section 353.64, subdivision 3, but not to exceed for those firefighters the applicable following amount:

<u>municipality</u>	<u>maximum amount</u>
<u>Albert Lea</u>	<u>\$54,157.01</u>
<u>Anoka</u>	<u>10,399.31</u>
<u>Apple Valley</u>	<u>5,442.44</u>
<u>Austin</u>	<u>49,864.73</u>
<u>Bemidji</u>	<u>27,671.38</u>
<u>Brooklyn Center</u>	<u>6,605.92</u>
<u>Brooklyn Park</u>	<u>24,002.26</u>
<u>Burnsville</u>	<u>15,956.00</u>
<u>Cloquet</u>	<u>4,260.49</u>
<u>Coon Rapids</u>	<u>39,920.00</u>
<u>Cottage Grove</u>	<u>8,588.48</u>
<u>Crystal</u>	<u>5,855.00</u>
<u>East Grand Forks</u>	<u>51,009.88</u>
<u>Edina</u>	<u>32,251.00</u>
<u>Elk River</u>	<u>5,216.55</u>
<u>Ely</u>	<u>13,584.16</u>
<u>Eveleth</u>	<u>16,288.27</u>
<u>Fergus Falls</u>	<u>6,742.00</u>
<u>Fridley</u>	<u>33,420.64</u>
<u>Golden Valley</u>	<u>11,744.61</u>
<u>Hastings</u>	<u>16,561.00</u>
<u>Hopkins</u>	<u>4,324.23</u>
<u>International Falls</u>	<u>14,400.69</u>
<u>Lakeville</u>	<u>782.35</u>
<u>Lino Lakes</u>	<u>5,324.00</u>
<u>Little Falls</u>	<u>7,889.41</u>
<u>Maple Grove</u>	<u>6,707.54</u>
<u>Maplewood</u>	<u>8,476.69</u>

<u>Minnetonka</u>	<u>10,403.00</u>
<u>Montevideo</u>	<u>1,307.66</u>
<u>Moorhead</u>	<u>68,069.26</u>
<u>New Hope</u>	<u>6,739.72</u>
<u>North St. Paul</u>	<u>4,241.14</u>
<u>Northfield</u>	<u>770.63</u>
<u>Owatonna</u>	<u>37,292.67</u>
<u>Plymouth</u>	<u>6,754.71</u>
<u>Red Wing</u>	<u>3,504.01</u>
<u>Richfield</u>	<u>53,757.96</u>
<u>Rosemount</u>	<u>1,712.55</u>
<u>Roseville</u>	<u>9,854.51</u>
<u>St. Anthony</u>	<u>33,055.00</u>
<u>St. Louis Park</u>	<u>53,643.11</u>
<u>Thief River Falls</u>	<u>28,365.04</u>
<u>Virginia</u>	<u>31,164.46</u>
<u>Waseca</u>	<u>11,135.17</u>
<u>West St. Paul</u>	<u>15,707.20</u>
<u>White Bear Lake</u>	<u>6,521.04</u>
<u>Woodbury</u>	<u>3,613.00</u>
<u>any other municipality</u>	<u>0.00</u>

(d) ~~The total shall~~ amount of excess police state aid must be deposited in ~~a separate~~ the excess police state-aid account in the general fund, administered and distributed as provided in subdivision 11.

Sec. 8. Minnesota Statutes 1996, section 69.021, subdivision 11, is amended to read:

Subd. 11. [EXCESS POLICE STATE-AID HOLDING ACCOUNT.] (a) ~~A~~ The excess police state-aid holding account is established in the general fund. The excess police state-aid holding account must be administered by the commissioner.

(b) Excess police state aid determined according to ~~section 69.021~~, subdivision 10, must be deposited in the excess police state-aid holding account.

(c) From the balance in the excess police state-aid holding account, \$1,000,000 is appropriated to and must be transferred annually to the ambulance service personnel longevity award and incentive suspense account established by section 144C.03, subdivision 2.

(d) If a police officer stress reduction program is created by law and money is appropriated for that program, an amount equal to that appropriation must be transferred from the balance in the excess police state-aid holding account.

(e) On October 1, 1997, and annually on each subsequent October 1, one-half of the balance of the excess police state-aid holding account remaining after the deductions under paragraphs (c) and (d) is appropriated for additional amortization aid under section 423A.02, subdivision 1b.

(f) Annually, the remaining balance in the excess police state-aid holding account, after the deductions under paragraphs (c), (d), and (e), cancels to the general fund.

Sec. 9. Minnesota Statutes 1996, section 69.031, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF FINANCE'S WARRANT.] The commissioner of finance shall issue to the county, municipality, or independent nonprofit firefighting corporation certified to the commissioner of finance by the commissioner a warrant for an amount equal to the amount of fire state aid or police state aid, whichever applies, certified to for the applicable state aid recipient by the commissioner pursuant to under section 69.021. The amount of state aid due and not paid by October 1 accrues interest at the rate of one percent for each month or part of a month the amount remains unpaid, beginning the preceding July 1.

Sec. 10. Minnesota Statutes 1996, section 69.031, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS.] There is hereby appropriated annually from the state general fund to the commissioner of revenue an amount sufficient to make the police and fire state aid payments specified in this section and section 69.021.

Sec. 11. Minnesota Statutes 1996, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (4) (a) The municipal treasurer, ~~on receiving the fire state aid,~~ shall, within 30 days after receipt, transmit ~~it~~ the fire state aid to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; ~~but.~~ If the relief association has not filed a financial report with the municipality, the municipal treasurer shall delay transmission of the fire state aid to the relief association until the complete financial report is filed. If there is no relief association organized, or if any ~~the~~ association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep deposit the money in the municipal treasury as provided for in section 424A.08 and shall the money may be disbursed only for the purposes and in the manner set forth in that section.

~~(2)~~ (b) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

~~(a)~~ (1) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall must be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

~~(b)~~ (2) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall must be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant under to section 353.65, subdivision 3; or

~~(c)~~ (3) For a municipality other than a city of the first class with a population of more than 300,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause ~~(a)~~ (1), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause ~~(b)~~ (2), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause ~~(b)~~ (2) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association; or

(4) For a municipality in which police retirement coverage is provided in part by the public

employees police and fire fund and in part by a local police consolidation account governed by chapter 353A, the total police state aid must be applied towards the municipality's total employer contribution to the public employees police and fire fund and to the local police consolidation account under sections 353.65, subdivision 3, and 353A.09, subdivision 5.

(3) (c) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to under section 353.65, subdivision 3.

(4) (d) The designated metropolitan airports commission official, upon receipt of the police state aid for the metropolitan airports commission, shall apply the total police state aid first toward the commission's employer contribution for police officers to the Minneapolis employees retirement fund under section 422A.101, subdivision 2a, and, if there is any amount of police state aid remaining, shall apply that remainder toward the commission's employer contribution for police officers to the public employees police and fire plan under section 353.65, subdivision 3.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective on the day following final enactment.

ARTICLE 2

VARIOUS LOCAL PENSION MODIFICATIONS

Section 1. Minnesota Statutes 1996, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following public employees shall not participate as members of the association with retirement coverage by the public employees retirement plan or the public employees police and fire retirement plan:

(1) elected public officers, or persons appointed to fill a vacancy in an elective office, who do not elect to participate in the association by filing an application for membership;

(2) election officers;

(3) patient and inmate personnel who perform services in charitable, penal, or correctional institutions of a governmental subdivision;

(4) employees who are hired for a temporary position under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days in the same governmental subdivision, but not those employees who are hired for an unlimited period but are serving a probationary period. If the period of employment extends beyond six consecutive months and the employee earns more than \$425 from one governmental subdivision in any one calendar month, the department head shall report the employee for membership and require employee deductions be made on behalf of the employee under section 353.27, subdivision 4.

Membership eligibility of an employee who resigns or is dismissed from a temporary position and within 30 days accepts another temporary position in the same governmental subdivision is determined on the total length of employment rather than on each separate position. Membership eligibility of an employee who holds concurrent temporary and nontemporary positions in one governmental subdivision is determined by the length of employment and salary of each separate position;

(5) employees whose actual salary from one governmental subdivision does not exceed \$425 per month, or whose annual salary from one governmental subdivision does not exceed a stipulation prepared in advance, in writing, that the salary must not exceed \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration;

(6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster;

(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, the Duluth teachers retirement fund association, the Minneapolis teachers retirement association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees retirement association, or any police or firefighters relief association that has consolidated with the public employees retirement association but whose members have not elected the type of benefit coverage provided by the public employees police and fire fund under sections 353A.01 to 353A.10. This clause 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 fund for other service occurring during the same period of time. 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 fund 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 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 through January 1, 1987, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(9) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are part-time employees as defined by a governmental subdivision;

(10) resident physicians, medical interns, and pharmacist residents and pharmacist interns who are serving in a degree or residency program in public hospitals;

(11) students who are serving in an internship or residency program sponsored by an accredited educational institution;

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

(13) foreign citizens working for a governmental subdivision with a work permit of less than three years, or an H-1b visa valid for less than three years of employment. Upon notice to the association that the work permit or visa extends beyond the three-year period, the foreign citizens are eligible for membership from the date of the extension;

(14) 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;

(15) 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 public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel; ~~and~~

(16) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties; provided that 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 public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment activities other than those as a volunteer firefighter; and

(17) pipefitters and associated trades personnel employed by independent school district No. 625 (St. Paul) with coverage by the pipefitters local 455 pension plan under a collective bargaining

agreement who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under section 12.

Sec. 2. Minnesota Statutes 1996, section 353B.07, subdivision 3, is amended to read:

Subd. 3. [FORMULA PERCENTAGE RATE.] (a) The formula percentage rate shall be 2.333 percent per year of allowable service for each of the first 20 years of allowable service, 1.333 percent per year of allowable service for each year of allowable service in excess of 20 years but not in excess of 27 years, and .5 percent for each year of allowable service in excess of 25 years for the former members of the following consolidating relief associations:

- (1) Rochester fire department relief association;
- (2) Rochester police relief association;
- (3) St. Cloud fire department relief association;
- (4) St. Cloud police relief association;
- (5) St. Louis Park police relief association; and
- (6) Winona police relief association.

(b) The formula percentage rate shall be 2.5 percent per year of allowable service for each of the first 20 years of allowable service for the former members of the following consolidating relief associations:

- (1) Albert Lea police relief association;
- (2) Anoka police relief association;
- (3) Faribault fire department relief association;
- (4) Faribault police benefit association;
- (5) Mankato police benefit association;
- (6) Red Wing police relief association; and
- (7) West St. Paul police relief association.

(c) The formula percentage rate shall be 2.5 percent per year of allowable service for each of the first 20 years of allowable service and .5 percent per year of allowable service for each year of service in excess of 25 years of allowable service for the former members of the following consolidating relief associations:

- (1) Austin firefighters relief association;
- (2) Austin police relief association;
- (3) South St. Paul firefighters relief association;
- (4) South St. Paul police relief association; and
- (5) Virginia police relief association.

(d) The formula percentage rate shall be 2.1875 percent per year of allowable service for each of the first 20 years of allowable service and 1.25 percent per year of allowable service for each year of allowable service in excess of 20 years of allowable service but not in excess of 27 years of allowable service for the former members of the Columbia Heights police relief association.

(e) The formula percentage rate shall be 2.65 percent per year of allowable service for each of the first 20 years of allowable service and an additional annual benefit of \$120 per year of

allowable service in excess of 20 years of allowable service but not in excess of 25 years of allowable service for the former members of the following consolidating relief associations:

- (1) Hibbing firefighters relief association; and
- (2) Hibbing police relief association.

(f) The formula percentage rate or rates shall be the following for the former members of the consolidating relief associations as indicated:

(1) 2.5 percent per year of allowable service for each of the first 20 years of allowable service, one percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, and 1.5 percent per year of allowable service in excess of 25 years of allowable service, Albert Lea firefighters relief association;

(2) 2.5333 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of allowable service, but not in excess of 27 years of allowable service, if service as an active member terminated before January 31, 1994, and 2.3333 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service for each year of allowable service in excess of 20 years of allowable service, but not in excess of 27 years of allowable service if service as an active member terminated on or after January 31, 1994, Bloomington police relief association;

(3) the greater of 2.5 percent per year of allowable service for each of the first 20 years of allowable service applied to the final salary base, or two percent per year of allowable service for each of the first 20 years of allowable service applied to top grade patrol officer's salary base, Brainerd police relief association;

(4) 4.25 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$10 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, Buhl police relief association;

(5) 2.5 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$5 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, Chisholm firefighters relief association;

(6) 2.5 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$5 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years of allowable service, Chisholm police relief association;

(7) 2.1875 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service and 1.75 percent per year of allowable service in excess of 25 years of allowable service, Columbia Heights fire department relief association, paid division;

(8) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service and 1.5 percent per year of allowable service rendered after attaining the age of 60 years, Crookston fire department relief association;

(9) 2.5 percent per year of allowable service for each year of the first 30 years of allowable service, Crookston police relief association;

(10) 2.25 percent per year of allowable service for each year of the first 20 years of allowable service and 1.25 percent per year of allowable service in excess of 20 years of allowable service, but not more than 27 years of service, Crystal police relief association;

(11) 1.99063 percent per year of allowable service for each year of the first 20 years of

allowable service, 1.25 percent for the 21st year of allowable service, and 2.5 percent per year of allowable service in excess of 21 years of allowable service but not more than 25 years of allowable service, Duluth firefighters relief association;

(12) 1.9875 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent for the 21st year of allowable service, and 2.5 percent per year of allowable service in excess of 21 years of allowable service but not more than 25 years of allowable service, Duluth police relief association;

(13) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service, and two percent per year of allowable service in excess of 20 years but not more than 25 years of allowable service and not to include any year of allowable service rendered after attaining the age of 55 years, Fairmont police benefit association;

(14) two percent per year of allowable service for each year of the first ten years of allowable service, 2.67 percent per year of allowable service in excess of ten years of allowable service but not more than 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of service but not more than 27 years of allowable service, Fridley police pension association;

(15) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service and an additional annual amount of \$30 per year of allowable service in excess of 20 years of allowable service but not more than 30 years of allowable service, Mankato fire department relief association;

(16) for members who terminated active service as a Minneapolis firefighter before June 1, 1993, 2.0625 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 24 years of allowable service and five percent for the 25th year of allowable service, and for members who terminated active service as a Minneapolis firefighter after May 31, 1993, two percent for each year of the first 19 years of allowable service, 3.25 percent for the 20th year of allowable service, and two percent per year of allowable service in excess of 20 years of service, but not more than 25 years of allowable service, Minneapolis fire department relief association;

(17) two percent per year of allowable service for each year of the first 25 years of allowable service, Minneapolis police relief association;

(18) the greater of 2.5 percent per year of allowable service for each of the first 20 years of allowable service applied to the final salary base, or two percent per year of allowable service for each of the first 20 years of allowable service applied to highest patrol officer's salary base plus .5 percent of the final salary base per year of allowable service for each of the first three years of allowable service in excess of 20 years of allowable service, New Ulm police relief association;

(19) two percent per year of allowable service for each of the first 25 years of allowable service and 1.5 percent per year of allowable service in excess of 25 years of allowable service, Red Wing fire department relief association;

(20) ~~2.55~~ 2.75 percent per year of allowable service for each of the first 20 years of allowable service, Richfield fire department relief association;

(21) 2.4 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of allowable service but not more than 27 years of allowable service, Richfield police relief association;

(22) for a former member with less than 20 years of allowable service on June 16, 1985, 2.6 percent, and for a former member with 20 or more years of allowable service on June 16, 1985, 2.6175 percent for each of the first 20 years of allowable service and, for each former member, one percent for each year of allowable service in excess of 20 years, but no more than 30 years, St. Louis Park fire department relief association;

(23) 1.9375 percent per year of allowable service for each of the first 20 years of allowable service, 2.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, and .5 percent per year of allowable service in excess of 25 years of allowable service, St. Paul fire department relief association;

(24) two percent per year of allowable service for each of the first 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years of allowable service, St. Paul police relief association;

(25) 2.25 percent per year of allowable service for each of the first 20 years of allowable service and one percent per year of allowable service in excess of 20 years but not more than 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years, Virginia fire department relief association;

(26) two percent per year of allowable service for each of the first 20 years of allowable service, one percent per year of allowable service in excess of 20 years but not more than 24 years of allowable service, three percent for the 25th year of allowable service and one percent per year of allowable service in excess of 25 years of allowable service but not more than 30 years of allowable service, West St. Paul firefighters relief association; and

(27) 2.333 percent for each of the first 20 years of allowable service, 1.333 percent for each year of allowable service in excess of 20 years but no more than 28 years, and .5 percent for each year of allowable service in excess of 25 years, Winona fire department relief association.

Sec. 3. Minnesota Statutes 1996, section 353B.08, subdivision 6, is amended to read:

Subd. 6. [DUTY DISABILITY BENEFIT AMOUNT.] (a) The duty disability benefit shall be an amount equal to the service pension amount to which the person would have been entitled if the person had credit for the greater of actual years of allowable service or 20 years of allowable service, had attained the minimum age for the receipt of a service pension, and had applied for a service pension rather than a disability benefit for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association;
- (3) Anoka police relief association;
- (4) Austin police relief association;
- (5) Buhl police relief association;
- (6) Chisholm police relief association;
- (7) Duluth police relief association;
- (8) Faribault fire department relief association;
- (9) Mankato police benefit association;
- (10) Minneapolis police relief association;
- (11) New Ulm police relief association;
- (12) Red Wing police relief association;
- (13) St. Paul police relief association;
- (14) South St. Paul police relief association; and
- (15) Virginia police relief association.

(b) The duty disability benefit shall be an amount equal to 48 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Richfield police relief association;
- (3) Rochester fire department relief association;
- (4) Rochester police relief association;
- (5) St. Cloud fire department relief association;
- (6) St. Cloud police relief association;
- (7) St. Louis Park police relief association; and
- (8) Winona police relief association.

(c) The duty disability benefit shall be an amount equal to 50 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Austin firefighters relief association;
- (2) Crookston fire department relief association;
- (3) Fairmont police benefit association;
- (4) Mankato fire department relief association;
- (5) ~~Richfield fire department relief association;~~
- (6) South St. Paul firefighters relief association; and
- ~~(7)~~ (6) Virginia fire department relief association.

