



# 2015

# End of Session Report

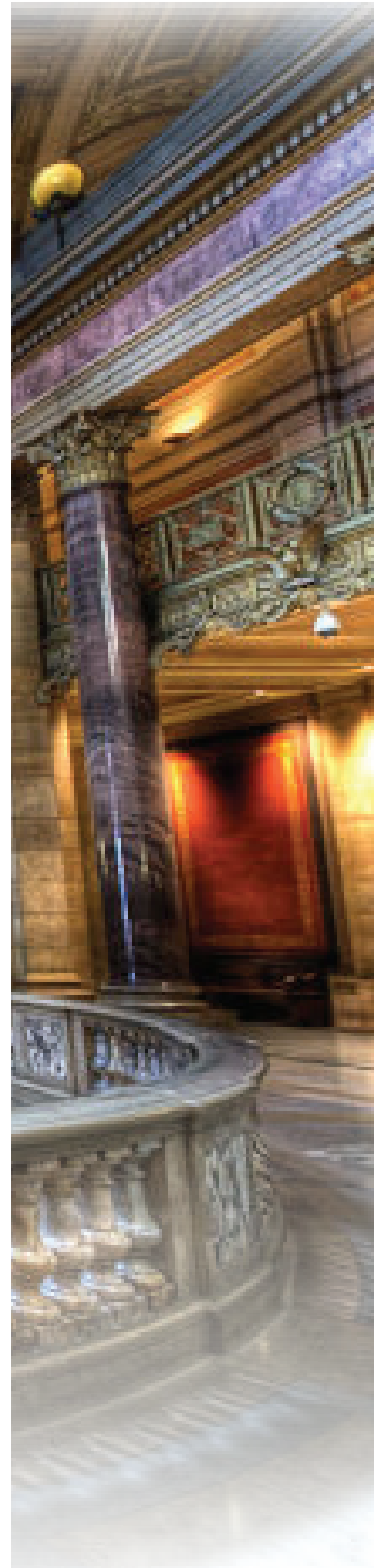
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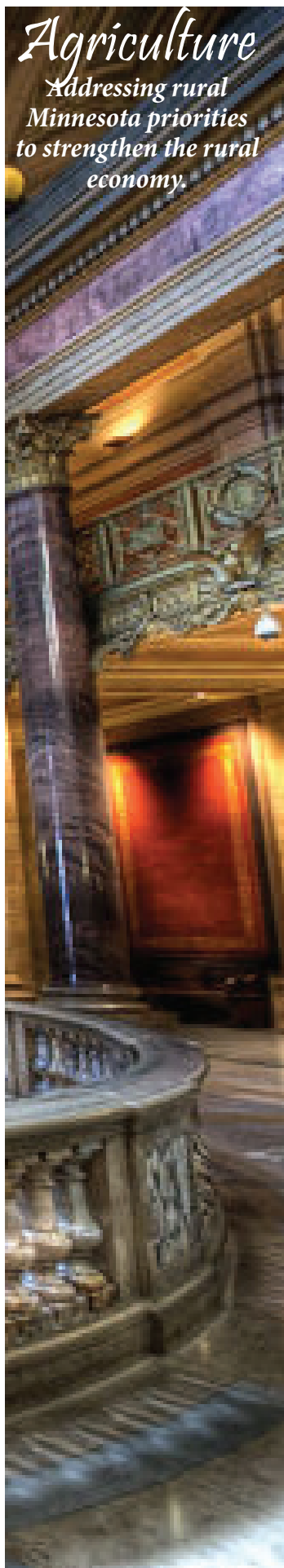
Information updated as of May 27, 2015



*Senate Majority Caucus*  
**2015 END OF SESSION REPORT**  
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## Emergency Funding for Avian Flu

Legislation was signed into law to provide emergency funding of nearly \$900,000 to aid the state's response to the avian flu epidemic, which has now stricken more than 70 farms in 19 Minnesota counties.

Avian flu, first detected in the state in March, has now affected nearly eight million birds in Minnesota. This loss has been devastating to farmers, and there is growing concern that the virus could continue to spread.

This bill provides a one-time appropriations to the Commissioner of Agriculture and the Board of Animal Health in FY2015 to address this problem. Any federal money received in FY2015 through FY2017 by the Commissioner of Agriculture or the Board of Animal Health to address the avian influenza is appropriated in the fiscal year when it is received.

- \$514,000 to the Commissioner of Agriculture for emergency response activities that are not covered by federal funding
- \$379,000 to the Board of Animal Health to fund emergency response activities that are not covered by federal funding

The Agriculture Finance bill (H.F. 846) also provides \$16.47 million for additional funding to address Avian Influenza efforts in the state.

**STATUS: The bill was signed into law. (H.F. 2225)**

## Minnesota Seed Law

The Seed Library enjoyed a great deal of interest from Duluth residents last year, with 200 people exchanging nearly 800 seed packets. It ran into trouble when the Minnesota Department of Agriculture (MDA) informed the Duluth Public Library that they were in violation of part of the state's Seed Law. The Duluth Public Library was found to be out of compliance with the law, as it had not paid the annual \$50 Seed Permit, inadequately labeled the seeds, and failed to perform germination tests. The state's existing Seed Law is focused on regulating the commercial seed industry, not smaller community exchanges. ***This legislation attempts to amend the law to better suit these types of seed exchanges by:***

- Eliminating the terms "giving away" and "give away" which defines the meaning of selling agricultural, vegetable, flower, tree or shrub seed, and seed samples.
- Providing exemptions for a religious, charitable, scientific, literary, or educational organization that receives fewer than \$5,000 in gross receipts in a calendar year from the sale of seeds for use in the state or to interpersonal sharing of seeds.