(d) The duty disability benefit shall be an amount equal to 45 percent of the salary base for the former members of the Crystal police relief association.

(e) The duty disability benefit shall be an amount equal to 40 percent of the salary base for the former members of the following consolidating relief associations:

- (1) West St. Paul firefighters relief association; and
- (2) West St. Paul police relief association.

(f) The duty disability benefit shall be the following for the former members of the consolidating relief associations as indicated:

(1) 52 percent of the salary base for former members who were disabled before January 31, 1994, and 48 percent of the salary base for former members who become disabled after January 31, 1994, Bloomington police relief association;

(2) 40 percent of the top salary for a patrol officer, Brainerd police relief association;

(3) \$100 per month, Chisholm firefighters relief association;

(4) 37.5 percent of the salary base if the person has credit for less than ten years of allowable service, 43.75 percent of the salary base if the person has credit for more than nine years but less than 15 years of allowable service and 50 percent of the salary base if the person has credit for more than 14 years of allowable service credit, Columbia Heights fire department relief association, paid division;

(5) 43.75 percent of the salary base, Columbia Heights police relief association;

(6) 25 percent of the salary base if the person has credit for less than 12 years of allowable service and an additional amount equal to 2.5 percent of the salary base per year if allowable service for each year of allowable service in excess of 11 years of allowable service, not more than 50 percent, Crookston police relief association;

(7) 51.0625 percent of the salary base, Duluth firefighters relief association;

(8) 12.5 percent of the salary base if the person has credit for less than six years of allowable service, 2.5 percent of the salary base per year of allowable service if the person has more than five years of allowable service, but not more than 50 percent of the salary base, Faribault police benefit association;

(9) the dollar amount which equals the benefit which would be payable under chapter 176 for a comparable benefit which qualifies for a workers' compensation benefit for a first class disability, 75 percent of the amount payable in the event of a first class disability for a second class disability and 50 percent of the amount payable in the event of a first class disability for a third class disability, Hibbing firefighters relief association;

(10) \$120 per month, Hibbing police relief association;

(11) 51.25 percent of the salary base for a first class disability, 41.25 percent of the salary base for a second class disability, and 31.25 percent of the salary base for a third class disability, Minneapolis fire department relief association;

(12) 40 percent of the salary base if the person has credit for less than 20 years of allowable service and two percent of the salary base per year of allowable service if the person has more than 19 years of allowable service, but not more than 50 percent, Red Wing fire department relief association;

(13) 54 percent of the salary base, Richfield fire department relief association;

(14) 50 percent of the salary base if the person has credit for less than 20 years of allowable service and an amount equal to the service pension amount to which the person would have been entitled based on the applicable amount of allowable service if the person had attained the minimum age for the receipt of a service pension and had applied for a service pension rather than a disability benefit and if the person has credit for at least 20 years of allowable service, St. Louis Park fire department relief association;

~~(14)~~ (15) 50 percent of the salary base if the person is not able to perform the duties of any other gainful employment, 39.375 percent of the salary base if the person is only able to perform the duties of light manual labor or office employment and 33.75 percent of the salary base if the person is able to perform the duties of other manual labor, St. Paul fire department relief association; and

~~(15)~~ (16) 42.667 percent of the salary base, Winona fire department relief association.

Sec. 4. Minnesota Statutes 1996, section 353B.11, subdivision 3, is amended to read:

Subd. 3. [AMOUNT; SURVIVING SPOUSE BENEFIT.] (a) The surviving spouse benefit shall be 30 percent of the salary base for the former members of the following consolidating relief associations:

(1) Albert Lea firefighters relief association;

(2) Albert Lea police relief association;

(3) Anoka police relief association;

(4) Austin police relief association;

(5) Brainerd police benefit association;

- (6) Crookston police relief association;
- (7) Faribault fire department relief association; and
- (8) West St. Paul firefighters relief association.

(b) The surviving spouse benefit shall be 25 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Chisholm police relief association;
- (2) Duluth firefighters relief association;
- (3) Duluth police pension association;
- (4) Fairmont police benefit association;
- (5) Red Wing fire department relief association;
- (6) South St. Paul police relief association; and
- (7) West St. Paul police relief association.

(c) The surviving spouse benefit shall be 24 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Richfield police relief association;
- (3) Rochester fire department relief association;
- (4) Rochester police relief association;
- (5) Winona fire department relief association; and
- (6) Winona police relief association.

(d) The surviving spouse benefit shall be 40 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Columbia Heights fire department relief association, paid division; and
- (2) New Ulm police relief association; ~~and~~
- ~~(3) Richfield fire department relief association.~~

(e) The surviving spouse benefit shall be \$250 per month for the former members of the following consolidating relief associations:

- (1) Hibbing firefighters relief association; and
- (2) Hibbing police relief association.

(f) The surviving spouse benefit shall be 23.75 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Crystal police relief associations; and
- (2) Minneapolis police relief association.

(g) The surviving spouse benefit shall be 32 percent of the salary base for the former members of the following consolidating relief associations:

- (1) St. Cloud fire department relief association; and

(2) St. Cloud police relief association.

(h) The surviving spouse benefit shall be one-half of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, for the former members of the following consolidating relief associations:

(1) Virginia fire department relief association; and

(2) Virginia police relief association.

(i) The surviving spouse benefit shall be the following for the former members of the consolidating relief associations as indicated:

(1) 30 percent of the salary base, reduced by any amount awarded or payable from the service pension or disability benefit of the deceased former firefighter to a former spouse of the member by virtue of the legal dissolution of the member's marriage to the former spouse if the surviving spouse married the member after the time of separation from active service, Austin firefighters relief association;

(2) 27.333 percent of the salary base, or one-half of the service pension payable to or accrued by the deceased former member, whichever is greater, Bloomington police relief association;

(3) 72.25 percent of the salary base, Buhl police relief association;

(4) 50 percent of the service pension which the active member would have received based on allowable service credit to the date of death and prospective service from the date of death until the date on which the person would have attained the normal retirement age, 50 percent of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or \$175 per month if the deceased member was receiving a service pension or disability benefit as of the date of death, Chisholm firefighters relief association;

(5) two-thirds of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, Columbia Heights police relief association;

(6) the greater of \$300 per month or one-half of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Crookston fire department relief association;

(7) \$100 per month, Faribault police benefit association;

(8) 60 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Mankato fire department relief association;

(9) \$175 per month, Mankato police benefit association;

(10) 26.25 percent of the salary base, Minneapolis fire department relief association;

(11) equal to the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Red Wing police relief association;

(12) 78.545 percent of the benefit amount payable prior to the death of the deceased active, disabled, deferred, or retired firefighter if that firefighter's benefit was 55 percent of salary or would have been 55 percent of salary if the firefighter had survived to begin benefit receipt; or 80 percent of the benefit amount payable prior to the death of the deceased active, disabled, deferred, or retired firefighter if that firefighter's benefit was 54 percent of salary or would have been 54 percent of salary if the firefighter had survived to begin benefit receipt, Richfield fire department relief association;

(13) 40 percent of the salary base for a surviving spouse of a deceased active member, disabled member, or retired or deferred member with at least 20 years of allowable service, or the prorated portion of 40 percent of the salary base that bears the same relationship to 40 percent that the deceased member's years of allowable service bear to 20 years of allowable service for the surviving spouse of a deceased retired or deferred member with at least ten but less than 20 years of allowable service, St. Louis Park fire department relief association;

(13) (14) 26.6667 percent of the salary base, St. Louis Park police relief association;

(14) (15) 27.5 percent of the salary base, St. Paul fire department relief association;

(15) (16) 20 percent of the salary base, St. Paul police relief association; and

(16) (17) 27 percent of the salary base, South St. Paul firefighters relief association.

Sec. 5. Minnesota Statutes 1996, section 353B.11, subdivision 4, is amended to read:

Subd. 4. [AMOUNT; SURVIVING CHILD BENEFIT.] (a) The surviving child benefit shall be eight percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Red Wing fire department relief association;
- (3) Richfield police relief association;
- (4) Rochester fire department relief association;
- (5) Rochester police relief association;
- (6) St. Cloud police relief association;
- (7) St. Louis Park police relief association;
- (8) South St. Paul firefighters relief association;
- (9) Winona fire department relief association; and
- (10) Winona police relief association.

(b) The surviving child benefit shall be \$25 per month for the former members of the following consolidating relief associations:

- (1) Anoka police relief association;

- (2) Austin firefighters relief association;
- (3) Austin police relief association;
- (4) Faribault police benefit association;
- (5) Hibbing firefighters relief association;
- (6) Mankato police benefit association;
- (7) South St. Paul police relief association; and
- (8) Virginia fire department relief association.

(c) The surviving child benefit shall be ten percent of the salary base for the former members of the following consolidating relief associations:

- (1) Albert Lea police relief association;
- (2) Crookston police relief association;
- (3) Duluth firefighters relief association;
- (4) Duluth police pension association;
- (5) Faribault fire department relief association; and
- (6) Minneapolis fire department relief association.

(d) The surviving child benefit shall be five percent of the salary base for the former members of the following consolidating relief associations:

- (1) Columbia Heights fire department relief association, paid division;
- (2) St. Paul police relief association; and
- (3) West St. Paul firefighters relief associations.

(e) The surviving child benefit shall be \$15 per month for the former members of the following consolidating relief associations:

- (1) Crookston fire department relief association;
- (2) Hibbing police relief association; and
- (3) West St. Paul police relief association.

(f) The surviving child benefit shall be 7.5 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Bloomington police relief association; and
- (2) Crystal police relief association.

(g) The surviving child benefit shall be the following for the former members of the consolidating relief associations as indicated:

(1) ten percent of the salary base if a surviving spouse benefit is also payable, that amount between ten percent of the salary base and 50 percent of the salary base as determined by the executive director of the public employees retirement association, based on the financial circumstances and need of the surviving child or surviving children, applied in a uniform manner, reflective to the extent practicable or determinable to the past administrative practices of the board of the consolidating relief association before the effective date of the consolidation if there is a surviving spouse but no surviving spouse benefit is also payable on account of the remarriage of

the surviving spouse, or 50 percent of the salary base, payable in equal shares for more than one surviving child, if there is no surviving spouse, Albert Lea firefighters relief association;

(2) four percent of the salary base, Brainerd police benefit association;

(3) \$125 per month if a surviving spouse benefit is also payable or an amount equal to the surviving spouse benefit, payable in equal shares if there is more than one surviving child, if no surviving spouse benefit is payable, Buhl police relief association;

(4) \$15 per month, Chisholm firefighters relief association;

(5) \$125 per month, Chisholm police relief association;

(6) \$50 per month, Columbia Heights police relief association;

(7) 6.25 percent of the salary base, Fairmont police benefit association;

(8) 12.5 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Mankato fire department relief association;

(9) ten percent of the salary base if a surviving spouse benefit is also payable or an amount determined by the executive director of the public employees retirement association based on the financial circumstances and need of the surviving child or surviving children, applied in a uniform manner, and subject to the largest applicable amount surviving child benefit maximum if no surviving spouse benefit is also payable, Minneapolis police relief association;

(10) \$25 per month if a surviving spouse benefit is also payable or an amount equal to the surviving spouse benefit, payable in equal shares if there is more than one surviving child, New Ulm police relief association;

(11) in an amount determined by the executive director of the public employees retirement association based on the financial circumstances and need of the surviving child or surviving children, applied in a uniform manner, reflective to the extent practicable or determinable to the past administrative practices of the board of the consolidating relief association before the effective date of the consolidation and not more than the largest surviving child benefit amount prescribed for any other actual or potential consolidating relief association as provided in this section, Red Wing police relief association;

(12) ~~five percent of the salary base if a surviving spouse benefit is also payable or 15 percent of the salary base if no surviving spouse benefit is payable, 9.818 percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death if that firefighter's benefit was or would have been 55 percent of salary and if a surviving spouse benefit is also payable or 29.454 percent if a surviving spouse benefit is not payable; or ten percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death if that firefighter's benefit was or would have been 54 percent of salary and if a surviving spouse benefit is also payable or 30 percent if a surviving spouse benefit is not payable,~~ Richfield fire department relief association;

(13) 5.3334 percent of the salary base, St. Cloud fire department relief association;

(14) five percent of the salary base if a surviving spouse benefit is also payable or 15 percent of the salary base if no surviving spouse benefit is also payable for the surviving child or children of a deceased active member, disabled member, or retired or deferred member with at least 20 years of active service, or the prorated portion of five percent of the salary base if a surviving spouse benefit is also payable or 15 percent of the salary base if no surviving spouse benefit is also payable that bears the same relationship to five or 15 percent that the deceased member's years of allowable service bear to 20 years of allowable service for the surviving child or children of a

deceased retired or deferred member with at least ten but less than 20 years of allowable service, St. Louis Park fire department relief association;

- (15) ten percent of the salary base, St. Paul fire department relief association; and
- (16) \$50 per month, Virginia police relief association.

Sec. 6. Minnesota Statutes 1996, section 353B.11, subdivision 5, is amended to read:

Subd. 5. [SURVIVOR BENEFIT MAXIMUM.] (a) No surviving children or surviving family maximum shall be applicable to former members of the following consolidating relief associations:

- (1) Buhl police relief association;
- (2) Chisholm firefighters relief association;
- (3) Chisholm police relief association;
- (4) Hibbing firefighters relief association;
- (5) Mankato police benefit association;
- (6) New Ulm police relief association;
- (7) Red Wing fire department relief association;
- (8) Red Wing police relief association;
- (9) St. Paul police relief association; and
- (10) South St. Paul police relief association.

(b) The surviving children maximum shall be 24 percent of the salary base, if a surviving spouse benefit is also payable or 48 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Richfield police relief association;
- (3) Rochester fire department relief association;
- (4) Rochester police relief association;
- (5) Winona fire department relief association; and
- (6) Winona police relief association.

(c) The surviving family maximum shall be 50 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Anoka police relief association;
- (2) Austin firefighters relief association;
- (3) Austin police relief association;
- (4) Duluth firefighters relief association; and
- (5) ~~Richfield fire department relief association; and~~
- (6) ~~St. Louis Park fire department relief association.~~

(d) The surviving family maximum shall be an amount equal to the service pension which a

retiring member would have received based on 20 years of allowable service credit if the member had attained the age of at least 50 years in the case of an active member, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death in the case of a deferred member, or of the service pension or disability benefit which the deceased member was receiving as of the date of death, for the former members of the following consolidating relief associations:

- (1) Columbia Heights police relief association;
- (2) Virginia fire department relief association; and
- (3) Virginia police relief association.

(e) The surviving children maximum shall be 25 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Duluth police pension association; and
- (2) Fairmont police benefit association.

(f) The surviving children maximum shall be 22.5 percent of the salary base, if a surviving spouse benefit is also payable or 45 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the Crystal police relief association.

(g) The surviving children maximum shall be 16 percent of the salary base, if a surviving spouse benefit is also payable or 48 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) St. Cloud fire department relief association; and
- (2) St. Cloud police relief association.

(h) The surviving children maximum shall be 20 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association; and
- (3) Faribault fire department relief association.

(i) The surviving family maximum shall be the following for the former members of the consolidating relief associations:

- (1) 60 percent of the salary base, Bloomington police relief association;
- (2) \$450 per month, Crookston police relief association;

(3) 80 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, Mankato fire department relief association; and

(4) 98.182 percent of the benefit amount payable or to which the firefighter was eligible prior to the death of the firefighter if that firefighter's benefit was or would have been 55 percent of salary, or 100 percent of the benefit amount payable or to which the firefighter was eligible prior to the death of the firefighter if that firefighter's benefit was or would have been 54 percent of salary, Richfield fire department relief association; and

(5) 57.5 percent of the salary base, St. Paul fire department relief association.

(j) The surviving child maximum shall be the following for the former members of the consolidating relief associations:

(1) 20 percent of the top salary payable to a patrol officer, Brainerd police benefit association;

(2) ten percent of the salary base, if a surviving spouse benefit is also payable or 15 percent of the salary base, if no surviving spouse benefit is also payable, Columbia Heights fire department relief association, paid division;

(3) \$105 per month if a surviving spouse benefit is also payable or \$90 per month if no surviving spouse benefit is also payable, Crookston fire department relief association;

(4) \$125 per month, Faribault police benefit association;

(5) \$30 per month if a surviving spouse benefit is also payable or \$180 per month if no surviving spouse benefit is also payable, Hibbing police relief association;

(6) 25 percent of the salary base, if a surviving spouse benefit is also payable or 51.25 percent of the salary base, if no surviving spouse benefit is also payable, Minneapolis fire department relief association;

(7) 17.5 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, Minneapolis police relief association;

(8) 24 percent of the salary base, St. Louis Park police relief association;

(9) 23 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, South St. Paul firefighters relief association;

(10) ten percent of the salary base, West St. Paul firefighters relief association; and

(11) \$30 per month if a surviving spouse benefit is also payable or \$75 per month if no surviving spouse benefit is also payable, West St. Paul police relief association.

Sec. 7. Laws 1943, chapter 196, section 4, as amended by Laws 1951, chapter 44, section 1, Laws 1955, chapter 88, section 1, Laws 1978, chapter 675, section 1, Laws 1991, chapter 28, section 1, and Laws 1992, chapter 428, section 1, is amended to read:

Sec. 4. [RETIREMENT AGE, PENSION.] When any member of the association reaches the age of 55 years, he may retire and then shall receive a pension as long as he lives, at the following rates:

(a) When he has served as a member of the police department for a period of 20 years or more, excluding temporary employment or probationary periods. Such retired member shall be paid each month a pension equal to one-half of his average monthly earnings during the last preceding three years of his service with said police department, plus an additional \$3 per month for each year of service not to exceed 20 years.

(b) An additional \$8 per month for each year of service over 20 that he has served as a member of such police department after the age of 55 years, not to exceed five years for purposes of pension computation,

(c) In the event he retires after reaching the age of 55 or more and after having been a member of the department for at least 15 years, but before having served 20 years in the department, the amount of pension which he received shall be that proportion of, pension equal to one-half of his average monthly earnings during the last preceding three years of his service with said police department, plus an additional \$3 per month for each year of service. Major fractions of years of service to be treated as one year and minor fractions disregarded,

(d) In no event shall temporary employment or employment for probationary period be considered in computing pension allowances hereunder,

(e) When a service pensioner or an active member of the police department who has 20 years or more of service, dies, leaving a surviving spouse or children, a pension shall be paid as follows:

1. To the surviving spouse a pension of \$375 a month for life,

2. To the child or children, if their surviving parent is living, a pension of \$10 per month for each child not over sixteen years of age, provided, the total pension hereunder for surviving spouse and children of the deceased member, shall not exceed the sum of \$395 per month,

3. A child or children of a deceased member, or after the death or remarriage of their surviving parent, be entitled to receive a pension or pensions of \$10 per month until they have reached the age of 16 years.

(f) The city council may, by resolution, increase the pension payable to a surviving spouse by ~~an amount equal to any increase in the revised consumer price index for all urban consumers for the Minneapolis-St.Paul metropolitan area prepared by the United States Department of Labor, provided that no increase may exceed five percent a year.~~

Sec. 8. Laws 1965, chapter 705, section 1, subdivision 4, is amended to read:

Subd. 4. [INDEPENDENT SCHOOL DISTRICT NO. 625; APPLICABILITY OF CERTAIN LAWS.] (a) As of July 1, 1965, the organization, operation, maintenance and conduct of the affairs of the converted district shall be governed by general laws relating to independent districts, except as otherwise provided in Extra Session Laws 1959, Chapter 71, as amended, and all special laws and charter provisions relating only to the converted district are repealed.

(b) Where an existing pension law is applicable to employees of the special district, such law shall continue to be applicable in the same manner and to the same extent to employees of the converted district. Notwithstanding this requirement, pipefitters and associated trades personnel with coverage by the pipefitters local 455 pension plan under a collective bargaining agreement who either were first employed after May 1, 1997, or, if first employed before May 2, 1997, elected exclusion from coverage under section 12 are not covered by the public employees retirement association.

(c) General laws applicable to independent school districts wholly or partly within cities of the first class shall not be applicable to the converted district.

(d) The provision of the statutes applicable only to teachers retirement fund associations in cities of the first class, limiting the amount of annuity to be paid from public funds, limiting the taxes to be levied to carry out the plan of such associations, and limiting the amount of annuities to be paid to beneficiaries, ~~all as contained in Minnesota Statutes, Section 135.24,~~ shall not be applicable to such converted district, but the statutes applicable to such special district prior to the conversion shall continue to be applicable and the pension plan in operation prior to the conversion shall continue in operation until changed in accordance with law, and the teacher tenure law applicable to the special district shall continue to apply to the converted district in the same manner and to the same extent to teachers in the converted district; provided further, where existing civil service provisions of any law or charter are applicable to special district employees, such provision shall continue to be applicable in the same manner and to the same extent to employees of the converted district. Notwithstanding any contrary provision of Extra Session Laws 1959, Chapter 71, as amended, if there was in the special district a teachers retirement fund association operating and existing under the provisions of Laws 1909, Chapter 343, and all acts amendatory thereof, then such teachers retirement fund association shall continue to exist and operate in the converted district under and to be subject to the provisions of Laws 1909, Chapter 343, and all acts amendatory thereof, to the same extent and in the same manner as before the conversion, and, without limiting the generality of the foregoing, such teachers retirement fund association shall continue, after the conversion as before the conversion, to certify to the same authorities the amount necessary to raise by taxation in order to carry out its retirement plan, and it

shall continue, after the conversion as before the conversion, to be the duty of said authorities to include in the tax levy for the ensuing year a tax in addition to all other taxes sufficient to produce so much of the sums so certified as said authorities shall approve, and such teachers retirement fund association shall not be subject after the conversion to any limitation on payments to any beneficiary from public funds or on taxes to be levied to carry out the plan of such association to which it was not subject before the conversion.

Sec. 9. Laws 1967, chapter 798, section 2, is amended to read:

Sec. 2. [RICHFIELD FIRE DEPARTMENT RELIEF ASSOCIATION; DISABILITY PENSION AMOUNT.] In lieu of the disability pension and limitation as provided for in Minnesota Statutes, Section 424.20, the firemen's fire department relief association in the city of Richfield may provide for disability benefits, as defined in Minnesota Statutes, Section 424.19, of not more than a sum equal to one-half 54 percent of the salary, as payable from time to time during the period of pension payment to firemen firefighters of the highest grade, not including officers of the department, in the employ of the city of Richfield, ~~such~~. The disability pension to be is payable as the bylaws of the association provide.

Sec. 10. Laws 1967, chapter 798, section 4, is amended to read:

Sec. 4. [SERVICE PENSION.]

Subdivision 1. [AGE AT WHICH SERVICE PENSION IS PAYABLE.] A member of the fire department, who enters the employment of the department on or after January 1, 1968, shall not be eligible to receive a service pension until he the person reaches the age of 55 years, in lieu of the eligibility requirement pertaining to age provided in Minnesota Statutes, Sections 424.21 and 424.22.

Subd. 2. [SERVICE PENSION AMOUNT.] (a) If its bylaws so provide, in lieu of the service pension amount set forth in Minnesota Statutes, section 424.21, the Richfield fire department relief association may provide a service pension, as specified in paragraph (b) or (c), as applicable, to a retiring firefighter with at least 20 years of service, based on a percentage of the salary as payable from time to time during the period of pension payment to firefighters of the highest grade, not including officers of the department, in the employ of the city of Richfield.

(b) If the eligible firefighter terminated service before the effective date of the alternative benefit improvement authorized by Minnesota Statutes, section 423A.04, the service pension is 54 percent of salary as defined in paragraph (a).

(c) If the eligible firefighter terminates service on or after the effective date of the alternative benefit improvement authorized by Minnesota Statutes, section 423A.04, the service pension is 55 percent of salary as defined in paragraph (a).

Sec. 11. Laws 1992, chapter 563, section 5, as amended by Laws 1996, chapter 448, article 2, section 1, is amended to read:

Sec. 5. [ST. PAUL POLICE AND FIRE CONSOLIDATION ACCOUNTS; LIMITATION ON POSTRETIREMENT BENEFIT REDUCTIONS.]

(a) A monthly service pension or retirement benefit payment from the St. Paul fire department consolidation account or the St. Paul police consolidation account may not be reduced in amount to an amount that is less than that received by the person for the immediately previous month.

(b) ~~The service pension or retirement benefit payable from the St. Paul fire department consolidation account or from the St. Paul police consolidation account to a person who becomes newly entitled to that service pension or retirement benefit may not be an amount that is less than the service pension or retirement benefit then payable to a comparably situated pensioner or benefit recipient of that consolidation account.~~

(e) The limitation in paragraph (a) ~~or (b)~~ may not be construed to limit the power of the executive director of the public employees retirement association to require proof of continuing

eligibility for receipt of a disability benefit or a survivor benefit, or to require the reduction in amount or elimination of a disability benefit in the event of changed medical circumstances, or to require the reduction in amount or elimination of a survivor benefit in the event of changes in eligibility.

Sec. 12. [PUBLIC PENSION COVERAGE EXCLUSION FOR CERTAIN TRADES PERSONNEL.]

Subdivision 1. [EXCLUSION ELECTION.] (a) A pipefitter or an associated tradesperson who is employed by independent school district No. 625 (St. Paul) on the effective date of this section and who has pension coverage by the pipefitters local 455 pension plan under a collective bargaining agreement may elect to be excluded from pension coverage by the public employees retirement association.

(b) The exclusion election under this section must be in writing on a form prescribed by the executive director of the public employees retirement association and filed with the executive director. The exclusion election is irrevocable. Authority to make the coverage exclusion election expires on January 1, 1998.

Subd. 2. [ELIGIBILITY FOR MEMBER CONTRIBUTION REFUND.] A person who has less than three years of allowable service in the public employees retirement association and who elects the pension coverage exclusion under subdivision 1 is entitled to immediately apply for a refund under Minnesota Statutes, section 353.34, subdivisions 1 and 2, following the effective date of the exclusion election.

Subd. 3. [DEFERRED ANNUITY ELIGIBILITY.] In lieu of the refund under subdivision 2, a person who elects the pension coverage exclusion under subdivision 1 is entitled to a deferred retirement annuity under Minnesota Statutes, sections 353.34, subdivision 3, and 353.71, subdivision 2, based on any length of allowable service credit under Minnesota Statutes, section 353.01, subdivision 16, to the credit of the person as of the date of the coverage exclusion election.

Sec. 13. [RICHFIELD FIRE DEPARTMENT RELIEF ASSOCIATION; SURVIVOR BENEFIT AMOUNTS.]

Subdivision 1. [ELIGIBILITY.] The Richfield fire department relief association, if its bylaws so provide, may provide surviving spouse and surviving child benefits as specified in subdivisions 2 and 3. For purposes of this section, the definitions of surviving spouse and surviving child as defined in Minnesota Statutes, section 424.24, subdivision 2, apply. The benefits set forth in subdivisions 2 and 3 are in lieu of the survivor benefits set forth in Minnesota Statutes, section 424.24, subdivision 1.

Subd. 2. [SURVIVING SPOUSE BENEFIT AMOUNT.] (a) If the retirement benefit amount for the firefighter was computed under section 2, subdivision 2, paragraph (c), the surviving spouse benefit amount is 78.545 percent of the benefit amount payable prior to the death of the primary annuitant.

(b) If the firefighter was receiving a disability benefit under section 1, or a retirement benefit under section 2, subdivision 2, paragraph (b), the surviving spouse benefit amount is 80 percent of the benefit amount payable prior to the death of the primary annuitant.

(c) If the death of the active, disabled, deferred, or retired firefighter occurs prior to the commencement of benefit payments, the surviving spouse benefit amount is to be computed under paragraph (a) if the firefighter would have been eligible for an annuity under section 2, subdivision 2, paragraph (c), at the time of death, based on the benefit the firefighter would have received if benefits had commenced prior to death.

(d) If the death of the active, disabled, deferred, or retired firefighter occurs prior to the commencement of benefit payments, the surviving spouse benefit amount is to be computed under paragraph (b) if the firefighter would have been eligible for an annuity under section 1 or section 2, subdivision 2, paragraph (b), at the time of death, based on the benefit the firefighter would have received if benefits had commenced prior to death.

Subd. 3. [SURVIVING CHILD BENEFIT AMOUNT.] (a) If a surviving spouse benefit is payable under subdivision 2, paragraph (a) or (c), each surviving child may also receive a benefit equal to 9.818 percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death. If there is no surviving spouse, but benefits would be payable under subdivision 2, paragraph (a) or (c), if there was, each surviving child may receive a benefit of 29.454 percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death. If a surviving child benefit or benefits are paid under this paragraph, the maximum of the combination of survivor benefits under this subdivision and subdivision 2 when these benefits commence is 98.182 percent of the benefit amount payable or to which the firefighter was eligible prior to the death of the firefighter.

(b) If a surviving spouse benefit is payable under subdivision 2, paragraph (b) or (d), each surviving child may also receive a benefit equal to ten percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death. If there is no surviving spouse, but benefits would be payable under subdivision 2, paragraph (b) or (d), if there was, each surviving child may receive a benefit of 30 percent of the benefit payable to the firefighter or to which the firefighter would have been eligible at the time of death. If a surviving child benefit or benefits are paid under this paragraph, the maximum of the combination of survivor benefits under this subdivision and subdivision 2 when these benefits commence is 100 percent of the benefit amount payable or to which the firefighter was eligible prior to the death of the firefighter.

Sec. 14. [SURVIVOR BENEFIT DURATION.]

Subdivision 1. [DURATION OF SURVIVING SPOUSE BENEFITS.] A surviving spouse benefit under section 3 is payable to a surviving spouse of a deceased active, disabled, deferred, or retired Richfield firefighter meeting the definition set forth in Minnesota Statutes, section 424.24, subdivision 2, paragraph (a), for the life of that person.

Subd. 2. [DURATION OF SURVIVING CHILD BENEFIT.] A surviving child benefit under section 3 is payable to a surviving child of a deceased active, disabled, deferred, or retired Richfield firefighter meeting the definition set forth in Minnesota Statutes, section 424.24, subdivision 2, paragraph (b), until the person reaches the age of 18.

Sec. 15. [ST. PAUL POLICE AND FIRE CONSOLIDATION ACCOUNTS; BENEFIT FLOOR FOR CERTAIN LOCAL RELIEF ASSOCIATION BENEFIT RECIPIENTS.]

(a) Notwithstanding Minnesota Statutes, chapter 353A, the benefit floor provided in paragraph (c) applies to the eligible benefit recipients specified in paragraph (b). An eligible benefit recipient is entitled to a service pension or survivor benefit, whichever applies, as calculated under the applicable relief association benefit plan provisions and the applicable provisions of Minnesota Statutes, chapter 353A, or the benefit floor amount, whichever is greater.

(b) An eligible benefit recipient is a person who is either:

(1) a vested former active member of the former St. Paul fire department relief association or the former St. Paul police relief association who terminated active service prior to the date of the consolidation of the relief association with the public employees police and fire plan; or

(2) the survivor of a vested former active member of the former St. Paul fire department relief association or the former St. Paul police relief association who terminated active service prior to the date of the consolidation of the relief association with the public employees police and fire plan.

(c) The benefit floor amount is an amount equal to the highest service pension, surviving spouse benefit, or surviving child benefit, whichever applies, then currently payable to any comparable eligible benefit recipient.

Sec. 16. [JACKSON MEDICAL CENTER; PENSION COVERAGE FOR TRANSFERRED EMPLOYEES.]

Subdivision 1. [AUTHORIZATION.] This section applies if the Jackson medical center is sold, leased, or transferred to a private entity, nonprofit corporation, or public corporation. Notwithstanding any provision of Minnesota Statutes, sections 356.24 and 356.25 to the contrary, to facilitate the orderly transition of employees affected by the sale, lease, or transfer, the city may, at its discretion, make, from assets to be transferred to the private entity, nonprofit corporation, or public corporation, payments to a qualified pension plan established for the transferred employees by the private entity, nonprofit corporation, or public corporation, to provide benefits substantially similar to those the employees would have been entitled to under the provisions of the public employees retirement association, Minnesota Statutes 1996, sections 353.01 to 353.46.

Subd. 2. [TREATMENT OF TERMINATED, NONVESTED EMPLOYEES; ELIGIBILITY.] (a) An eligible individual is an individual who:

(1) is an employee of the Jackson medical center immediately prior to the sale, lease, or transfer of that facility to a private entity, nonprofit corporation, or public corporation;

(2) is terminated at the time of the sale, lease, or transfer; and

(3) had less than three years of service credit in the public employees retirement association plan at the date of termination.

(b) For an eligible individual under paragraph (a), the city may make a member contribution equivalent payment under subdivision 3.

Subd. 3. [MEMBER CONTRIBUTION EQUIVALENT PAYMENT.] The member contribution equivalent payment is an amount equal to the total refund provided by Minnesota Statutes, section 353.34, subdivisions 1 and 2. To be eligible for the member contribution equivalent payment, the individual in subdivision 2, paragraph (a), must apply for a refund under Minnesota Statutes, section 353.34, subdivisions 1 and 2, within one year of termination. A member contribution equivalent amount exceeding \$200 must be made directly to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan. A member contribution equivalent amount of \$200 or less may, at the preference of the individual, be made to the individual or to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan.

Sec. 17. [MELROSE HOSPITAL AND PINE VILLA; RETIREMENT.]

Subdivision 1. [TRANSFERRED EMPLOYEES.] This section applies if the Melrose hospital and Pine Villa are sold, leased, or transferred to a private entity or public corporation. Notwithstanding any provision of Minnesota Statutes, sections 356.24 and 356.25, to the contrary, to facilitate the orderly transition of employees affected by the sale, lease, or transfer, the Melrose hospital and Pine Villa may, in their discretion, make, from assets to be transferred to the private entity or public corporation, payments to a qualified pension plan established for the transferred employees by the private entity or public corporation, to provide benefits substantially similar to those the employees would have been entitled to under the provisions of the public employees retirement association, Minnesota Statutes 1996, sections 353.01 to 353.46.

Subd. 2. [TREATMENT OF TERMINATED, NONVESTED EMPLOYEES.] (a) An eligible individual is an individual who:

(1) is an employee of the Melrose hospital and Pine Villa immediately prior to the sale, lease, or transfer of that facility to a private entity or public corporation;

(2) is terminated at the time of the sale, lease, or transfer; and

(3) had less than three years of service credit in the public employees retirement association plan at the date of termination.

(b) For an eligible individual under paragraph (a), the Melrose hospital and Pine Villa may make a member contribution equivalent payment under paragraph (c).

(c) The member contribution equivalent payment is an amount equal to the total refund provided by Minnesota Statutes, section 353.34, subdivisions 1 and 2. To be eligible for the member contribution equivalent payment, the individual in paragraph (a) must apply for a refund under Minnesota Statutes, section 353.34, subdivisions 1 and 2, within one year of termination. A member contribution equivalent amount exceeding \$200 must be made directly to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan. A member contribution equivalent amount of \$200 or less may, at the preference of the individual, be made to the individual or to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan.

Sec. 18. [TRACY MUNICIPAL HOSPITAL AND CLINIC; PENSION COVERAGE FOR TRANSFERRED EMPLOYEES.]

Subdivision 1. [AUTHORIZATION.] This section applies if the Tracy municipal hospital and clinic is sold, leased, or transferred to a private entity, nonprofit corporation, or public corporation. Notwithstanding any provision of Minnesota Statutes, sections 356.24 and 356.25 to the contrary, to facilitate the orderly transition of employees affected by the sale, lease, or transfer, the city may, at its discretion, make, from assets to be transferred to the private entity, nonprofit corporation, or public corporation, payments to a qualified pension plan established for the transferred employees by the private entity, nonprofit corporation, or public corporation, to provide benefits substantially similar to those the employees would have been entitled to under the provisions of the public employees retirement association, Minnesota Statutes 1996, sections 353.01 to 353.46.

Subd. 2. [TREATMENT OF TERMINATED, NONVESTED EMPLOYEES; ELIGIBILITY.]
(a) An eligible individual is an individual who:

(1) is an employee of the Tracy municipal hospital and clinic immediately prior to the sale, lease, or transfer of that facility to a private entity, nonprofit corporation, or public corporation;

(2) is terminated at the time of the sale, lease, or transfer; and

(3) had less than three years of service credit in the public employees retirement association plan at the date of termination.

(b) For an eligible individual under paragraph (a), the city may make a member contribution equivalent payment under subdivision 3.