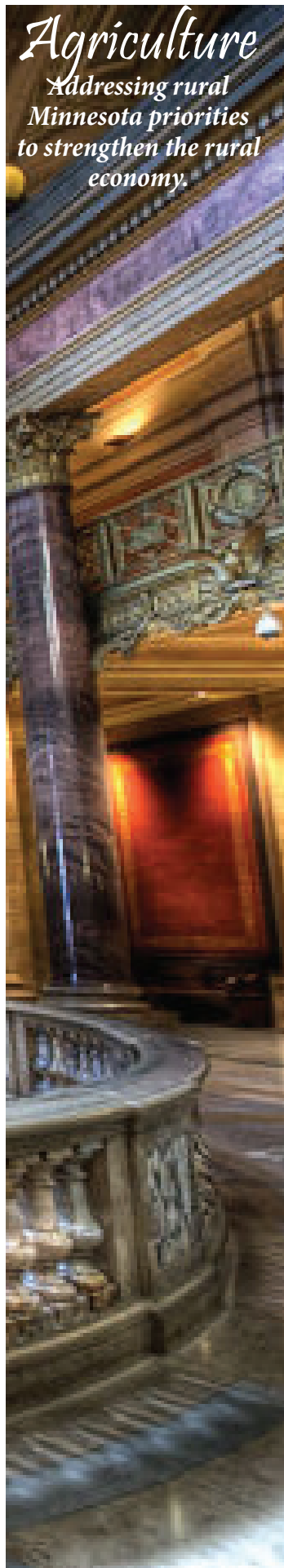
**STATUS: Signed into Law (S.F. 1459)**

## Vets-to-Ag Bill

This legislation requires MnSCU to establish a pilot program which would encourage veterans to enter agriculture and food production-related careers. The provision is part of the Higher Education Omnibus Bill. The legislation would establish a pilot program at South Central College's North Mankato campus. In 2017, funds would be appropriated to establish up to six other sites statewide. Enrollees would go through a four- to eight-week training in relevant fields of study, job development programs, and appropriate career-building skills. When the veterans complete the program, they receive a certificate of completion or academic credit. Legislative reporting requirements are included in the bill.

**STATUS: Signed into Law as part of the Omnibus Higher Education bill. (S.F. 653)**





## BILLS THAT DID NOT PASS

### **VETOED: Omnibus Agriculture and Environment Bill**

The Omnibus Agriculture and Environment Bill. was vetoed by the governor. While there was agreement on a majority of the provisions contained within the bill such as funding for the Avian Flue, Governor Dayton said the omnibus bill also contained a number of provisions he did not agree with. The Governor also indicated that buffer zones and Avian flu funding must be a part of the final package.

The Omnibus Agriculture Finance Bill funds a number of programs to strengthen our farm communities. *Some important provisions include:*

**Wolf Depredation Compensation**--\$250,000 for FY2016 and \$200,000 in FY2017. This appropriation is designated to compensate farmers for animals that were killed or crippled by wolves in FY2014-15.

**Marketing Ag in Cuba**--\$100,000 for FY2016. This is a one-time appropriation to the Commissioner of Agriculture with the purpose of establishing contacts and business connections in Cuba and of gaining a better understanding of how these new business opportunities will align with new federal trade regulations. (S.F.733)

**Food Distribution Hubs**--\$250,000 for FY2016. Food hubs have emerged as a source of support for agricultural producers in aggregating, distributing, and marketing their products to venues including rural markets, farmers markets, co-ops, and schools. This appropriation is meant to develop and expand food hubs in the state. (S.F.1749)

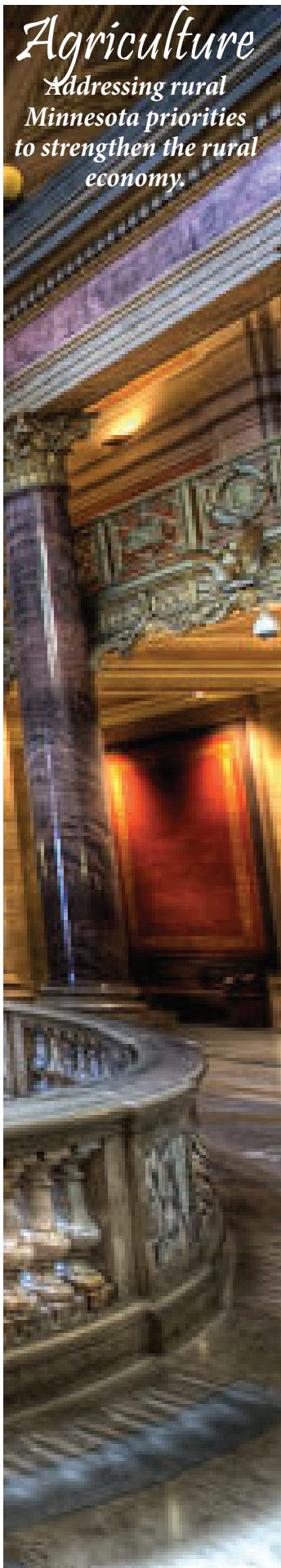
**Industrial Hemp Development**--\$643,000 for FY2016 and \$456,000 for FY2017. This provision gives the Commissioner of Agriculture authority over the administration of a pilot program to study the growth, cultivation, and marketing of industrial hemp in Minnesota. Industrial hemp is defined to have no more than 0.3% of tetrahydrocannabinol (THC), which is the psychoactive component in the cannabis plant from which both it and marijuana are produced. Marijuana ingested to produce a "high" can contain anywhere from 3-20%. Hemp can be used to provide clothing, paper, foods, and biofuel. (S.F. 618)