Subd. 3. [MEMBER CONTRIBUTION EQUIVALENT PAYMENT.] The member contribution equivalent payment is an amount equal to the total refund provided by Minnesota Statutes, section 353.34, subdivisions 1 and 2. To be eligible for the member contribution equivalent payment, the individual in subdivision 2, paragraph (a), must apply for a refund under Minnesota Statutes, section 353.34, subdivisions 1 and 2, within one year of termination. A member contribution equivalent amount exceeding \$200 must be made directly to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan. A member contribution equivalent amount of \$200 or less may, the preference of the individual, be made to the individual or to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan.

Sec. 19. [EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.]

Notwithstanding any general or special law to the contrary, in addition to the current pensions and other retirement benefits payable, the pensions and retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth police and fire trust fund are increased by \$100 a month. Increases are retroactive to January 1, 1997.

Sec. 20. [LEGISLATIVE INTENT.]

The revisions to the Richfield fire department relief association benefit plan in sections 2 to 6, 9, 10, 13, and 14 and the retroactive application of sections 9, 10, 13, and 14, as indicated in section 21, paragraph (b), are intended to encourage the consolidation of this relief association with the public employees retirement association, in recognition of the administrative efficiencies

and potential cost savings expected to occur, and in recognition of characteristics unique to this association at no expense to the State or the public employees retirement association.

Sec. 21. [EFFECTIVE DATE.]

(a) Sections 1, 8, and 12 are effective on the day following approval by majority vote of the board of independent school district No. 625 (St. Paul) and compliance with Minnesota Statutes, section 645.021.

(b) Sections 2 to 6, 9, 10, 13, 14 and 20 are effective on the day following approval by the Richfield city council and compliance with Minnesota Statutes, section 645.021. Sections 9, 10, 13, and 14 apply to individuals who become service pensioners, disabilitants, or survivors of firefighters who terminated service on or after the effective date of Laws 1967, chapter 798. Retroactive payments and payments to an estate are not authorized.

(c) Section 7 is effective on approval by the Nashwauk city council and compliance with Minnesota Statutes, section 645.021.

(d) Sections 11 and 15 are effective on the day following approval by the city council of the city of St. Paul and compliance with Minnesota Statutes, section 645.021, subdivision 3. Sections 11 and 15 must both be approved if either section is to be effective. Sections 11 and 15 are not intended to result in a reduction in the benefit or pension paid to any benefit recipient or service pensioner.

(e) Section 16 is effective on the day following approval by the Jackson city council and compliance with Minnesota Statutes, section 645.021.

(f) Section 17 is effective on the day following approval by the Melrose city council and compliance with Minnesota Statutes, section 645.021.

(g) Section 18 is effective on the day following approval by the Tracy city council and compliance with Minnesota Statutes, section 645.021.

(h) Section 19 is effective on the day following approval by the Eveleth city council and compliance with Minnesota Statutes, section 645.021.

ARTICLE 3

GENERAL EMPLOYEE RETIREMENT

MODIFICATIONS

Section 1. Minnesota Statutes 1996, section 352.96, subdivision 2, is amended to read:

Subd. 2. [PURCHASE OF SHARES.] The amount of compensation so deferred may be used to purchase:

- (1) shares in the Minnesota supplemental investment fund established in section 11A.17;
- (2) saving accounts in federally insured financial institutions;
- (3) life insurance contracts, fixed annuity and variable annuity contracts from companies that are subject to regulation by the commissioner of commerce; ~~or~~
- (4) investment options from open-end investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;
- (5) investment options from a firm that is a registered investment advisor under the Investment Advisors Act of 1940, United States Code, title 15, section 80b-1 to 80b-21;
- (6) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph (2), or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1); or

(7) a combination of clause (1), (2), ~~or~~ (3), (4), (5), or (6), as provided by the plan as specified by the participant.

~~The shares accounts or contracts purchased shall stand in the name of the state or other employing unit, for the officer or employee whose deferred compensation purchased the shares, until distributed to the officer or employee in a manner agreed upon by the employee and the executive director of the Minnesota state retirement system, acting for the employer. All amounts contributed to the deferred compensation plan and all earnings on those amounts will be held for the exclusive benefit of the plan participants and beneficiaries. These amounts will be held in trust, in custodial accounts, or in qualifying annuity contracts as required by federal law and in accordance with section 356A.06, subdivision 1. This subdivision does not authorize an employer contribution, except as authorized in section 356.24, paragraph (a), clause (4). The state, political subdivision, or other employing unit is not responsible for any loss that may result from investment of the deferred compensation.~~

Sec. 2. Minnesota Statutes 1996, section 352.96, subdivision 3, is amended to read:

Subd. 3. [EXECUTIVE DIRECTOR TO ADMINISTER SECTION.] This section must be administered by the executive director of the system with the advice and consent of the board of directors under subdivision 4. Fiduciary activities of the deferred compensation plan must be undertaken in a manner consistent with chapter 356A. If the state board of investment so elects, it may solicit bids for options under subdivision 2, clauses (2) ~~and~~, (3), (4), (5), and (6). The state board of investment may retain consulting services to assist it in soliciting and evaluating bids and in the periodic review of companies offering options under subdivision 2, ~~clause~~ clauses (3), (4), (5), and (6). The periodic review must occur at least every two years. ~~The state board of investment may annually establish a budget for its costs in the soliciting, evaluating, and periodic review processes. The state board of investment may charge a proportional share of all costs related to the periodic review to each company currently under contract and may charge a proportional share of all costs related to soliciting and evaluating bids to each company selected by the state board. All contracts must be approved before execution by the state board of investment. Contracts must provide that all options in subdivision 2 must: be presented in an unbiased manner and in a manner that conforms to rules adopted by the executive director, be reported on a periodic basis to all employees participating in the deferred compensation program, and not be the subject of unreasonable solicitation of state employees to participate in the program. The contract may not call for any person to jeopardize the tax-deferred status of money invested by state employees under this section. All costs or fees in relation to the options provided under subdivision 2, ~~clause~~ clauses (3), (4), (5), and (6), must be paid by the ~~underwriting~~ companies ultimately selected by the state board of investment.~~

Sec. 3. Minnesota Statutes 1996, section 352.96, subdivision 6, is amended to read:

Subd. 6. [EXEMPTION FROM PROCESS.] ~~As money to which legal title is vested in the state of Minnesota, No amount of deferred compensation is assignable or subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, 518.581, or 518.611.~~

Sec. 4. Minnesota Statutes 1996, section 354.092, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] A sabbatical leave for the purpose of this section means a sabbatical leave as defined in section 125.18 or the applicable personnel policy of the Minnesota state university and community college boards colleges and universities.

Sec. 5. Minnesota Statutes 1996, section 354.092, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER AND EMPLOYEE CONTRIBUTIONS.] Employer contributions and deductions for employee contributions at the applicable rate specified in section 354.42 must be made by the employing unit from based on the full normal base contract salary that would have been paid to the member for a if the member were not on sabbatical leave. The member may also make direct payment of employee contributions at the appropriate rates specified in section 354.42 based upon the difference between the salary received for the sabbatical leave and the salary

~~received for a comparable period during the year immediately preceding the leave. This direct payment must be made by the end of the fiscal year following the fiscal year in which the leave of absence terminated and must be without interest. The employer must meet the reporting and remittance requirements under section 354.52.~~

Sec. 6. Minnesota Statutes 1996, section 354.092, subdivision 4, is amended to read:

~~Subd. 4. [SERVICE CREDIT.] If the employee contributions made under this section are less than the employee contributions made for a comparable period during the year immediately preceding the leave, the allowable and formula service credit of the member shall be prorated according to section 354.05, subdivision 25, clause (3), except that if the member is paid full salary for any sabbatical leave of absence, either past or prospective, the allowable and formula service credit shall not be prorated. A member may not receive more than three years of allowable service credit in any ten consecutive years under this section unless the allowable service credit was paid for by the member before July 1, 1962. For sabbatical leaves that begin after June 30, 1986, the required employer contributions specified in section 354.42 must be paid by the employing unit within 30 days after the association's written notification to the employing unit of the amount due. Notwithstanding the provisions of any agreements to the contrary, employee and employer contributions may not be made to receive allowable service credit under this section if the member does not retain the right to full reinstatement both during and at the end of the sabbatical leave.~~

Sec. 7. Minnesota Statutes 1996, section 354B.25, is amended by adding a subdivision to read:

Subd. 1a. [ADVISORY COMMITTEE.] (a) A committee is created to advise the state board of investment and the board of trustees of the Minnesota state colleges and universities concerning administration of the individual retirement account plan and the supplemental retirement plan established in chapter 354C. The exclusive representatives of the state university instructional unit, the community college instructional unit, and the technical college instructional unit shall each appoint two members to the committee. The exclusive representatives of the general professional unit, the supervisory employees unit and the state university administrative unit shall each appoint one member to the committee. The chancellor of the Minnesota state colleges and universities shall appoint three members, at least one of whom shall be a personnel administrator. No member of the committee shall be retired. Members serve at the pleasure of the applicable appointing authority, but no member shall serve for more than a total of five years. Members shall be reimbursed from the administrative expense account of the individual retirement account plan for expenses as provided in section 15.059, subdivision 3.

(b) The committee shall:

(1) advise the board of trustees of the Minnesota state colleges and universities on the structure and operation of the individual retirement account plan and the supplemental retirement plan;

(2) along with any other consultants selected by the board, advise the state board of investment on selection of financial institutions and on the type of investment products to be offered by these institutions for the plans;

(3) advise the board of trustees of the Minnesota state colleges and universities on administration of the plans, including selection of a third-party plan administrator, if any, for the individual retirement account plan.

(c) The board of trustees of the Minnesota state colleges and universities shall provide the advisory committee with meeting space and other administrative support.

(d) Expenses of the advisory committee are considered administrative expenses of the plans under subdivision 5 and section 354C.12, subdivision 4, and must be allocated between the two plans in proportion to the market value of the total assets of the plans as of the most recent prior audited annual financial report.

Sec. 8. Minnesota Statutes 1996, section 354B.25, subdivision 5, is amended to read:

Subd. 5. [INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATIVE EXPENSES.] (a) The reasonable and necessary administrative expenses of the individual retirement account plan must be paid by plan participants in the following manner:

(1) from plan participants with amounts invested in the Minnesota supplemental investment fund, the plan administrator may charge an administrative expense assessment as provided in section 11A.17, subdivisions 10a and 14; and

(2) from plan participants with amounts through annuity contracts and custodial accounts purchased under subdivision 2, paragraph (a), the plan administrator may charge an administrative expense assessment of a designated amount, not to exceed two percent of member and employer contributions, as those contributions are made.

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the individual retirement account plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in subdivision 1a on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 9. Minnesota Statutes 1996, section 354C.12, subdivision 1, is amended to read:

Subdivision 1. [BASIC CONTRIBUTIONS AND DEDUCTIONS.] (a) The employer of personnel covered by the supplemental retirement plan as provided in section 354C.11 shall deduct a sum equal to five percent of the annual salary of the person between \$6,000 and \$15,000. The employer may accomplish this deduction by making equal deductions each payroll period, based on anticipated annual salary. The employer may adjust these deductions as necessary to deduct the correct amount annually. Deductions cease upon termination of employment covered by the supplemental retirement plan.

(b) The basic contribution deduction must be made in the same manner as other retirement deductions are made from the salary of the person under section 352.04, subdivision 4; 352D.04, subdivision 2; 354.42, subdivision 2; or 354A.12, whichever applies.

(c) The employer shall also make a contribution to the supplemental retirement plan on behalf of covered personnel equal to the salary deduction made under paragraph (a).

Sec. 10. Minnesota Statutes 1996, section 354C.12, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE EXPENSES.] The board of trustees of the Minnesota state colleges and universities is authorized to pay the necessary and reasonable administrative expenses of the supplemental retirement plan. The administrative fees or charges must be paid by participants in the following manner:

(1) from participants whose contributions are invested with the state board of investment, the plan administrator may recover administrative expenses in the manner provided by section 11A.17, subdivisions 10a and 14; or

(2) from participants where contributions are invested through contracts purchased from any other authorized source, the plan administrator may assess an amount of up to two percent of the employee and employer contributions.

Any recovered or assessed amounts that are not needed for the necessary and reasonable administrative expenses of the plan must be refunded to member accounts.

The board of trustees shall report annually, before October 1, to the advisory committee created in section 354B.25, subdivision 1a, on administrative expenses of the plan. The report must

include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 11. Minnesota Statutes 1996, section 354D.02, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Eligible employees are:

- (1) any supervisory or professional employee of the state arts board;
- (2) any supervisory or professional employee of the Minnesota humanities commission; or
- (3) any employee of the Minnesota historical society;
- (4) any supervisory or professional employee of the Minnesota state academy for the deaf;
- (5) any supervisory or professional employee of the Minnesota state academy for the blind;
- (6) any supervisory or professional employee of the Minnesota zoological garden; or
- (7) any supervisory or professional employee of the Lola and Rudy Perpich Minnesota center for arts education.

Sec. 12. Minnesota Statutes 1996, section 354D.06, is amended to read:

354D.06 [ADMINISTRATION.]

(a) The Minnesota state university system or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clauses (1) and (2), in accordance with sections 354B.20 to 354B.30.

(b) The Minnesota historical society or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (3), in accordance with section 354D.08.

(c) The Minnesota state academy for the deaf or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (4), in accordance with section 354D.08.

(d) The Minnesota state academy for the blind or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (5), in accordance with section 354D.08.

(e) The Minnesota zoological board or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (6), in accordance with section 354D.08.

(f) The Lola and Rudy Perpich Minnesota center for arts education or its successor shall administer the individual retirement account plan for eligible employees listed in section 354D.02, subdivision 2, clause (7), in accordance with section 354D.08.

Sec. 13. Minnesota Statutes 1996, section 354D.07, is amended to read:

354D.07 [TRANSFER OF CERTAIN MSRS MEMBER CONTRIBUTION REFUND AMOUNTS TO PLAN.]

(a) Notwithstanding any provision of law to the contrary, a former member of the general state employees retirement plan of the Minnesota state retirement system or of the teachers retirement association, who has less than three years of allowable service credit as of the election date, and who is a member of the individual retirement account plan under this chapter may elect to transfer to the individual retirement account plan an amount equal to the refund under section 352.22,

subdivision 2, or 354.49, subdivisions 1 and 2, whichever applies, that the member could otherwise receive. The transfer must be made from the general state employees retirement fund or the teachers retirement association directly to the individual retirement account plan and credited by the plan appropriately. No amount under this section is payable directly to any individual.

(b) The election must be made on a form prescribed by the executive director of the Minnesota state retirement system or the teachers retirement association, whichever applies, after consultation with the administrators of the plan.

Sec. 14. Minnesota Statutes 1996, section 354D.08, subdivision 1, is amended to read:

Subdivision 1. [GENERAL GOVERNANCE.] (a) The Minnesota historical society is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (3).

(b) The Minnesota state academy for the deaf is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (4).

(c) The Minnesota state academy for the blind is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (5).

(d) The Minnesota zoological board is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (6).

(e) The Lola and Rudy Perpich Minnesota center for arts education is the plan administrator and has the administrative responsibility for the individual retirement account plan for those eligible employees listed in section 354D.02, subdivision 2, clause (7).

Sec. 15. Minnesota Statutes 1996, section 354D.08, subdivision 2, is amended to read:

Subd. 2. [ANNUITY CONTRACTS AND CUSTODIAL ACCOUNTS.] (a) The plan administrator shall arrange for the purchase of fixed annuity contracts, variable annuity contracts, a combination of fixed and variable annuity contracts, or custodial accounts from financial institutions which have been selected by the state board of investment and approved by the plan administrator under subdivision 3, as the investment vehicle for the retirement coverage of plan participants and to provide retirement benefits to plan participants. Custodial accounts from financial institutions shall include open-end investment companies registered under the federal Investment Company Act of 1940, as amended.

(b) The annuity contracts or accounts must be purchased with contributions under section 354D.05, or with money or assets otherwise provided by law by authority of the Minnesota historical society, the Minnesota state academy for the deaf, the Minnesota state academy for the blind, the Minnesota zoological board, or the Lola and Rudy Perpich Minnesota center for arts education, and deemed acceptable by the applicable financial institution.

Sec. 16. Minnesota Statutes 1996, section 354D.08, subdivision 3, is amended to read:

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] The applicable plan administrator may approve up to two financial institutions selected by the state board of investment under section 354B.25, subdivision 3, to provide annuity products and custodial accounts for those employees listed in section 354D.02, subdivision 2, clause clauses (3), (4), (5), (6), and (7). Only those financial institutions selected by the state board of investment and approved by the applicable plan administrator may provide annuity products and custodial accounts for those employees listed in section 354D.02, subdivision 2, clause clauses (3), (4), (5), (6), and (7).

The state board of investment must periodically review at least every three years each financial institution selected. The state board of investment may retain consulting services to assist in the periodic review, may establish a budget for its costs in the periodic review process, and may

charge a proportional share of those costs to each financial institution selected. All contracts must be approved by the state board of investment before execution by the Minnesota historical society, the Minnesota state academy for the deaf, the Minnesota state academy for the blind, the Minnesota zoological board, or the Lola and Rudy Perpich Minnesota center for arts education, as applicable. The state board of investment shall also establish policies and procedures under section 11A.04, clause (2), to carry out this subdivision.

Sec. 17. Minnesota Statutes 1996, section 354D.08, subdivision 5, is amended to read:

Subd. 5. [INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATIVE EXPENSES; MINNESOTA HISTORICAL SOCIETY.] (a) The reasonable and necessary administrative expenses of the applicable individual retirement account plan for those employees enumerated in section 354D.02, subdivision 2, clause clauses (3), (4), (5), (6), and (7), must be paid by plan participants. The plan administrator may charge to plan participants purchasing annuity contracts and custodial accounts pursuant to subdivision 2, paragraph (a), an administrative expenses assessment of a designated amount, not to exceed two percent of member and employer contributions, as those contributions are made.

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the applicable individual retirement account plan must be refunded to member accounts.

Sec. 18. [EFFECTIVE DATE.]

(a) Sections 1, 2, 3, 11, 12, 13, 14, 15, 16, and 17 are effective on the day following enactment.

(b) Sections 4, 5, and 6 are effective on July 1, 1997, and apply to sabbatical leaves that begin on or after that date.