**Cottage Food Regulation**--\$25,000 for FY2016 and \$25,000 for FY2017. This provision exempts individuals from some of the state's food handling laws when their homemade, non-hazardous foods are sold at farmers' markets, community events, or their home. (S.F. 1249)

**Livestock Industry Study**--\$25,000 for FY2016. This provision gives the Commissioner of Agriculture the responsibility of conducting in-depth research on the condition of Minnesota's livestock industries over the last ten years, and to investigate the causes of the state's successes and challenges. The Commissioner will be required to present the findings and recommendations from this analysis to the legislature by February 1, 2016 at the latest. (S.F. 1271)

**Agriculture Research, Education, Extension, and Technology Transfer Grant Program**--\$4,533,000 for FY2016 and \$8,500,000 for FY2017. This appropriation funds grants for research, agriculture rapid response for plant and animal diseases, agricultural education programs, and farm business management. *The grant funding would focus on the following four areas:*

- Agricultural research and technology transfer needs at the University of Minnesota, research and outreach centers, the University of Minnesota Veterinary School, the Veterinary Diagnostic Laboratory, the Stakman-Borlaug Center, and the Minnesota Agriculture Fertilizer Research and Education Council.



- Agricultural rapid response, which is a program staffed by faculty from the University of Minnesota and experts in the field aimed at responding to urgent issues affecting the state's agriculture and natural resources industries, such as avian influenza.
- Agricultural education, including the Minnesota Agriculture Education Leadership Council, farm business management, mentoring programs, and graduate debt loan forgiveness, and high school programs.
- Farm business management would be a high priority for this funding as well. (S.F. 1993)

**Advanced Biofuels Production Incentives**--\$500,000 for FY2016 and \$1,500,000 for FY2017. This provision provides production incentives for the following three industries:

- 1) Advanced Biofuels: Renewable fuels made from non-food materials such as corn stovers and wood waste, including non-ethanol biofuels such as biobutanol.
- 2) Renewable Chemicals: Compounds produced from forestry or agricultural materials that can be used to produce plastics, solvents, cleaning supplies, and personal care products.
- 3) Biomass Thermal Energy: Uses materials such as wood or agricultural residues to supply sources of commercial or industrial process heat.

(S.F. 517)

**Correctional Facility Butcher Training Pilot Program**--This proposal gives the Commissioner of Agriculture the authority to facilitate development of this butcher training program at the Northeast Regional Corrections Center (NERCC). \$75,000 for FY2016 and \$75,000 for FY2017. (S.F. 1764)

**STATUS: VETOED. (H.F. 846)**

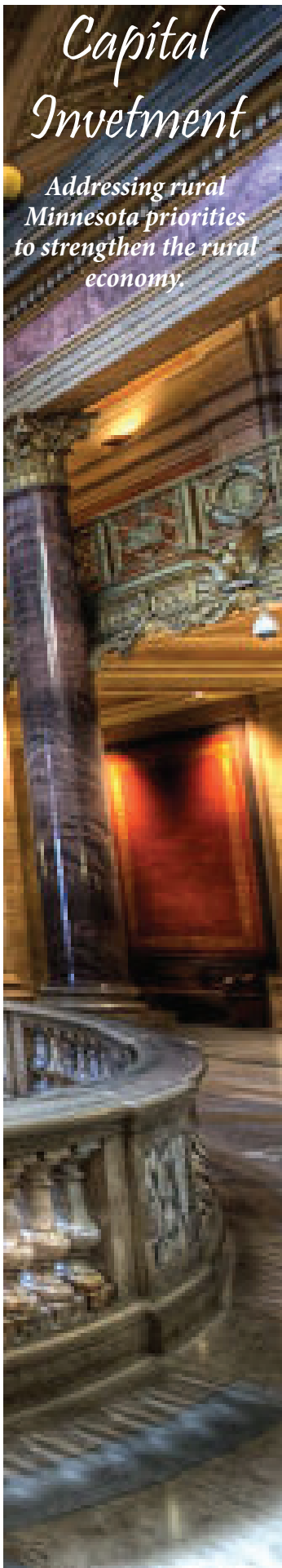
## OTHER BILLS THAT DID NOT BECOME LAW

### Tax Credit for Beginning Farmers

In an attempt to strengthen Minnesota's local and family farms, two tax credits were proposed this session. The first tax credit is designed to incentivize the selling or renting of agriculture land, equipment, or other assets to qualified beginning farmers or livestock producers who might otherwise struggle to establish a successful venture. A tax credit would be applied to the owner of agricultural land at 5% of the sale price, 10% of the gross rental income, or 15% of the cash equivalent gross rental income from the first three years of a rent agreement. To promote responsible and successful business practices, another tax credit would be made available to the farmers themselves once they successfully complete a financial management course. Both tax credits would be funded by an appropriation to the Rural Finance Authority to build on their existing work. (S.F. 933)