(c) Sections 7, 8, 9, and 10 are effective on July 1, 1997.

ARTICLE 4

ACTUARIAL ASSUMPTION MODIFICATIONS

Section 1. Minnesota Statutes 1996, section 356.215, subdivision 4d, is amended to read:

Subd. 4d. [INTEREST AND SALARY ASSUMPTIONS.] (a) For funds governed by chapters 352B, 353C, and by sections 352.90 through 352.951 and 353.63 through 353.68, The actuarial valuation must use a the applicable following preretirement interest assumption of 8.5 percent, a and the applicable following postretirement interest assumption of five percent, and a future salary increase assumption of 6.5 percent.:

<u>plan</u>	<u>preretirement interest rate assumption</u>	<u>postretirement interest rate assumption</u>
<u>general state employees</u>		
<u>retirement plan</u>	<u>8.5%</u>	<u>5.0%</u>
<u>correctional state employees</u>		
<u>retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>state patrol retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>legislators retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>elective state officers</u>		
<u>retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>judges retirement plan</u>	<u>8.5</u>	<u>5.0</u>

<u>general public employees</u>		
<u>retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>public employees police and fire</u>		
<u>retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>local government correctional</u>		
<u>service retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>teachers retirement plan</u>	<u>8.5</u>	<u>5.0</u>
<u>Minneapolis employees</u>		
<u>retirement plan</u>	<u>6.0</u>	<u>5.0</u>
<u>Duluth teachers retirement plan</u>	<u>8.5</u>	<u>8.5</u>
<u>Minneapolis teachers retirement</u>		
<u>plan</u>	<u>8.5</u>	<u>8.5</u>
<u>St. Paul teachers retirement</u>		
<u>plan</u>	<u>8.5</u>	<u>7.5</u>
<u>Minneapolis police relief</u>		
<u>association</u>	<u>6.0</u>	<u>6.0</u>
<u>other local police relief</u>		
<u>associations</u>	<u>5.0</u>	<u>5.0</u>
<u>Minneapolis fire department</u>		
<u>relief association</u>	<u>6.0</u>	<u>6.0</u>
<u>other local salaried firefighter</u>		
<u>relief associations</u>	<u>5.0</u>	<u>5.0</u>
<u>local monthly benefit volunteer</u>		
<u>firefighter relief associations</u>	<u>5.0</u>	<u>5.0</u>

(b) For funds governed by chapter 354A, The actuarial valuation must use preretirement and postretirement assumptions of 8.5 percent and a the applicable following single rate future salary increase assumption of 6.5 percent, but the actuarial valuation must reflect the payment of postretirement adjustments to retirees, based on the methods specified in the bylaws of the fund as approved by the legislature. For a fund governed by chapter 422A, the actuarial valuation shall use a preretirement interest assumption of six percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.04 multiplied by the salary for the preceding year.

(c) For all other funds not specified in paragraph (a), (b), (d), or (e), the actuarial valuation must use a preretirement interest assumption of five percent, a postretirement interest assumption of five percent, and a future salary increase assumption of 3.5 percent.

(d) For funds governed by chapters 3A, 352C, and 490, the actuarial valuation must use a preretirement interest assumption of 8.5 percent, a postretirement interest assumption of five percent, and a future salary increase assumption of 6.5 percent in each future year in which the salary amount payable is not determinable from section 3.099, 15A.081, subdivision 6, or 15A.083, subdivision 1, whichever applies, or from applicable compensation council recommendations under section 15A.082.

(e) For funds governed by sections 352.01 through 352.86, 353.01 through 353.46, and chapter 354, the actuarial valuation must use a preretirement interest assumption of 8.5, a postretirement

interest assumption of five percent, and a or the applicable following graded rate future salary increase assumption as follows:

Age	General state employees retirement plan	General public employees retirement plan	Teachers retirement plan
	<u>(1) single rate future salary increase assumption</u>		<u>future salary increase assumption</u>
	<u>plan</u>		<u>5.0%</u>
	<u>legislators retirement plan</u>		<u>5.0</u>
	<u>elective state officers retirement plan</u>		<u>5.0</u>
	<u>judges retirement plan</u>		<u>4.0</u>
	<u>Minneapolis employees retirement plan</u>		<u>4.0</u>
	<u>Minneapolis police relief association</u>		<u>3.5</u>
	<u>other local police relief associations</u>		<u>4.0</u>
	<u>Minneapolis fire department relief association</u>		<u>3.5</u>
	<u>other local salaried firefighter relief associations</u>		
	<u>(2) graded rate future salary increase assumption</u>		<u>future salary increase assumption</u>
	<u>plan</u>		<u>assumption A</u>
	<u>general state employees retirement plan</u>		<u>assumption A</u>
	<u>correctional state employees retirement plan</u>		<u>assumption A</u>
	<u>state patrol retirement plan</u>		<u>assumption B</u>
	<u>general public employees retirement plan</u>		<u>assumption C</u>
	<u>public employees police and fire fund retirement plan</u>		<u>assumption C</u>
	<u>local government correctional service retirement plan</u>		<u>assumption D</u>
	<u>teachers retirement plan</u>		<u>assumption E</u>
	<u>Duluth teachers retirement plan</u>		<u>assumption F</u>
	<u>Minneapolis teachers retirement plan</u>		<u>assumption G</u>
	<u>St. Paul teachers retirement plan</u>		

<u>age</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	
16	7.2500%	8.71%	<u>11.50%</u>	7.25%		<u>8.00%</u>	<u>7.50%</u>	<u>7.25%</u>
17	7.2500	8.71	<u>11.50</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>	
18	7.2500	8.70	<u>11.50</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>	
19	7.2500	8.70	<u>11.50</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>	
20	7.2500	7.70	<u>11.50</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>	
21	7.1454	7.70	<u>11.50</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>	
22	7.1094	7.70	<u>11.00</u>	7.25	<u>8.00</u>	<u>7.50</u>	<u>7.25</u>	
23	7.0725	7.70	<u>10.50</u>	7.20	<u>7.90</u>	<u>7.40</u>	<u>7.25</u>	
24	7.0363	7.70	<u>10.00</u>	7.15	<u>7.80</u>	<u>7.30</u>	<u>7.20</u>	
25	7.0000	7.60	<u>9.50</u>	7.10	<u>7.70</u>	<u>7.20</u>	<u>7.15</u>	
26	7.0000	7.51	<u>9.20</u>	7.05	<u>7.60</u>	<u>7.10</u>	<u>7.10</u>	
27	7.0000	7.39	<u>8.90</u>	7.00	<u>7.50</u>	<u>7.00</u>	<u>7.05</u>	
28	7.0000	7.30	<u>8.60</u>	7.00	<u>7.40</u>	<u>6.90</u>	<u>7.00</u>	
29	7.0000	7.20	<u>8.30</u>	7.00	<u>7.30</u>	<u>6.80</u>	<u>6.95</u>	
30	7.0000	7.20	<u>8.00</u>	7.00	<u>7.20</u>	<u>6.70</u>	<u>6.90</u>	
31	7.0000	7.10	<u>7.80</u>	7.00	<u>7.10</u>	<u>6.60</u>	<u>6.85</u>	
32	7.0000	7.10	<u>7.60</u>	7.00	<u>7.00</u>	<u>6.50</u>	<u>6.80</u>	
33	7.0000	7.00	<u>7.40</u>	7.00	<u>6.90</u>	<u>6.40</u>	<u>6.75</u>	
34	7.0000	7.00	<u>7.20</u>	7.00	<u>6.80</u>	<u>6.30</u>	<u>6.70</u>	
35	7.0000	6.90	<u>7.00</u>	7.00	<u>6.70</u>	<u>6.20</u>	<u>6.65</u>	
36	6.9019	6.80	<u>6.80</u>	7.00	<u>6.60</u>	<u>6.10</u>	<u>6.60</u>	
37	6.8074	6.70	<u>6.60</u>	7.00	<u>6.50</u>	<u>6.00</u>	<u>6.55</u>	
38	6.7125	6.60	<u>6.40</u>	6.90	<u>6.40</u>	<u>5.90</u>	<u>6.50</u>	
39	6.6054	6.50	<u>6.20</u>	6.80	<u>6.30</u>	<u>5.80</u>	<u>6.40</u>	
40	6.5000	6.40	<u>6.00</u>	6.70	<u>6.20</u>	<u>5.70</u>	<u>6.30</u>	
41	6.3540	6.30	<u>5.90</u>	6.60	<u>6.10</u>	<u>5.60</u>	<u>6.20</u>	
42	6.2087	6.30	<u>5.80</u>	6.50	<u>6.00</u>	<u>5.50</u>	<u>6.10</u>	
43	6.0622	6.30	<u>5.70</u>	6.35	<u>5.90</u>	<u>5.45</u>	<u>6.00</u>	
44	5.9048	6.20	<u>5.60</u>	6.20	<u>5.80</u>	<u>5.40</u>	<u>5.90</u>	
45	5.7500	6.20	<u>5.50</u>	6.05	<u>5.70</u>	<u>5.35</u>	<u>5.80</u>	
46	5.6940	6.09	<u>5.45</u>	5.90	<u>5.60</u>	<u>5.30</u>	<u>5.70</u>	
47	5.6375	6.00	<u>5.40</u>	5.75	<u>5.50</u>	<u>5.25</u>	<u>5.65</u>	
48	5.5822	5.90	<u>5.35</u>	5.70	<u>5.45</u>	<u>5.20</u>	<u>5.60</u>	
49	5.5405	5.80	<u>5.30</u>	5.65	<u>5.40</u>	<u>5.15</u>	<u>5.55</u>	
50	5.5000	5.70	<u>5.25</u>	5.60	<u>5.35</u>	<u>5.10</u>	<u>5.50</u>	
51	5.4384	5.70	<u>5.25</u>	5.55	<u>5.30</u>	<u>5.05</u>	<u>5.45</u>	
52	5.3776	5.70	<u>5.25</u>	5.50	<u>5.25</u>	<u>5.00</u>	<u>5.40</u>	

53	5.3167	5.70	<u>5.25</u>	5.45	<u>5.25</u>	<u>5.00</u>	<u>5.35</u>
54	5.2826	5.70	<u>5.25</u>	5.40	<u>5.25</u>	<u>5.00</u>	<u>5.30</u>
55	5.2500	5.70	<u>5.25</u>	5.35	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
56	5.2500	5.70	<u>5.25</u>	5.30	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
57	5.2500	5.70	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
58	5.2500	5.70	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
59	5.2500	5.70	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
60	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
61	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
62	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
63	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
64	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
65	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
66	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
67	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
68	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
69	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>
70	5.2500	5.00	<u>5.25</u>	5.25	<u>5.25</u>	<u>5.00</u>	<u>5.25</u>

(c) The actuarial valuation must use the applicable following payroll growth assumption for calculating the amortization requirement for the unfunded actuarial accrued liability where the amortization retirement is calculated as a level percentage of an increasing payroll:

<u>plan</u>	<u>payroll growth assumption</u>
<u>general state employees retirement plan</u>	<u>5.00%</u>
<u>correctional state employees retirement plan</u>	<u>5.00</u>
<u>state patrol retirement plan</u>	<u>5.00</u>
<u>legislators retirement plan</u>	<u>5.00</u>
<u>elective state officers retirement plan</u>	<u>5.00</u>
<u>judges retirement plan</u>	<u>5.00</u>
<u>general public employees retirement plan</u>	<u>6.00</u>
<u>public employees police and fire retirement plan</u>	<u>6.00</u>
<u>local government correctional service retirement plan</u>	<u>6.00</u>
<u>teachers retirement plan</u>	<u>5.00</u>
<u>Duluth teachers retirement plan</u>	<u>5.00</u>
<u>Minneapolis teachers retirement plan</u>	<u>5.00</u>
<u>St. Paul teachers retirement plan</u>	<u>5.00</u>

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1997, and applies to actuarial valuations prepared on or after that date.

ARTICLE 5

MISCELLANEOUS PROVISIONS

Section 1. [CLARIFICATION OF RETIREMENT ELIGIBILITY FOR CERTAIN PERA-P&F RETIREE.]

(a) Notwithstanding any provision of Minnesota Statutes 1996, section 353.01, subdivision 28, to the contrary, a person described in paragraph (b) must be considered by the public employees police and fire plan to have retired on October 31, 1996, even though the person may have rendered occasional employment services during November and December, 1996, for a governmental subdivision other than the governmental subdivision that employed the person immediately before October 31, 1996.

(b) A person to whom paragraph (a) applies is a person who:

- (1) was born on October 11, 1943;
- (2) was hired as a police officer by the city of Rochester on February 16, 1971; and
- (3) terminated employment as a Rochester police officer on October 31, 1996.

(c) A person described in paragraph (b) must not be required to repay any public employees police and fire plan retirement annuity amount received before the date of enactment, but the amount of the employment earnings paid to the person by the applicable governmental unit for November and December, 1996, must be deducted by the public employees retirement association from a subsequent retirement annuity payment.

Sec. 2. [RETIREMENT COVERAGE FOR CERTAIN PART-TIME TEACHERS.]

Subdivision 1. [ELIGIBLE PART-TIME TEACHER.] (a) A part-time teacher described in paragraph (b) is eligible for the retirement coverage specified in subdivision 2.

(b) An eligible part-time teacher is a person who:

(1) was a part-time hourly teacher of nursing employed by special school district No. 1 at the Minneapolis area vocational-technical institute and the Minneapolis technical college during the period April 7, 1975, to June 23, 1990;

(2) was not provided Minnesota public employee retirement plan pension coverage under Minnesota Statutes, chapter 354A for the employment period April 7, 1975, to March 7, 1986;

(3) was not included in coverage by the federal old age, survivors, disability and health insurance program (social security) for the employment period July 1, 1978, to March 7, 1986; and

(4) was a member of the Minneapolis teachers retirement fund association for the employment period March 7, 1986, to June 28, 1991.

Subd. 2. [RETIREMENT COVERAGE.] An eligible part-time teacher under subdivision 1 is entitled to service credit in the applicable program of the Minneapolis teachers retirement fund association for the person's period of part-time teaching employment by special school district No. 1, April 7, 1975, to March 7, 1986, upon the payment of the amount specified in subdivision 3, paragraph (a).

Subd. 3. [AMOUNT.] (a) The payment amount is an amount equal to the actuarial present value, on the date of payment, as calculated by the actuary retained by the legislative commission on pensions and retirement, of the amount of the additional retirement annuity obtained by the

acquisition of the additional service credit in this section. Calculation of this amount must be made using the preretirement interest rate applicable to the Minneapolis teachers retirement fund association specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the pension plan.

The calculation must assume continuous future service in the association until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased. The calculation must also assume a full-time equivalent salary, or actual salary, whichever is greater, and a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in Minnesota Statutes, section 356.215, subdivision 4d.

(b) Payment must be made in one lump sum before July 1, 1998.

(c) Payment of the amount calculated under this subdivision must be made by the eligible teacher. However, special school district No. 1, Minneapolis, may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of 8-1/2 percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. If the school district agrees to payments under this paragraph, the eligible teacher must make the employee payments required under this paragraph before July 1, 1998. If that employee payment is made, the school district payment under this paragraph must be remitted to the executive secretary of the Minneapolis teachers retirement fund association within 60 days of receipt by the executive secretary of the employee payments specified under this paragraph.

Subd. 4. [SERVICE CREDIT GRANT.] Service credit for the purchase period must be granted by the Minneapolis teachers retirement fund association to the account of the eligible teacher upon receipt of the purchase payment amount specified in subdivision 3.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on the day following final enactment.

ARTICLE 6

VOLUNTEER FIREFIGHTER SERVICE

PENSION MAXIMUMS

Section 1. Minnesota Statutes 1996, section 424A.02, subdivision 3, is amended to read:

Subd. 3. [FLEXIBLE SERVICE PENSION MAXIMUMS.] (a) On or before August 1 of each year as part of the certification of the financial requirements and minimum municipal obligation made pursuant to section 69.772, subdivision 4, or 69.773, subdivision 5, the secretary or some other official of the relief association designated in the bylaws of each relief association shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing shall include any amounts of fire state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated pursuant to sections 69.772, subdivision 2; 69.773, subdivisions 2 and 4; or 69.774, subdivision 2, if any.

(b) The maximum service pension which the relief association has authority to provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met must be determined using the table in paragraph (c) or (d), whichever applies.

(c) For a relief association where the governing bylaws provide for a monthly service pension to a retiring member, the maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter	Maximum Service Pension Amount Payable per Month for Each Year of Service
\$...	\$.25
42	.50
84	1.00
126	1.50
168	2.00
209	2.50
252	3.00
294	3.50
335	4.00
378	4.50
420	5.00
503	6.00
587	7.00
672	8.00
755	9.00
839	10.00
923	11.00
1007	12.00
1090	13.00
1175	14.00
1259	15.00
1342	16.00
1427	17.00
1510	18.00
1594	19.00
1677	20.00
1762	21.00
1845	22.00
1888	22.50
1929	23.00
2014	24.00
2098	25.00
2183	26.00
2267	27.00
2351	28.00
2436	29.00
2520	30.00
any amount more than 2520	30.00
2604	31.00
2689	32.00
2773	33.00
2857	34.00
2942	35.00
3026	36.00
3110	37.00
3963	38.00

<u>4047</u>	<u>39.00</u>
<u>4137</u>	<u>40.00</u>
any amount more than 4137	<u>40.00</u>

(d) For a relief association in which the governing bylaws provide for a lump sum service pension to a retiring member, the maximum lump sum service pension amount for each year of service credited that may be provided for in the bylaws is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service
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(1) for service pensions payable before January 1, 1994

\$..	\$10
11	20
16	30
23	40
27	50
32	60
43	80
54	100
65	120
77	140
86	160
97	180
108	200
131	240
151	280
173	320
194	360
216	400
239	440
259	480
281	520
302	560
324	600
347	640
367	680
389	720
410	760
432	800
486	900
540	1000
594	1100
648	1200
702	1300
756	1400
810	1500
864	1600
918	1700
972	1800
1026	1900
1080	2000

1134	2100
1188	2200
1242	2300
1296	2400
1350	2500
1404	2600
1458	2700
1512	2800
1566	2900
1620	3000
1672	3100
1726	3200
1753	3250
1780	3300
1820	3375
any amount more than 1820	3375

(2) in addition to the service pension maximum under clause (1), for service pensions payable after December 31, 1993, and before January 1, 1995

1834	3400
1888	3500
any amount more than 1888	3500

(3) in addition to the service pension maximum under clauses (1) and (2), for service pensions payable after December 31, 1994, and before January 1, 1996

1942	3600
1996	3700
2023	3750
any amount more than 2023	3750

(4) in addition to the service pension maximum under clauses (1) to (3), for service pensions payable after December 31, 1995

2050	3800
2104	3900
2158	4000
any amount more than 2158	4000
2212	4100
2265	4200
2319	4300
2373	4400
2427	4500
2481	4600
2535	4700
2589	4800
2643	4900
2697	5000
2751	5100
2805	5200
2859	5300
2913	5400
2967	5500
any amount more than 2967	5500

(e) For a relief association in which the governing bylaws provide for a monthly benefit service

pension as an alternative form of service pension payment to a lump sum service pension, the maximum service pension amount for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced because of a reduction in fire state aid or because of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No relief association is authorized to provide a service pension in an amount greater than ~~\$30~~ \$40 per month per year of service credit or in an amount greater than ~~\$3,375~~ \$5,500 lump sum per year of service credit before January 1, 1994, ~~\$3,500~~ lump sum per year of service credit before January 1, 1995, ~~\$3,750~~ lump sum per year of service credit before January 1, 1996, and ~~\$4,000~~ lump sum per year of service credit after December 31, 1995, even if the minimum average amount of available financing per firefighter for a relief association providing a monthly benefit service pension is greater than ~~\$2,240~~ \$4,137, or, for a relief association providing a lump sum service pension, is greater than ~~\$1,753~~ before January 1, 1994, ~~\$1,888~~ before January 1, 1995, ~~\$2,023~~ before January 1, 1996, or ~~\$2,158~~ after December 31, 1995 \$2,967.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for pensions payable after December 31, 1997.