### Agricultural Educator Grant Program

There is a significant shortage of agricultural educators in Minnesota's schools. With the broad range of opportunities in Minnesota's agribusiness sector, it can be difficult to recruit and retain agriculture teachers. This bill invests in the agricultural education workforce by funding professional opportunities for these teachers. Specifically, the legislation establishes a grant program to assist school districts in funding agricultural education teachers to work with high school students on extended projects in the summer. This bill tasks the Minnesota Department of Education with determining the application criteria and facilitating the grant program. (S.F. 961)



## DID NOT PASS

### Small Bonding Bill

The Senate passed an emergency relief bonding bill in the final minutes of the 2015 Legislative Session. The bill primarily includes funding for the ongoing capitol renovation project along with several flood mitigation and flood relief bills. The House was not able to pass the bonding bill due to time constraints, so the bill will not become law unless a special session is called and bonding is passed.

#### *Below are major highlights from the bill:*

- \$33.9 million for capitol restoration
- \$8.5 million for the Wilmar Turkey Testing Lab to combat the avian turkey flu
- \$20 million for disaster relief from flooding issues.
- \$20.4 million to the Department of Transportation; \$8 million of which will go to the Local Bridge Replacement and Rehabilitation program and \$6.7 million for Local Road Improvement Fund Grants
- \$10 million for flood mitigation projects in Otter Tail County

The Senate will begin bonding tours ahead of the 2016 Legislative Session beginning in September.

# Commerce

*Commerce legislation  
can help small  
businesses grow and  
protect consumers.*

## The Omnibus Liquor Bill

The Omnibus Liquor Bill was signed into law by Governor Dayton on May 1, 2015, and contains provisions on growlers, microdistilleries, liquor licenses for golf courses and a community facility, a special liquor license for Minneapolis, 8:00 a.m. on-site sales on Sundays, brewpub sales at the State Fair, and some technical changes.

**Microdistilleries:** Microdistilleries are able to sell customers one 375-milliliter souvenir bottle of their product per day. (S.F. 872) A second provision enables microdistilleries to obtain a temporary license for the on-sale of liquor in connection with a social event that is sponsored by the microdistilleries. (S.F. 637)

**Growlers:** This provision amends current statute and allows small breweries and brewpubs to sell growlers (64-ounce containers of beer) off-sale on Sundays. (S.F. 623 & S.F. 1919)

**On-sale Liquor License for Norway House:** This change allows the City of Minneapolis to issue a liquor license for the Norway House, a Norwegian cultural center in Minneapolis. (S.F. 1423)

**Sunday Liquor 8:00 a.m. On-sale Opening Time Authorization:** This provision enables establishments that have an on-sale license to sell alcohol at 8:00 a.m. instead of 10:00 a.m. on Sundays. Restaurants are able to serve their full brunch menu, including Bloody Mary's or Mimosas, at 8:00 a.m. as they currently do on Saturdays. (S.F. 1238)

**Powdered Alcohol Policy Study:** This provision directs leadership at the Division of Alcohol and Gambling Enforcement to prepare testimony for the legislature's Commerce Committees regarding the manufacture, importation, distribution, and sale of powdered alcohol by December 7, 2015. In addition, the Commissioner of Health is required to prepare testimony for the legislature's Health and Human Services Committees about the public health impacts of powdered alcohol. This section also prohibits the manufacturing, importation, distribution, and sale of powdered alcohol until June 1, 2016.

**State Fair Brewpub Sales:** Under current law, brewpubs can only sell their beer at venues that they own, which prevents brewpubs from participating at the Minnesota State Fair. This provision would allow brew pubs to sell their product to licensed wholesalers for distribution exclusively to a single retail licensee of the State Agricultural Society for sales at a single location during the State Fair. (S.F. 1065)

**Recodification:** This provision is the result of a piece in last year's liquor bill which directed the Revisor's Office to prepare legislation that would recodify licensing statutes for brewpubs, small brewers, and other providers of alcohol. The intent was to break existing law into smaller statutes that would be easier to locate, cite, and amend. (S.F. 373)

**Proof of Age Identification to Purchase Alcohol:** This change to existing statute allows individuals to use their instructional permit to purchase alcohol, as long as they meet the age requirements.

Several provisions are also included which allow certain cities to issue a liquor license to a golf course or community facility in an attempt to spur competition and increase business at those institutions.

**STATUS: The bill was signed into law. (S.F. 1238)**





## Commerce

*Commerce legislation can help small businesses grow and protect consumers.*

### Savings Plan Raffles

Legislation was introduced with the goal of incentivizing higher savings rates among consumers through allowing credit unions to establish savings promotion raffles. With this Prize Linked Savings (PLS) system, every deposit (up to ten per month) made by a customer at a participating credit union acts as a ticket in a monthly and quarterly prize drawing. While consumers have the opportunity to win prizes through this initiative, they do not risk losing their savings. The funding for the prizes would come from the financial institutions' foundations.

**STATUS: The bill was signed into law. (S.F. 1043/HF1127)**

### No More "Free Ride" for Uber

"Ridesharing" has increasingly become a transportation option for people on the go. Unlike traditional taxis, this mode of transit allows people to use their own cars and their own time to pick people up.