ARTICLE 7

RETIREMENT COVERAGE MODIFICATIONS FOR TRANSFERRED UNIVERSITY OF MINNESOTA ACADEMIC HEALTH CENTER EMPLOYEES

Section 1. Minnesota Statutes 1996, section 352F.02, subdivision 3, is amended to read:

Subd. 3. [EFFECTIVE DATE.] "Effective date" is the date terminated hospital employees transfer employment to Fairview under a definitive integration agreement between the University of Minnesota and Fairview or the date terminated academic health center employees are transferred to the University of Minnesota Physicians or University Affiliated Family Physicians, whichever is applicable.

Sec. 2. Minnesota Statutes 1996, section 352F.02, subdivision 6, is amended to read:

Subd. 6. [TERMINATED HOSPITAL EMPLOYEE.] "Terminated hospital employee" means a person who:

(1) was employed on the day before the effective date by the University of Minnesota at the University of Minnesota hospital and clinics or the academic health center and was paid on a biweekly payroll;

(2) terminated employment with the University of Minnesota on the day before the effective date or in the case of employees of the academic health center, terminated employment with the University of Minnesota after the effective date but immediately transferred employment to the University of Minnesota Physicians or University Affiliated Family Physicians; and

(3) was a participant in the general state employees retirement plan of the Minnesota state retirement system at the time of termination of employment with the University of Minnesota.

Sec. 3. Minnesota Statutes 1996, section 352F.02, is amended by adding a subdivision to read:

Subd. 9. [ACADEMIC HEALTH CENTER.] "Academic health center" means the seven professional schools in health care related disciplines at the University of Minnesota.

Sec. 4. Minnesota Statutes 1996, section 352F.02, is amended by adding a subdivision to read:

Subd. 10. [UNIVERSITY OF MINNESOTA PHYSICIANS.] "University of Minnesota Physicians" means the multi-specialty single group medical practice group in which medical school faculty will practice medicine beginning in 1997.

Sec. 5. Minnesota Statutes 1996, section 352F.02, is amended by adding a subdivision to read:

Subd. 11. [UNIVERSITY AFFILIATED FAMILY PHYSICIANS.] "University affiliated family physicians" means the private practice group of the department of family practice in the university's medical school.

Sec. 6. Minnesota Statutes 1996, section 352F.03, is amended to read:

352F.03 [VESTING RULE FOR CERTAIN EMPLOYEES.]

Notwithstanding any provision of chapter 352 to the contrary, a terminated hospital employee or academic health center employee is eligible to receive a retirement annuity under Minnesota Statutes 1994, section 352.115, without regard to the requirement for three years of allowable service.

Sec. 7. Minnesota Statutes 1996, section 352F.04, is amended to read:

352F.04 [AUGMENTATION INTEREST RATE FOR TERMINATED UNIVERSITY HOSPITAL EMPLOYEES.]

The deferred annuity of a terminated hospital employee is subject to augmentation in accordance with Minnesota Statutes 1994, section 352.72, subdivision 2, except that the rate of interest for this purpose is 5.5 percent compounded annually until January 1 following the year in which such person attains age 55. From that date to the effective date of retirement, the rate is 7.5 percent. These increased augmentation rates are no longer applicable for any time after the terminated hospital employee or academic health center employee becomes covered again by a retirement fund enumerated in section 356.30, subdivision 3. These increased deferred annuity augmentation rates do not apply to a terminated transferred hospital employee or academic health center employee who begins receipt of a retirement annuity while employed by Fairview.

Sec. 8. Minnesota Statutes 1996, section 352F.05, is amended to read:

352F.05 [AUTHORIZATION FOR ADDITIONAL ALLOWABLE SERVICE FOR CERTAIN EARLY RETIREMENT PURPOSES.]

For purpose of determining eligibility for early retirement benefits provided under Minnesota Statutes 1994, section 352.116, subdivision 1, paragraphs (a) and (b), and notwithstanding any provision of chapter 352 to the contrary, the years of allowable service for a terminated hospital employee who transfers to employment at Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians on the effective date and does not apply for a refund of contributions under Minnesota Statutes 1994, section 352.22, subdivision 2, or any similar provision in future Minnesota Statutes, includes service with Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians following the effective date. Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians shall provide any reports that the executive director of the Minnesota state retirement system may reasonably request to permit calculation of benefits.

To be eligible for early retirement benefits under this section, the individual must separate from service with Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians. The terminated eligible individual, or an individual authorized to act on behalf of that individual, may apply for an annuity following application procedures under section 352.115, subdivision 7.

Sec. 9. Minnesota Statutes 1996, section 352F.06, is amended to read:

352F.06 [APPLICATION OF REEMPLOYED ANNUITANT EARNINGS LIMITATIONS.]

The reemployed annuitant earnings limitations of section 352.115, subdivision 10, apply to any service by a terminated hospital employee as an employee of Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians.

Sec. 10. Minnesota Statutes 1996, section 352F.07, is amended to read:

352F.07 [EFFECT ON REFUND.]

Notwithstanding any provision of chapter 352 to the contrary, terminated hospital employees may receive a refund of employee accumulated contributions plus interest at the rate of six percent per year compounded annually in accordance with Minnesota Statutes 1994, section 352.22, subdivision 2, at any time after the transfer of employment to Fairview, University of Minnesota Physicians, or University Affiliated Family Physicians. If a terminated hospital employee has received a refund from a pension plan enumerated in section 356.30, subdivision 3, the person may not repay that refund unless the person again becomes a member of one of those enumerated plans and complies with section 356.30, subdivision 2.

Sec. 11. Minnesota Statutes 1996, section 352F.08, is amended to read:

352F.08 [COUNSELING SERVICES.]

The University of Minnesota hospital and clinics or the academic health center, whichever is applicable and the Minnesota state retirement system shall provide terminated hospital employees with counseling on their benefits available under the general state employees retirement plan of the Minnesota state retirement system.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 8

GENERAL STATEWIDE EMPLOYEE PENSION

PLAN MODIFICATIONS

Section 1. Minnesota Statutes 1996, section 136F.45, is amended by adding a subdivision to read:

Subd. 3. [TAX-SHELTERED ANNUITY ADMINISTRATIVE EXPENSES.] (a) The reasonable and necessary administrative expenses of the tax-sheltered annuity program, to a maximum of \$100,000 annually, must be paid by the financial institutions authorized by the board of trustees of the Minnesota state colleges and universities system to provide tax-sheltered annuity investment options.

(b) Annually, the board of trustees shall establish a budget for the tax-sheltered annuity program administrative expenses. The total budgeted administrative expense must be allocated among the applicable financial institutions by the board of trustees.

Sec. 2. Minnesota Statutes 1996, section 136F.45, is amended by adding a subdivision to read:

Subd. 4. [PERIODIC REVIEW.] If the board so chooses, it may solicit bids or proposals for options under subdivision 1. The board may retain consulting services to assist it in soliciting and evaluating bids or proposals and in the periodic review of companies offering options under subdivision 1. The board may annually establish a budget for its costs in the soliciting, evaluating, and periodic review processes. The board may charge a proportional share of all costs related to the periodic review to each company currently under contract and may charge a proportional share of all costs related to soliciting and evaluating bids or proposals to each company selected by the board. Contracts must provide that all options in subdivision 1 must: (1) be presented in an unbiased manner, (2) be reported on a periodic basis to all employees participating in the tax-sheltered annuity program, and (3) not be the subject of unreasonable solicitation of state employees to participate in the program. The contract may not permit any person to jeopardize the

tax-deferred status of money invested by state employees under this section. All costs or fees in relation to the bid solicitation and evaluation process for the options provided under subdivision 1 must be paid by the underwriting companies ultimately selected by the board.

Sec. 3. Minnesota Statutes 1996, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] (a) "State employee" includes:

- (1) employees of the Minnesota historical society;
- (2) employees of the state horticultural society;
- (3) employees of the Disabled American Veterans, Department of Minnesota, Veterans of Foreign Wars, Department of Minnesota, if employed before July 1, 1963;
- (4) employees of the Minnesota crop improvement association;
- (5) employees of the adjutant general who are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- (6) employees of the state universities employed under the university activities program;
- (7) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in clause (8) of subdivision 2b;
- (8) employees of the armory building commission;
- (9) permanent employees of the legislature and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;
- (10) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;
- (11) employees of the Minnesota safety council;
- (12) any employees on authorized leave of absence from the transit operating division of the former metropolitan transit commission who are employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division;
- (13) employees of the metropolitan council, metropolitan parks and open space commission, metropolitan sports facilities commission, metropolitan mosquito control commission, or metropolitan radio board unless excluded or covered by another public pension fund or plan under section 473.415, subdivision 3;
- (14) judges of the tax court; and
- (15) personnel employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;
- (16) seasonal help in the classified service employed by the department of revenue; and
- (17) a person who renders teaching or other service for the Minnesota state colleges and universities system and who also renders service on a part-time basis for an employer with employees covered by the general state employees retirement plan of the Minnesota state retirement system, for all service with the Minnesota state colleges and universities system, if the person's nonteaching service comprises at least 50 percent of the combined total salary received by the person as determined by the chancellor of the Minnesota state colleges and universities

system or if the person is certified for general state employees retirement plan coverage by the chancellor of the Minnesota state colleges and universities system.

(b) Employees specified in paragraph (a), clause (15), are included employees under paragraph (a) ~~providing that~~ if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 4. Minnesota Statutes 1996, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

- (1) elective state officers;
- (2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;
- (3) employees who are eligible for membership in the state teachers retirement association except employees of the department of children, families, and learning who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;
- (4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;
- (5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;
- (6) election officers;
- (7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;
- (8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;
- (9) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the department of labor and industry;
- (10) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;
- (11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;
- (12) employees of the Sibley House Association;
- (13) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$5,000 or less per year, or, if they are legally prohibited from serving more than three years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;
- (14) state troopers;
- (15) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at any time by the state fair administration for special events held on the fairgrounds;

(16) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;

(17) persons described in section 352B.01, subdivision 2, clauses (2) to (5);

(18) temporary employees in the classified service, and temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period and seasonal help in the classified service employed by the department of revenue;

(19) trainee employees, except those listed in subdivision 2a, clause (10);

(20) persons whose compensation is paid on a fee basis;

(21) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(22) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(23) chaplains and nuns who 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 1986, as amended through December 31, 1992;

(24) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(25) persons appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(26) temporary employees employed for limited periods under any state or federal program for training or rehabilitation including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(27) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(28) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, if the board members are appointed by the metropolitan council;

(29) persons employed in positions designated by the department of employee relations as student workers;

(30) members of trades employed by the successor to the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement first employed after June 1, 1977;

(31) persons employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the

federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(32) off-duty peace officers while employed by the metropolitan council;

(33) persons who are employed as full-time police officers by the metropolitan council and as police officers are members of the public employees police and fire fund;

(34) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund;

(35) foreign citizens with a work permit of less than three years, or an H-1b/JV visa valid for less than three years of employment, unless notice of extension is supplied which allows them to work for three or more years as of the date the extension is granted, in which case they are eligible for coverage from the date extended; and

(36) persons who are employed by the board of trustees of the Minnesota state colleges and universities and who elect to remain members of the public employees retirement association or the Minneapolis employees retirement fund, whichever applies, under section 136C.75.

Sec. 5. Minnesota Statutes 1996, section 354B.21, subdivision 3, is amended to read:

Subd 3. [DEFAULT COVERAGE.] (a) If an eligible person fails to elect coverage by the plan under subdivision 2 or if the person fails to make a timely election, the following retirement coverage applies:

(1) for employees of the board who are employed in faculty positions in the technical colleges, in the state universities or in the community colleges, the retirement coverage is by the plan established by this chapter;

(2) for employees of the board who are employed in faculty positions in the technical colleges, the retirement coverage is by the plan established by this chapter unless on June 30, 1997, the employee was a member of the teachers retirement association established under chapter 354 and then the retirement coverage is by the teachers retirement association, or, unless the employee was a member of a first class city teacher retirement fund established under chapter 354A on June 30, 1995, and then the retirement coverage is by the Duluth teachers retirement fund association if the person was a member of that plan on June 30, 1995, or the Minneapolis teachers retirement fund association if the person was a member of that plan on June 30, 1995, or the St. Paul teachers retirement fund association if the person was a member of that plan on June 30, 1995; and

(3) for employees of the board who are employed in eligible unclassified administrative positions, the retirement coverage is by the plan established by this chapter.

(b) If an employee fails to correctly certify prior membership in the teachers retirement association to the Minnesota state colleges and universities system, the system shall not pay interest on employee contributions, employer contributions, and additional employer contributions to the teachers retirement association under section 354.52, subdivision 4.

Sec. 6. Minnesota Statutes 1996, section 354C.11, is amended to read:

354C.11 [COVERAGE.]

Personnel employed by the board of trustees of the Minnesota state colleges and universities who are in the unclassified service of the state, and who have completed at least two years of employment by the board or a predecessor board with a full-time contract are participants in the supplemental retirement plan, effective on the next following July 1, if the person is employed in an eligible unclassified administrative position as defined in section 354B.20, subdivision 6, or is employed in an employment classification included in one of the following collective bargaining units under section 179A.10, subdivision 2:

- (1) the state university instructional unit;
- (2) the community college instructional unit;
- (3) the technical college instructional unit; and
- (4) the state university administrative unit.

Once a person qualifies for participation in the supplemental plan, all subsequent service by the person as an unclassified employee of the state university board, the state board for community colleges, the higher education board, or the technical colleges is covered by the supplemental plan.

Sec. 7. [PURCHASE OF SERVICE CREDIT AUTHORIZATION.]

Subdivision 1. [ELIGIBLE EMPLOYEE.] (a) An eligible employee described in paragraph (b) is eligible to purchase service credit in the Minnesota state retirement system general plan as specified in subdivision 2.

(b) An eligible employee is a person who:

- (1) is employed in the classified service by the department of revenue as seasonal help, newly authorized to receive prospective service credit under section 3; and
- (2) was employed in the classified service by the department of revenue as seasonal help in each of the last three fiscal years.

Subd. 2. [RETIREMENT COVERAGE.] An eligible employee under subdivision 1, paragraph (b), is entitled to purchase service credit in the Minnesota state retirement system general plan for the period of service prior to the effective date of section 3 as seasonal help in the classified service by the department of revenue. Any period for which the individual has received service credit or is eligible to receive service credit in any other Minnesota public pension plan, other than a volunteer fire plan, is not eligible for purchase.

Subd. 3. [AMOUNT.] (a) To receive service credit under subdivision 2, the Minnesota state retirement system must receive an amount equal to the actuarial present value, on the date of payment, as calculated by the actuary retained by the legislative commission on pensions and retirement, of the amount of the additional retirement annuity obtained by the acquisition of the additional service credit in this section. Calculation of this amount must be made using the preretirement interest rate applicable to the Minnesota state retirement system general plan specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the pension plan. The calculation must assume continuous future service in the association until, and retirement at, the age at which the minimum requirements of the fund for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased. The calculation must assume that the individual accrues future service credit each year based on a three year average using the most recent three year period prior to the effective date of section 3 for service provided compared to full-time service. The salary used in the calculation must be the eligible person's actual current hourly salary. The calculation must assume a future salary history that includes annual salary increases at the applicable salary increase rate for the plan specified in Minnesota Statutes, section 356.215, subdivision 4d.

(b) Payment must be made in one lump sum before July 1, 1998, or before retirement, whichever is earlier.

(c) Payment of the amount calculated under this subdivision must be made by the eligible employee. However, the Minnesota department of revenue may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the periods of prior service applied to the actual salary rates in effect during the periods of prior service, plus interest at the rate of 8-1/2 percent a year compounded annually from the date on which the contributions would have been made if retirement coverage were authorized at the time, to the date on which the payment is made. If the department agrees to payments under

this paragraph, the eligible employee must make the employee payments required under this paragraph before July 1, 1998. If that employee payment is made, the department payment under this paragraph must be remitted to the executive director of the Minnesota state retirement system within 60 days of receipt by the executive director of the employee payments specified under this paragraph.

Subd. 4. [SERVICE CREDIT GRANT.] Service credit for the purchase period must be granted by the Minnesota state retirement system to the account of the eligible employee upon receipt of the purchase payment amount specified in subdivision 3.

Sec. 8. [STUDY.]

The state board of investment, in consultation with the commissioner of commerce, shall study and make recommendations to the legislature on the most desirable method for evaluating insurance companies for purposes of Minnesota Statutes, section 356.24, subdivision 1, and on the most desirable method for the use of Internal Revenue Code, section 403(b), annuities and the most effective delivery mechanism to employees. The board shall report to the legislative commission on pensions and retirement by February 1, 1998.