Insurance coverage has become a significant challenge as TNCs become more prevalent. There have been questions as to when TNC drivers are covered by their personal auto insurance and when they need commercial insurance coverage instead. This legislation provides clarity for these coverage issues for TNC drivers. The bill requires that beginning on 7/1/15, the TNC's insurance will be the primary coverage for the drivers in the three phases of the ride sharing process. Those phases are: 1) When the driver has logged into the digital TNC network but has yet to accept a ride request; 2) When the driver accepts a ride request and is driving to pick up the customer; 3) When the driver picks up the passenger, drives them to their destination, and completes the transaction. The TNCs are also required to provide written details on coverage policies to their drivers.

**STATUS: The bill was signed into law (S.F. 1679)**

### DID NOT PASS

**VETOED:** A number of Commerce provisions were vetoed in the Omnibus agriculture, environment, natural resources, jobs, and economic development appropriations bill, including:

#### Preventing Insurance Fraud

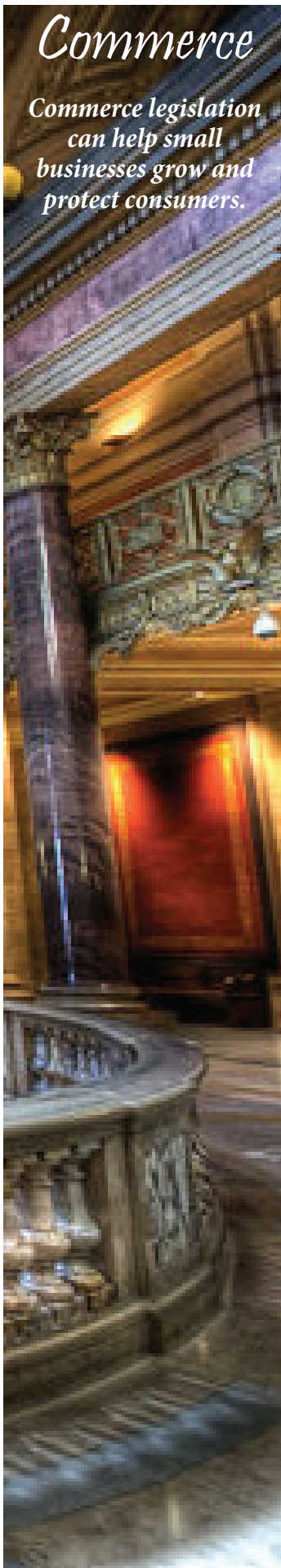
Legislation was introduced this session aimed at addressing insurance fraud issues in the state. Currently, Minnesota has one of the highest rates of insurance fraud in the country, costing the average family more than \$1,400 a year in higher insurance premiums, and higher costs of goods and services purchased from businesses that also suffer from fraud.

The legislation has two components. The first provision enables the Commerce Department to bring civil penalty charges against fraudulent actors. In addition, the bill gives the Commissioner of Commerce or another relevant licensing body the authority to remove a person's authorization to receive insurance payments if they are found to have committed fraud. Five years after the conviction, the charged individual has the option of applying to remove this penalty.

**STATUS: VETOED Included in the Omnibus Jobs, Housing, Commerce and Energy Bill, which was vetoed (H.F. 1437).**

#### No Fault Insurance

Legislation was introduced to form a task force to examine issues related to Minnesota's no-fault auto insurance system. The task force would have 19 members comprised of representatives from insurance companies, the



# Commerce

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medical field, elected officials, the Commissioner of Commerce, and other relevant stakeholders. Four issues related to no-fault auto insurance would be the subject of review: No-fault arbitration process; Independent medical exam process; Treatment standards and fee schedules; and No-fault health provider oversight.

After their review of these processes, the task force would issue a report to the Legislature with their recommendations for areas where these processes could be modified.

**STATUS: VETOED Included in the Omnibus Jobs, Housing, Commerce and Energy Bill, which was vetoed (H.F. 1437).**

## Equity Crowdfunding

This session, a bipartisan group of legislators introduced legislation to create an equity crowdfunding opportunity, known as MNvest. MNvest is a securities exemption for intrastate crowdfunding in Minnesota that would allow Minnesota companies to raise money from Minnesota residents in exchange for part ownership of the company. The goal of MNvest is to make it easier for Minnesotans to find and financially support businesses.

Supporters argue that legalizing equity crowdfunding has the effect of democratizing investments by enabling average Minnesotans to have the same opportunity to invest as wealthy individuals. This will also enable small businesses to receive necessary investments to grow their businesses. Opponents argue that unsophisticated investors could be victims of fraud with crowdfunding. In addition, some opponents voice concerns that the high investment cap of \$10,000 could lead some vulnerable investors to lose a lot of money that they cannot afford to lose.

**STATUS: VETOED Included in the Omnibus Jobs, Housing, Commerce and Energy Bill, which was vetoed (H.F. 1437).**

## OTHER BILLS THAT DID NOT PASS

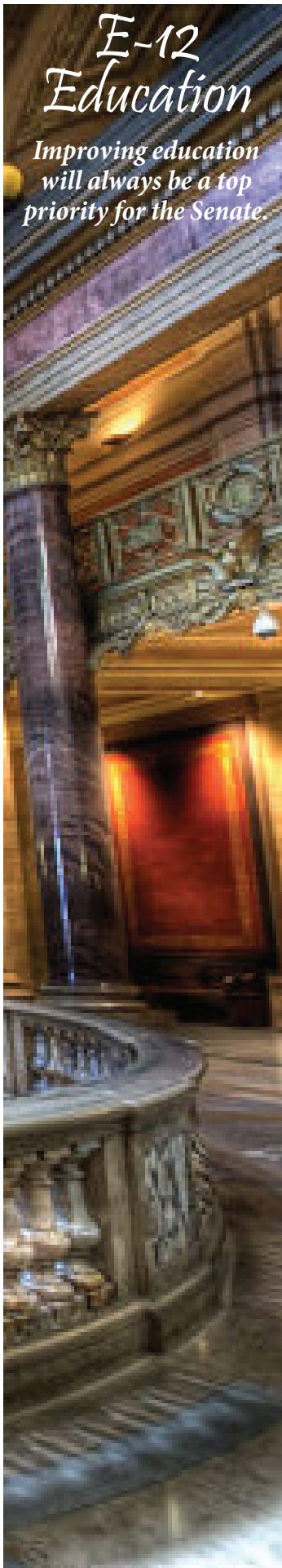
### Sunday Sales

Allowing liquor stores to open on Sundays is an issue discussed every year. The legislation was offered as an amendment to the Omnibus Liquor Bill on the floor, but failed. Significant opposition remains from municipal liquor stores and the Minnesota Licensed Beverage Association, who argue Sunday sales will hurt small businesses. Minnesota is only one of only 12 states who still do not allow the sale of alcohol on Sundays. Research shows Sunday alcohol sales could potentially generate between \$7.6 million and \$10.6 million in new direct tax revenues for the state. Supporters argue we are leaving money on the table. Consumer choice and granting businesses more autonomy are the biggest themes for promoting repeal of the law. (S.F. 265)

### Debt Buyer Regulation

Consumer debts that are sold to debt buyers are often debts the original creditor has determined cannot be collected. These debts are packaged into electronic portfolios and then sold to the debt buyers at lower rates. The portfolios can be resold many times and are not always updated to reflect accurate information about the consumer or the amount owed.

This bill expands the definition of “collection agency” to include those individuals who purchase consumer debt and collect that debt on their own behalf. The bill’s language aligns Minnesota law with existing federal law on the matter. (S.F. 227)



## BILLS THAT DID NOT PASS

### **VETOED: Omnibus E-12 Finance Bill**

The Omnibus E-12 Finance Bill was vetoed by the governor. While there was agreement on some provisions contained within the bill, Governor Dayton said the omnibus bill did not contain acceptable funding levels for pre-K.

DFL Senators prevailed in securing more money for our state's K-12 schools and early childhood programs--even more than the Senate originally proposed. With \$400 million, we will put more funding on to the formula and invest in early childhood opportunities for all children with the greatest need. With this bill, the Senate DFL will have invested nearly \$1 billion into our state's education system since 2013.

The Senate was disappointed House Republicans refused to support additional pre-K investments. The Senate agrees with Governor Dayton that the target for our final agreement should be \$676 million. The Republicans have blocked our efforts at every turn. However, for the sake of compromise and to avoid a costly special session, we agreed with the House on \$400 million in new money, which is a significant investment for Minnesota schools.

### **Increasing the Per Pupil Funding Formula**

The Education bill includes a 1.5% and 2% increase to the per-pupil funding formula for FY16 and FY17, respectively. The new money will help schools minimize the need for painful cuts to the classroom. The new investments amount to \$87 per pupil increases the first year, and \$118 per pupil the second year. This is money that provides districts the flexibility to invest in areas that best suit their individual needs and ensures quality educational programs for all students, while minimizing the need for painful cuts.

### **Early Education**

After increases to the formula, the bill places a large priority on getting all of Minnesota's youngest learners ready for Kindergarten. The investments in pre-k are split; with \$30.75 million dedicated to School Readiness and \$30.75 million for Early Learning Scholarships. The Minnesota Reading Corps program, which focuses on helping struggling readers achieve grade-level reading standards, also received \$3.5 million in this year's E-12 budget bill.

These programs directly lead to closing the achievement gap and ensuring more 4-year-olds are prepared for kindergarten.

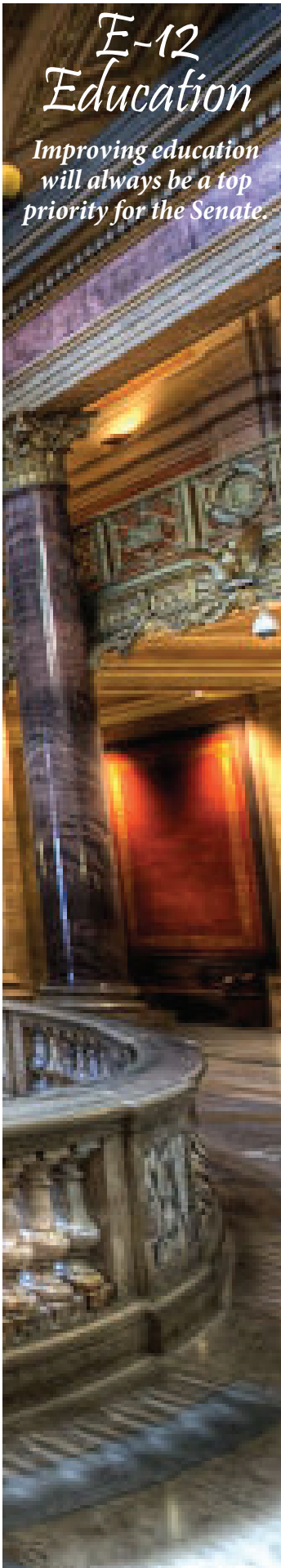
### **Facilities Funding**

Another major priority for the Senate this session was finding a solution to the underfunding of facilities at most school districts across the state. Most buildings range from 40-50 years old, with the oldest school buildings reaching 87 years of age. The Senate invests \$31.96 million over the biennium in this budget bill, and a significant ramp up of investment in subsequent years.