Sec. 9. [REPEALER.]

Laws 1995, chapter 262, article 1, sections 8, 9, 10, 11, and 12, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective on July 1, 1997.

ARTICLE 9

PENSION MODIFICATIONS WITH A LOCAL APPLICATION

Section 1. Minnesota Statutes 1996, section 423A.02, subdivision 2, is amended to read:

Subd. 2. [CONTINUED ELIGIBILITY.] A municipality that has qualified for amortization state aid under subdivision 1 on December 31, 1984, and has an additional municipal contribution payable under section 353A.09, subdivision 5, paragraph (b), as of the most recent December 31, continues upon application to be entitled to receive amortization state aid under subdivision 1 and supplementary amortization state aid under subdivision 1a, after the local police or salaried firefighters' relief association has been consolidated into the public employees police and fire fund. If a municipality loses entitlement for amortization state aid and supplementary amortization state aid in any year because of not having an additional municipal contribution, the municipality is not entitled to the aid amounts in any subsequent year. If the actuarial assumptions specified in section 356.215 are changed in 1997, and the change results in a municipality having an additional municipal contribution, and the municipality had previously lost entitlement for amortization aid and supplementary amortization due to not having an additional municipal contribution, then the municipality is again entitled to receive amortization aid and supplementary amortization aid in the same amount as it previously received.

Sec. 2. Minnesota Statutes 1996, section 423B.06, subdivision 1, is amended to read:

Subdivision 1. [SOURCES.] The fund is derived from the following sources:

- (1) gifts provided to the fund;
- (2) rewards received by active members of the Minneapolis police department;
- (3) money coming into the hands of active members of the Minneapolis police department in their official capacity and remaining unclaimed for six months;
- (4) proceeds from sales of property coming into the hands of active members of the Minneapolis police department in their official capacity and remaining unclaimed for six months, upon sale by the chief of police of the city;

(5) an amount equal to the minimum percentage specified in section 69.77, subdivision 2a, of the salary of a first grade patrol officer deducted from the monthly salary of each active member;

(6) all money derived from taxation as provided by sections 69.77, subdivisions 2b, 2c, 2d, 2e, and 2f; and 423A.01, subdivision 2;

(7) all money received from the state amortization aid programs under section 423A.02, to fund the unfunded actuarial accrued liability of the association;

(8) all money received from the state under chapter 69, as state police aid;

(9) all money provided by the state for the association in addition to clauses (7) and (8);

(10) all money derived from taxation by the municipality for the support of the association and the payment of pensions; and

(11) money from the investment of, earnings on, and interest on the assets of the fund.

Sec. 3. Minnesota Statutes 1996, section 423B.06, subdivision 1a, is amended to read:

Subd. 1a. [SALES OF UNCLAIMED PROPERTY.] The chief of police of the city shall sell property coming into the hands of active members of the Minneapolis police department in their official capacity and remaining unclaimed for six months.

Sec. 4. [TEACHER RETIREMENT DATE.]

Notwithstanding Minnesota Statutes, section 354.44, subdivision 4, teachers terminating active teaching service at the high school in independent school district No. 701, Hibbing, during June, 1997, shall have May 30, 1997, as their date of retirement for the purpose of receiving retirement benefits from the teachers retirement association.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective on the day following final enactment.

ARTICLE 10

INVESTMENT REPORTING MODIFICATIONS

Section 1. Minnesota Statutes 1996, section 69.051, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL REPORT AND AUDIT.] The board of each salaried firefighters' and relief association, police relief association, and of each volunteer firefighters' relief association as defined in section 424A.001, subdivision 4, with assets of at least \$200,000 or liabilities of at least \$200,000, according to the most recent actuarial valuation or financial report if no valuation is required, shall:

(a) (1) Prepare a financial report covering the special and general funds of the relief association for the preceding fiscal year on a form prescribed by the state auditor. The financial report shall contain financial statements and disclosures which present the true financial condition of the relief association and the results of relief association operations in conformity with generally accepted accounting principles and in compliance with the regulatory, financing and funding provisions of this chapter and any other applicable laws. The financial report shall be countersigned by the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is a firefighters' relief association which is directly associated with a municipal fire department or is a police relief association, or countersigned by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation;

(b) (2) File the financial report in its office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

~~(e) (3) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b) (2).~~

Sec. 2. Minnesota Statutes 1996, section 69.051, subdivision 1a, is amended to read:

Subd. 1a. [FINANCIAL STATEMENT.] (a) ~~The board of each volunteer firefighters' relief association and each independent nonprofit firefighting corporation, as defined in section 424A.001, subdivision 4, with assets of less than \$200,000 and liabilities less than \$200,000, according to the most recent financial report, shall:~~

~~(a) 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, for the preceding fiscal year showing all money received, with the sources, and respective amounts thereof. The detailed statement must show the sources and amounts of all money received; all disbursements for which orders have been drawn upon the treasurer; all, accounts payable; all and accounts receivable; the amount of money remaining in the treasury; total assets including a listing of all investments; the accrued liabilities; and all items necessary to show accurately the revenues and expenditures and financial position of the relief association;~~

~~(b) The detailed financial statement required under paragraph (a) shall must be certified by an independent public accountant or auditor or by the auditor or accountant who regularly examines or audits the financial transactions of the municipality. In addition to certifying the financial condition of the special and general funds of the relief association, the accountant or auditor conducting the examination shall give an opinion as to the condition of the special and general funds of the relief association, and shall comment upon any exceptions to the report. The independent accountant or auditor shall have at least five years of public accounting, auditing, or similar experience, and shall not be an active, inactive, or retired member of the relief association or the fire or police department;~~

~~(c) The detailed statement required under paragraph (a) shall must be countersigned by the municipal clerk or clerk-treasurer of the municipality, or, where applicable, by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation;~~

~~(d) The volunteer firefighters' relief association board must file the detailed statement required under paragraph (a) in the relief association office for public inspection and present it to the city council within 45 days after the close of the fiscal year; and must~~

~~(e) submit within 90 days after the close of the fiscal year a copy of the detailed statement to the state auditor within 90 days of the close of the fiscal year.~~

Sec. 3. Minnesota Statutes 1996, section 69.051, subdivision 1b, is amended to read:

Subd. 1b. [QUALIFICATION.] ~~The state auditor may, upon a demonstration by a relief association of hardship or inability to conform, extend the deadline for reports under subdivisions 1 or 1a, but not beyond November 30th following the due date. If the reports are not received by November 30th, the municipality or relief association will forfeit its current year state aid, and until the state auditor receives the required information, the relief or municipality will be ineligible to receive any future state aid. A municipality or police or firefighters' relief association shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.~~

Sec. 4. Minnesota Statutes 1996, section 356.219, is amended to read:

356.219 [DISCLOSURE OF ADDITIONAL PUBLIC PENSION PLAN INVESTMENT INFORMATION.]

Subdivision 1. [REPORT REQUIRED.] (a) Except as indicated in subdivision 4, the state board of investment on behalf of the public pension funds and programs for which it is the investment authority and any Minnesota public pension plan not wholly fully invested through the state board of investment, including a local police or firefighters' relief association governed by sections 69.77 or 69.771 to 69.775, shall report the information specified in subdivision 2 3 to the state auditor. The state auditor may prescribe a form or forms for the purposes of the reporting requirements contained in this section.

(b) A local police or firefighters' relief association governed by section 69.77 or sections 69.771 to 69.775 is fully invested during a given calendar year for purposes of this section if all assets of the applicable pension plan beyond sufficient cash equivalent investments to cover six months expected expenses are invested under section 11A.17. The board of any fully invested public pension plan remains responsible for submitting investment policy statements and subsequent revisions as required by subdivision 3, paragraph (a).

(c) For purposes of this section, the state board of investment is considered to be the investment authority for any Minnesota public pension fund required to be invested by the state board of investment under section 11A.23, or for any Minnesota public pension fund authorized to invest in the supplemental investment fund under section 11A.17 and which is fully invested.

Subd. 2. [ASSET CLASS DEFINITION.] (a) For purposes of this section, "asset class" means any of the following asset groupings as authorized in applicable law, by-laws, or articles of incorporation:

(1) cash and any cash equivalent investments with maturities of one year or less when issued;

(2) debt securities with maturities greater than one year when issued, including but not limited to mortgage participation certificates and pools, asset backed securities, guaranteed investment contracts, and authorized government and corporate obligations of corporations organized under laws of the United States or any state, or the Dominion of Canada or its provinces;

(3) stocks or convertible issues of any corporation organized under laws of the United States or any state, or the Dominion of Canada or its provinces, or any corporation listed on the New York Stock Exchange or the American Stock Exchange;

(4) international stocks or convertible issues;

(5) international debt securities; and

(6) real estate and venture capital.

(b) If the pension plan is investing under section 69.77, subdivision 2g, section 69.775, or other applicable law, in open-end investment companies registered under the federal Investment Company Act of 1940, or in the Minnesota supplemental investment fund under section 11A.17, this investment must be included under an asset class indicated in paragraph (a), clauses (1) through (6), as appropriate. If the investment vehicle includes underlying securities from more than one asset class as indicated by paragraph (a), clauses (1) through (6), the investment may be treated as a separate asset class.

Subd. 2 3. [CONTENT AND TIMING OF REPORTS.] (a) The following information shall be included in the report required by subdivision 1:

(1) the market value of all investments at the close of the reporting period;

(2) regular payroll-based contributions to the fund

(3) other contributions and revenue paid into the fund, including, but not limited to, state or local non-payroll-based contributions, repaid refunds, and buybacks;

(4) total benefits paid to members;

(5) fees paid for investment management services;

- (6) ~~salaries and other administrative expenses paid; and~~
- (7) ~~total return on investment.~~

The report required by subdivision 1 must also include a written statement of the investment policy in effect on June 30, 1988, and 1997, if that statement has not been previously submitted. Following that date, subsequent reports must include any investment policy changes made subsequently and shall include the effective date of each policy change rather than a complete statement of investment policy, unless the state auditor requests submission of a complete current statement. The report must also include the information required by the following paragraphs, as applicable. The information required under this subdivision must be reported separately for each investment account or investment portfolio included in the pension fund.

(b) For public pension plans other than volunteer firefighters' relief associations governed by sections 69.77 or 69.771 to 69.775, the information specified in paragraph (a) must be provided separately for each quarter for the fiscal years of the pension fund ending during calendar years 1989 through 1991 and on a monthly basis thereafter. For volunteer firefighters' relief associations governed by sections 69.77 or 69.771 to 69.775, the information specified in paragraph (a) must be provided separately each quarter.

(c) Firefighters' relief associations that have assets with a market value of less than \$300,000 must submit a written statement of their current investment policy on or before October 1, 1996, must report any subsequent investment policy changes, including the effective date of the change, within 90 days of the change, must begin collecting the required information under paragraph (a), clauses (1) to (7), on January 1, 1997, and must submit the required information to the state auditor on or before October 1, 1998, and subsequently within six months of the end of each fiscal year. Other associations must submit the required information through fiscal year 1993 to the state auditor on or before October 1, 1994, and subsequently within six months of the end of each fiscal year.

(b) If a public pension plan has a total market value of \$10 million or more as of the beginning of the calendar year, the report required by subdivision 1 must include the market value of the total portfolio and the market value of each investment account, investment portfolio, or asset class included in the pension fund as of the beginning of the calendar year and for each month, and the amount and date of each injection and withdrawal to the total portfolio and to each investment account, investment portfolio, or asset class. If a public pension plan once files a report under this paragraph, it must continue reporting under this paragraph for any year in which the public pension plan is not fully invested as specified in subdivision 1, paragraph (b), even if asset values drop below \$10 million in market value in a subsequent year.

(c) For public pension plans to which paragraph (b) applies, the report required by subdivision 1 must also include a calculation of the total time-weighted rate of return available from index-matching investments assuming the asset class performance targets and target asset mix indicated in the written statement of investment policy. The provided information must include a description of indices used in the analyses and an explanation of why those indices are appropriate. This paragraph does not apply to any fully invested plan, as defined by subdivision 1, paragraph (b). Reporting by the state board of investment under this paragraph is limited to information on the Minnesota public pension plans required to be invested by the state board of investment under section 11A.23.

(d) If a public pension plan has a total market value of less than \$10 million as of the beginning of the calendar year and was never required to file under paragraph (b), the report required by subdivision 1 must include the amount and date of each total portfolio injection and withdrawal. In addition, the report must include the market value of the total portfolio as of the beginning of the calendar year and for each quarter.

(e) Any public pension plan reporting under paragraph (b) or (d) may include computed time-weighted rates of return with the report, in addition to all other required information, as applicable. If returns are supplied, the individual who computed the returns must certify that the returns are net of all costs and fees, including investment management fees, and that the

procedures used to compute the returns are consistent with bank administration institute studies of investment performance measurement and association of investment management and research presentation standards.

(f) For public pension plans reporting under paragraph (d), the public pension plan must retain information specifying the date and amount of each injection and withdrawal to each investment account and investment portfolio. The public pension plan must also retain the market value of each investment account and investment portfolio at the beginning of the calendar year and for each quarter. Information that is required to be collected and retained for any given year or years under this paragraph must be submitted to the office of the state auditor if the office of the state auditor requests in writing that the information be submitted by a public pension plan or plans, or be submitted by the state board of investment for any plan or plans for which the state board of investment is the investment authority under this section. If the state auditor requests information under this subdivision, and the public plan fails to comply, the pension plan will be subject to penalties under subdivision 5, unless penalties are waived by the state auditor under that subdivision.

Subd. 4. [ALTERNATIVE REPORTING; CERTAIN PLANS.] In lieu of requirements in subdivision 3, the applicable administration for the individual retirement account plans under chapters 354B and 354D and for the university of Minnesota faculty retirement plan shall submit computed time-weighted rates of return to the office of the state auditor. These time-weighted rates of return must cover the most recent complete calendar year, and must be computed for each investment option available to plan members. To the extent feasible, the returns must be computed net of all costs, fees, and charges, so that the computed return reflects the net time-weighted return available to the investor. If this is not practical, the existence of any remaining cost, fee, or charge which could further lower the net return must be disclosed. The procedures used to compute the returns must be consistent with bank administration institute studies of investment performance measurement and association of investment management and research presentation standards, or, if applicable, securities exchange commission requirements. The individual who computes the returns must certify that the supplied returns comply with this subdivision. The applicable plan administrator must also submit, with the return information, the total amounts invested by the plan members, in aggregate, in each investment option as of the last day of the calendar year.

Subd. 3 5. [PENALTY FOR NONCOMPLIANCE.] Failure to comply with the reporting requirements of this section shall result in a withholding of all state aid or state appropriation to which the pension plan may otherwise be directly or indirectly entitled until the pension plan has complied with the reporting requirements. The state auditor shall instruct the commissioners of revenue and finance to withhold state aid or state appropriation from any pension plan that fails to comply with the reporting requirements contained in this section, until the pension plan has complied with the reporting requirements. The state auditor may waive the withholding of state aid or state appropriations if the state auditor determines in writing that compliance would create an excessive hardship.

The state auditor shall agree to waive the withholding of all state aid required by this subdivision for a volunteer firefighters' relief association governed by sections 69.77 or 69.771 to 69.775 if:

(1) the relief association certifies to the state auditor that the financial records necessary to comply with this reporting requirement for the fiscal years of the pension fund ending during calendar years 1991 to 1993 no longer exist; or

(2) the state auditor determines that reconstructing historical financial data for the fiscal years of the pension fund ending during calendar years 1991 to 1993 would create an excessive hardship for the relief association.

Subd. 4 6. [INVESTMENT DISCLOSURE REPORT.] Using the information provided under subdivision 2, (a) The state auditor shall prepare an annual report to the legislature on the components of investment performance resulting from stages in the investment decision making process of the various public pension plans subject to this section. The content of the report is specified in paragraphs (b) to (e).

(b) For each public pension plan reporting under subdivision 3, paragraph (b), the state auditor shall compute and report total portfolio and asset class time-weighted rates of return, net of all costs and fees.

(c) For each public pension plan reporting under subdivision 3, paragraph (d), the state auditor shall compute and report total portfolio time-weighted rates of return, net of all costs and fees. If the state auditor has requested data for a plan under subdivision 3, paragraph (f), the state auditor may also compute and report asset class time-weighted rates of return, net of all costs and fees.

(d) The report by the state auditor must include the information submitted by the pension plans under subdivision 3, paragraph (c), or a synopsis of that information.

(e) The report by the state auditor may also include a presentation of multi-year performance, information collected under subdivision 4, and any other information or analysis deemed appropriate by the state auditor. The state auditor may contract with a qualified consultant or consulting firm to perform the analysis and prepare the report required under this subdivision.

Subd. 5 7. [EXPENSE OF REPORT.] All expenses incurred relating to the investment disclosure report by the state auditor described in subdivision 4 6 must be borne by the office of the state auditor and may not be charged back to the entities described in ~~subdivision~~ subdivisions 1 or 4.

Subd. 8. [TIMING OF REPORTS.] (a) For salaried firefighter relief associations, police relief associations, and volunteer firefighter relief associations, the information required under this section must be submitted by the due date for reports required under section 69.051, subdivision 1 or 1a, as applicable. If a relief association satisfies the definition of a fully invested plan under subdivision 1, paragraph (b), for the calendar year covered by the report required under section 69.051, subdivision 1 or 1a, as applicable, the chief administrative officer of the covered pension plan shall certify compliance on a form prescribed by the state auditor. The state auditor shall transmit annually to the state board of investment a list or lists of covered pension plans which submitted certifications, in order to facilitate reporting by the state board of investment under paragraph (c) of this subdivision.

(b) For the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, the Duluth teachers retirement fund association, the Minneapolis employees retirement fund, the University of Minnesota faculty supplemental retirement plan, and the applicable administrators for the University of Minnesota faculty retirement plan and the individual retirement account plans under chapter 354B and 354D, the information required under this section must be submitted to the state auditor by June 1 of each year.

(c) The state board of investment, on behalf of pension funds specified in subdivision 1, paragraph (c), must report information required under this section by September 1 of each year.

Sec. 5. Minnesota Statutes 1996, section 424A.02, subdivision 10, is amended to read:

Subd. 10. [LOCAL APPROVAL OF BYLAW AMENDMENTS; FILING REQUIREMENTS.] (a) Each relief association to which this section applies shall file a revised copy of its governing bylaws with the commissioner of commerce state auditor upon the adoption of any amendment to its governing bylaws by the relief association or upon the approval of any amendment to its governing bylaws granted by the governing body of each municipality served by the fire department to which the relief association is directly associated. Failure of the relief association to file a copy of the bylaws or any bylaw amendments with the commissioner of commerce state auditor shall disqualify the municipality from the distribution of any future fire state aid until this filing requirement has been completed.

(b) If the special fund of the relief association does not have a surplus over full funding pursuant to section 69.772, subdivision 3, clause (2), subclause (e), or 69.773, subdivision 4, and if the municipality is required to provide financial support to the special fund of the relief association pursuant to section 69.772 or 69.773, no bylaw amendment which would affect the amount of, the manner of payment of, or the conditions for qualification for service pensions or ancillary benefits

or disbursements other than administrative expenses authorized pursuant to section 69.80 payable from the special fund of the relief association shall be effective until it has been ratified by the governing body or bodies of the appropriate municipalities. If the municipality is not required to provide financial support to the special fund pursuant to this section, the relief association may adopt or amend without municipal ratification its articles of incorporation or bylaws which increase or otherwise affect the service pensions or ancillary benefits payable from the special fund so long as the changes do not cause the amount of the resulting increase in the accrued liability of the special fund to exceed 90 percent of the amount of the prior surplus over full funding and the changes do not result in the financial requirements of the special fund exceeding the expected amount of the future fire state aid to be received by the relief association.

(c) If the relief association pays only a lump sum pension, the financial requirements are to be determined by the board of trustees following the preparation of an estimate of the expected increase in the accrued liability and annual accruing liability of the relief association attributable to the change. If the relief association pays a monthly benefit service pension, the financial requirements are to be determined by the board of trustees following either an updated actuarial valuation including the proposed change or an estimate of the expected actuarial impact of the proposed change prepared by the actuary of the relief association. If a relief association adopts or amends its articles of incorporation or bylaws without municipal ratification pursuant to this subdivision, and, subsequent to the amendment or adoption, the financial requirements of the special fund pursuant to this section are such so as to require financial support from the municipality, the provision which was implemented without municipal ratification shall no longer be effective without municipal ratification, and any service pensions or ancillary benefits payable after that date shall be paid only in accordance with the articles of incorporation or bylaws as amended or adopted with municipal ratification.

Sec. 6. [REVIEW OF LARGE PLAN REPORTING REQUIREMENTS.]

Prior to January 1, 1999, the state auditor shall report to the legislative commission on pensions and retirement with any recommendations for enhancing the consistency and utility of information provided by or on behalf of a public pension plan under Minnesota Statutes, section 356.219, subdivision 3, paragraph (c).

Sec. 7. [REPEALER.]

Minnesota Statutes 1996, section 356.218, is repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective January 1, 1998, except that no penalty for non-compliance with section 4 may be assessed on account of any failure to comply with reporting requirements of that section prior to January 1, 1999.

ARTICLE 11

CORRECTIONAL RETIREMENT PLAN

MODIFICATIONS

Section 1. Laws 1996, chapter 408, article 8, section 21, is amended to read:

Sec. 21. [TEMPORARY PROVISION; ELECTION TO RETAIN RETIREMENT COVERAGE.]

(a) An employee in a position specified as qualifying under sections 12, 14, and 15, or an auto mechanic lead, an electrician, an electrician master of record, a groundskeeper intermediate, or a plumber master in charge at the Minnesota correctional facility-Red Wing, may elect to retain coverage under the general employees retirement plan of the Minnesota state retirement system or the teachers retirement association, or may elect to have coverage transferred to and to contribute to the correctional employees retirement plan. An employee electing to participate in the correctional employees retirement plan shall begin making contributions to the correctional plan beginning the first full pay period after January 1, 1997, or the first full pay period following filing

of their election to transfer coverage to the correctional employees retirement plan, whichever is later. The election to retain coverage or to transfer coverage must be made in writing by the person on a form prescribed by the executive director of the Minnesota state retirement system and must be filed with the executive director no later than ~~June 30~~ December 31, 1997.

(b) An employee failing to make an election by June 15, 1997, must be notified by certified mail by the executive director of the Minnesota state retirement system or of the teachers retirement association, whichever applies, of the deadline to make a choice. A person who does not submit an election form must continue coverage in the general employees retirement plan or the teachers retirement association, whichever applies, and forfeits all rights to transfer retirement coverage to the correctional employees retirement plan.

(c) The election to retain coverage in the general employee retirement plan or the teachers retirement association or the election to transfer retirement coverage to the correctional employees retirement plan is irrevocable once it is filed with the executive director.

Sec. 2. Laws 1996, chapter 408, article 8, section 22, subdivision 1, is amended to read:

Subdivision 1. [ELECTION OF PRIOR STATE SERVICE COVERAGE.] (a) An employee who has future retirement coverage transferred to the correctional employees retirement plan under sections 11, 12, 14, and 15, and 16, or an auto mechanic lead, an electrician, an electrician master of record, a groundskeeper intermediate, or a plumber master in charge at the Minnesota correctional facility-Red Wing, and who does not elect to retain general state employee retirement plan or teachers retirement association coverage is entitled to elect to obtain prior service credit for eligible state service performed on or after July 1, 1975, and before the first day of the first full pay period beginning after ~~June 30~~ December 31, 1997, with the department of corrections or with the department of human services at the Minnesota security hospital or the Minnesota sexual psychopathic personality treatment center. All prior service credit must be purchased.

(b) Eligible state service with the department of corrections or with the department of human services is any prior period of continuous service on or after July 1, 1975, performed as an employee of the department of corrections or of the department of human services that would have been eligible for the correctional employees retirement plan coverage under sections 11, 12, 14, and 15, and 16, or an auto mechanic lead, an electrician, an electrician master of record, a groundskeeper intermediate, or a plumber master in charge at the Minnesota correctional facility-Red Wing, if that prior service had been performed after the first day of the first full pay period beginning after December 31, 1996, rather than before that date. Service is continuous if there has been no period of discontinuation of eligible state service for a period greater than 180 calendar days.

(c) The department of corrections or the department of human services, whichever applies, shall certify eligible state service to the executive director of the Minnesota state retirement system.

(d) A covered correctional plan employee employed on January 1, 1997, who has past service in a job classification covered under section 11, 12, 14, or 15, or 16, or an auto mechanic lead, an electrician, an electrician master of record, a groundskeeper intermediate, or a plumber master in charge at the Minnesota correctional facility-Red Wing, on January 1, 1997, is entitled to purchase the past service if the applicable department certifies that the employee met the eligibility requirements for coverage. The employee must make the additional employee contributions under section 17. Payments for past service must be completed by June 30, 1999.

Sec. 3. Laws 1996, chapter 408, article 8, section 24, is amended to read:

Sec. 24. [EARLY RETIREMENT INCENTIVE.]

This section applies to an employee who has future retirement coverage transferred to the correctional employee retirement plan under sections 11, 12, 14, and 15, and 16, and who is at least 55 years old on the effective date of sections 11, 12, 14, and 15, and 16. This section also applies to an auto mechanic lead, an electrician, an electrician master of record, a groundskeeper

intermediate, or a plumber master in charge at the Minnesota correctional facility-Red Wing who has transferred to the correctional employee retirement plan under this act. That employee may participate in a health insurance early retirement incentive available under the terms of a collective bargaining agreement in effect on the day before the effective date of sections 11, 12, 14, and 15, and 16, notwithstanding any provision of the collective bargaining agreement that limits participation to persons who select the option during the payroll period in which their 55th birthday occurs. A person selecting the health insurance early retirement incentive under this section must retire by the later of ~~December 31, 1997~~ June 30, 1998, or within the pay period following the time at which the person has at least three years of covered correctional service, including any purchased service credit. An employee meeting this criteria who wishes to extend the person's employment must do so under Minnesota Statutes, section 43A.34, subdivision 3.

Sec. 4. [EFFECTIVE DATE.]

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

ARTICLE 12

MISCELLANEOUS PROVISIONS

Section 1. [EXEMPTION; METROPOLITAN STATE UNIVERSITY.]

(a) Minnesota Statutes, section 352.115, subdivision 10, does not apply to a person who:

(1) was born June 22, 1939;

(2) retires from the faculty of Metropolitan State University with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(3) was employed on a full-time basis immediately preceding retirement;

(4) begins drawing an annuity from the Minnesota state retirement system; and

(5) returns to work on not less than a one-third time basis and not more than a two-thirds time basis at Metropolitan State University under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment after retirement at Metropolitan State University.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer and the employee. The employer may require up to a one-year notice of intent to participate in the program as a condition of participation under this section. The employer shall determine the time of year the employee shall work.

(c) Minnesota Statutes, section 136F.48, applies to a person described in paragraph (a), even though the person draws an annuity from the Minnesota state retirement system instead of a teachers retirement association.

(d) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not earn further service credit in the Minnesota state retirement system or the teachers retirement association and is not eligible to participate in the individual retirement account plan or the supplemental retirement plan established in chapter 354B as a result of service under this section. No employer or employee contribution to any of these plans may be made on behalf of such a person.

Sec. 2. [ACCEPTANCE OF BENEFICIARY DESIGNATION CHANGE IN CERTAIN INSTANCES.]

(a) Notwithstanding any provision of Minnesota Statutes 1996, chapter 354, to the contrary, the teachers retirement association may consider as validly filed a beneficiary designation change form under Minnesota Statutes 1996, section 354.10, subdivision 4, and a joint specification form

under Minnesota Statutes 1996, section 354.46, subdivision 5, which was postmarked on January 8, 1997, and received by the teachers retirement association on January 10, 1997, on behalf of a teacher who was born on February 28, 1947, and who died on December 22, 1996.

(b) The designated beneficiary of the teacher specified in paragraph (a) is entitled to receive the applicable monthly survivor benefit retroactive to January 1, 1997.

Sec. 3. [PRIOR SERVICE CREDIT PURCHASE FOR CERTAIN PUBLIC EMPLOYEES.]

(a) A person described in paragraph (b) is entitled to purchase the period of allowable service credit from the public employees retirement association described in paragraph (c) if the purchase payment specified in paragraph (d) is made to the public employees retirement association.

(b) An eligible person is a person who:

(1) was born on August 10, 1939;

(2) was initially employed on a full-time basis by the parks and recreation division of the city of St. Paul on February 12, 1964;

(3) was initially covered by the public employees retirement association on November 1, 1964; and

(4) left public service on September 16, 1996.

(c) The period of purchasable allowable service credit is the period beginning on February 12, 1964, and ending on October 31, 1964.

(d) To purchase credit for prior eligible service under paragraph (c), there must be paid to the public employees retirement association an amount equal to the present value of the amount of the additional disability benefit obtained by purchase of the additional service credit. The calculation of this amount must be made by the executive director of the public employees retirement association using the applicable preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the retirement association. The person making the purchase must establish in the records of the association proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the retirement association. Payment of the amount calculated under this subdivision is the obligation of the eligible person and must be made prior to July 1, 1998, in a lump sum. However, the former employer of the eligible individual may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rate or rates in effect during the period or periods of prior service, plus interest at the rate of 8.5 percent per year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. If the employer agrees to payments under this paragraph, the person must make the employee payments required under this paragraph prior to July 1, 1998. If that employee payment is made, the employing unit payment under this paragraph must be remitted to the executive director of the retirement association within 60 days of receipt by the executive director of the employee payments specified under this paragraph.

(e) Service credit for the purchase period or periods must be granted to the account of the eligible person upon receipt of the purchase payment amount specified in paragraph (d) and the disability benefit of the person must be recalculated in light of the additional service credit.

Sec. 4. [EFFECTIVE DATE.]

Sections 1, 2, and 3 are effective on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; revising various police state aid provisions to fully implement intended 1996 modifications; ratifying the calculation of certain 1996 police state aid

amounts; modifying various fire state aid provisions; authorizing the exclusion of certain pipefitters from public employee retirement association membership; authorizing benefit increases for the Richfield fire department relief association; providing postretirement adjustments for retirees and benefit recipients of the Nashwauk police pension plan and the Eveleth police and fire retirement trust fund; clarifying the benefit floor for certain benefit recipients of the St. Paul police and fire consolidation accounts; providing alternative retirement coverage for transferred employees of the Jackson medical center, the Melrose hospital, and the Tracy municipal hospital; creating a trust for the state deferred compensation program; modifying the handling of sabbatical leave contributions by the teachers retirement association; modifying the timing of higher education supplemental retirement plan contributions; making administrative changes in the higher education individual retirement account plan and supplemental retirement plan; authorizing additional individual retirement account plans; modifying various economic actuarial assumptions; clarifying certain retirement dates; authorizing certain purchases of prior service credit; extending the volunteer firefighter flexible service pension maximums; modifying retirement coverage for transferred university academic health center employees; modifying tax-sheltered annuity programs for university and college employees; including additional classes of persons in definition of state employee; providing general statewide and local employee pension plan modifications; modifying investment reporting provisions; making miscellaneous retirement plan modifications; amending Minnesota Statutes 1996, sections 69.021, subdivisions 4, 5, 6, 7a, 8, 9, 10, and 11; 69.031, subdivisions 1, 3, and 5; 69.051, subdivisions 1, 1a, and 1b; 136F.45, by adding subdivisions; 352.01, subdivisions 2a and 2b; 352.96, subdivisions 2, 3, and 6; 352F.02, subdivisions 3, 6, and by adding subdivisions; 352F.03; 352F.04; 352F.05; 352F.06; 352F.07; 352F.08; 353.01, subdivision 2b; 353B.07, subdivision 3; 353B.08, subdivision 6; 353B.11, subdivisions 3, 4, and 5; 354.092, subdivisions 1, 3, and 4; 354B.21, subdivision 3; 354B.25, subdivision 5, and by adding a subdivision; 354C.11; 354C.12, subdivisions 1 and 4; 354D.02, subdivision 2; 354D.06; 354D.07; 354D.08, subdivisions 1, 2, 3, and 5; 356.215, subdivision 4d; 356.219; 423A.02, subdivision 2; 423B.06, subdivisions 1 and 1a; and 424A.02, subdivisions 3 and 10; Laws 1943, chapter 196, section 4, as amended; Laws 1965, chapter 705, section 1, subdivision 4; Laws 1967, chapter 798, sections 2 and 4; Laws 1992, chapter 563, section 5, as amended; and Laws 1996, chapter 408, article 8, sections 21, 22, subdivision 1, and 24; repealing Minnesota Statutes 1996, section 356.218; Laws 1995, chapter 262, article 1, sections 8, 9, 10, 11, and 12."

Pursuant to Rule 22, Mr. Johnson, D.H. moved that he be excused from voting on all questions pertaining to S.F. No. 1486. The motion prevailed.

The question was taken on the adoption of the Morse amendment. The motion prevailed. So the amendment was adopted.

S.F. No. 1486 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Krentz	Olson	Scheid
Beckman	Higgins	Langseth	Ourada	Solon
Belanger	Hottinger	Larson	Pappas	Spear
Berg	Janezich	Lesewski	Pariseau	Stevens
Berglin	Johnson, D.E.	Limmer	Piper	Ten Eyck
Betzold	Johnson, D.J.	Lourey	Pogemiller	Terwilliger
Cohen	Johnson, J.B.	Marty	Price	Vickerman
Day	Junge	Metzen	Robertson	Wiener
Dille	Kelley, S.P.	Moe, R.D.	Robling	Wiger
Fischbach	Kelly, R.C.	Morse	Runbeck	
Flynn	Kiscaden	Neuville	Sams	
Foley	Kleis	Novak	Samuelson	
Frederickson	Knutson	Oliver	Scheevel	

So the bill, as amended, was passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mses. Johnson, J.B.; Pappas; Mrs. Lourey, Ms. Piper and Mr. Foley introduced--

S.F. No. 1964: A bill for an act relating to sports; providing for a process to construct, fund, maintain, and govern a major league baseball facility without the use of public funds; providing for powers and duties of the governing entity; authorizing the issuance of bonds and other debt obligations; amending Minnesota Statutes 1996, section 473.551, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Metropolitan Government.

Ms. Runbeck, Messrs. Neuville and Betzold introduced--

S.F. No. 1965: A bill for an act relating to sports; providing for a process to construct, fund, maintain, and govern a major league baseball facility without the use of public funds; providing for powers and duties of the governing entity; authorizing the issuance of bonds and other debt obligations; amending Minnesota Statutes 1996, section 473.551, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Metropolitan Government.

Messrs. Larson, Langseth, Solon, Novak and Johnson, D.J. introduced--

S.F. No. 1966: A bill for an act relating to appropriations; appropriating money for the state's share of the cost of the new Poe Lock at Sault Ste. Marie Narrows.

Referred to the Committee on Environment and Natural Resources.

Ms. Wiener introduced--

S.F. No. 1967: A bill for an act relating to local government units; providing for the relation between comprehensive plans and zoning ordinances; amending Minnesota Statutes 1996, section 473.858, subdivision 1.

Referred to the Committee on Local and Metropolitan Government.

Mr. Foley introduced--

S.F. No. 1968: A bill for an act relating to transportation; establishing demonstration program to allow department of transportation to administer certain metropolitan transit programs.

Referred to the Committee on Transportation.

Mr. Foley introduced--

S.F. No. 1969: A bill for an act relating to marriage; establishing standards for setting aside or modifying antenuptial contracts; amending Minnesota Statutes 1996, section 519.11, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Marty and Hottinger introduced--

S.F. No. 1970: A bill for an act relating to health reporting; requiring tobacco manufacturers to

report hazardous substances in their products; proposing coding for new law in Minnesota Statutes, chapter 461.

Referred to the Committee on Health and Family Security.

MEMBERS EXCUSED

Ms. Ranum and Mr. Stumpf were excused from the Session of today. Ms. Wiener was excused from the Session of today from 10:00 to 10:45 a.m. Ms. Berglin was excused from the Session of today from 10:40 to 11:10 a.m. and at 1:10 p.m. Mr. Murphy was excused from the Session of today from 10:00 a.m. to 12:25 p.m. Mr. Solon was excused from the Session of today from 12:20 to 1:30 p.m. Mr. Limmer was excused from the Session of today from 12:15 to 12:45 p.m.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Friday, May 16, 1997. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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