This is an equity issue for school districts. This measure puts all school districts on equal footing with most large metro-area districts, giving them the ability to repair and renovate their schools buildings.

### **Equity to School Funding**

The bill also includes a focus on assisting school districts with attracting and retaining quality teachers. The Senate bill does this by increasing the cap on Q Comp and adding \$9.5 million into the program which allows districts to offer teachers career advancement options, job-embedded professional development, performance pay, and more.



## Earning College Credits – College in the Classroom

To expand students' opportunities for concurrent enrollment, legislators adopted spending an additional \$4 million to allow this successful program to double. This will allow many more juniors and seniors to earn college credit while still in high school, thereby saving money on student loans and allowing them to remain at their high school.

## American Indian Aid

The Senate Bill also addresses the gross disparity between aid for American Indian students and the rest of Minnesota students. The bill would convert the American Indian grant program to an aid program. Currently, only 32 school districts and tribal contract schools receive state funding. This legislation would expand funding to include all 138 districts and tribal schools that enroll at least 20 American Indian students. This change in the law would provide a significant increase in funding for larger districts, and would enable all districts to create a consistent and sustainable Indian education program. This bill would increase American Indian Aid by \$3.177 million.

## VETOED: MAJOR POLICY PROVISIONS

### Licensing – Getting quality teachers in the classroom

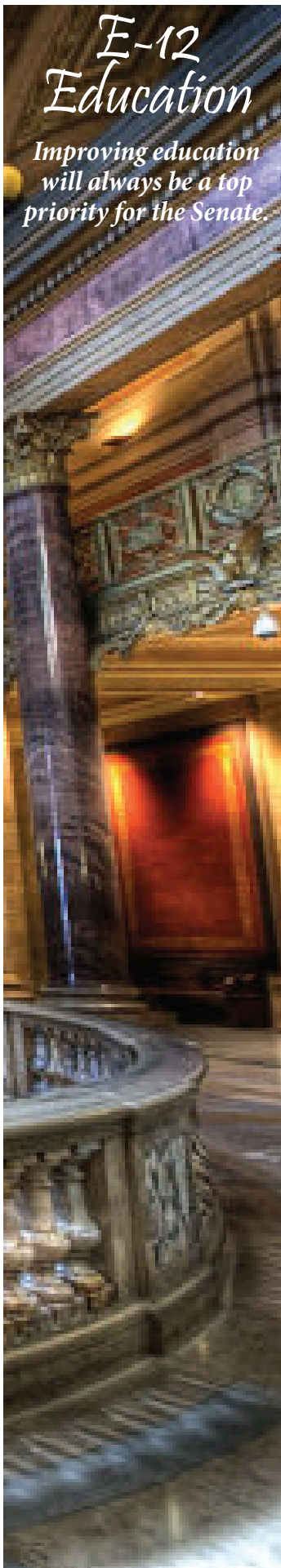
Minnesota is experiencing a severe teacher shortage crisis, particularly in rural areas. In some districts that used to receive hundreds of applicants per position, the stream has turned into a trickle that makes hiring qualified teachers difficult or close to impossible. In response to this crisis, we streamlined the licensure process. We made it easier for teachers to get their licenses by removing unnecessary barriers, while still maintaining the high standards to which Minnesota teachers are held. This provision also helped streamline out-of-state teacher license requirements. The state's teacher licensure exam requirements were changed to help streamline the testing process so that more teachers would be eligible for a full license. Those with a documented disability will also be able to receive test accommodations.

### Testing – More learning time for students

We reduced the amount of time students will have to spend on standardized testing. The point is to increase learning time and decrease testing time. Students in grades 1-6 will take no more than 10 hours of testing per school year, and students in grades 7-12 will spend no more than 11 hours of classroom time taking tests. This bill also repealed the Education Planning and Assessment system programs (Explore and Plan).

These measures also protect students and schools from the online MCA testing failures this spring, and puts NCS Pearson Inc. (who administers the tests) on notice that the legislature can and will respond to an inadequate product. The provision also give the Minnesota Department of Education the tools to respond to future testing problems.





## Flexible Learning Year

### *School district flexible learning year program approval change:*

- School districts that have an approved four-day school week are allowed to continue with their plans for five years.
- Future approvals are contingent upon meeting district performance goals under World's Best Workforce.
- The Commissioner must give one year's notice before revoking approval of a program.
- The commissioner will retain authority to approve flexible year plans.

## Student Achievement

The Senate's Policy Bill gives students the tools they need to succeed. These tools include allowing 9th and 10th grade students to enroll in concurrent enrollment programs, making changes to the program, allowing high school students to receive credit for outstanding foreign language achievement, and adding more flexibility for students to fulfill their chemistry or physics requirements by allowing either agriculture or career and technical education credits to qualify. It also allows students to gain math credits by taking computer science courses.

## Special Education

There are a number of provisions included in the policy bill aimed at making sure all Minnesota students receive a quality education. Measures included in the bill will ensure paraprofessionals will be better trained and also create a more seamless process for the transfer of special education student files, as well as the implementation of policies meant to reduce student suspensions.

## Accountability

As part of preparing the World's Best Workforce, Minnesota high schools are working to ensure students are college and career ready. To that end, the policy bill includes a requirement that schools have a posted policy on how teachers pass students on to the next grade level. Charter schools will also be required to give performance measurements for at-risk students.

## American Indian Students

Allows for American Indian students to be enrolled in all academic and targeted services. **Vetoed (S.F. 844)**

## School Breakfast/Nutrition Issues

The Senate E-12 Finance Bill also invests an additional \$4 million for school nutrition, which schools can use to provide more breakfasts or lunches.

A recent study conducted by the University of Minnesota showed that childhood food insecurity costs Minnesota about \$642 million annually in direct costs, as children experience illness when they are not adequately fed. Children who go to school hungry are also twice as likely to need special counseling or to repeat a grade, and are three times more likely to be suspended from school. (S.F. 811)

## Student Support Services

According to a Georgetown University Study, 74% of jobs in Minnesota will require some post-secondary education by the year 2020. The process of ensuring Minnesota high school students are both college and career ready received increasing attention in this year's Finance Bill. In an effort to boost Minnesota's ranking of 48th in the nation for its counselor-to-student ratio, legislation that invests \$8 million for student support services was included.



Another bill addresses programming that allows high school students to earn college credits while remaining at their district schools; it received \$4 million over the biennium, doubling the current funding level.

### **Career and Technical Education**

The Senate also made technical education a priority this year, after numerous hearings about the need for more technical educators and an emphasis on filling the skills gap across the state. Several bills that will give state high schools more funding to purchase career and technical equipment were included in the finance bill. Career and technical education bills add up to nearly \$4 million invested in this year's finance bill.

### **Technology**

Greater technology funding also received attention this session. The Senate believes ensuring students have quality access to high-speed internet and up-to-date technology is essential for 21st century learning. Technology bills this session include several technical changes that will help schools, as well as an additional \$6 million for Telecommunications Access Aid and Regional Basic Library Aid.

### **Governor's Policy Provisions**

- Makes it easier for ELL (English as a second language) high school students to receive an English higher education credit.
- Requires programs participating in early learning scholarship programs to maintain records.

(S.F. 1495)



# Elections

Minnesota strives to administer voting procedures to ensure fair, secure, and accessible elections for all eligible voters.

## Omnibus Elections Bill

*The Omnibus Elections bill contains a number of non-controversial provisions heard this year, including:*

- **Overseas Voting:** Under this bill, National Guard members could use the same special voting procedures when they are called into service by the state that they receive when the federal government calls them into service. The special voting procedures allow ballots to be received electronically and allows voters to track their ballots to ensure they are counted. The other major provision in the bill would allow children born overseas to parents who are US citizens to vote in federal elections if the child's parent(s) lived in Minnesota before going overseas.
- **Recall elections for school board member's authorization.**
- **Political party petitions signatures requirement:** Under current law, there is no expiration date for signatures on a petition to gain party status. This legislation would allow signatures on a petition for a major and minor political status to be valid for one year.
- **Elections emergency planning task force establishment.**
- **Uniform Faithful Presidential Electors Act:** The major provisions of the bill require that each elector be paired with an alternate in the event of an emergency, and the legislation modifies the date/time when electors are required to meet.
- **Election Administration Modifications:** This legislation makes changes suggested by the Secretary of State and are not intended to be controversial.

**STATUS:** The bill is awaiting the Governor's signature. (S.F. 455)

## BILLS THAT DID NOT PASS

### Restore the Vote

A person convicted of a felony would be allowed to vote once they complete their term of incarceration under this provision. It directs the Secretary of State's Office to develop electronic guidance for distribution to court staff, judges, corrections personnel, parole and supervised release agents, and the public. Further, the bill establishes a requirement for corrections facilities to provide notice to a felon, upon release from prison, that their right to vote has been restored, but also notifies them that they are still required to register to vote. (S.F. 355)

### June Primary

A proposal to move the primary to June received an informational hearing. Some legislators believe moving the primary to June will result in higher voter turnout and will allow candidates more time to talk about their policies with the public. Others are skeptical of moving to a June Primary. They argue it will extend the length in which campaigns can spend money on commercials and literature. (S.F. 1394)

### Early voting

This provision allows voters to cast their ballot early and in-person for a primary, general, or special election for federal, state, or county offices. It dictates that early voting starts 15 days before the election and ends three days before the election. Additionally, this legislation requires that the designated county auditor or municipal clerk that administers absentee voting also provide for early voting. During this 12-day period, in-person absentee voting is prohibited. (S.F. 414)



# Elections

*Minnesota strives to administer voting procedures to ensure fair, secure, and accessible elections for all eligible voters.*

## Getting Younger Voters Pre-registered to Vote

Legislation to lower the age at which someone can register to vote to 16 years old is included in the Omnibus Elections bill. The individual would still have to meet the requirements for citizenship of the United States and maintain a residence in Minnesota for at least 20 days. Pre-registering voters encourages youth turnout, permits registration for first-time voters in a civics class or at a DMV, and may increase the potential for youth engagement. (S.F. 206).

## Registering to Vote When Renewing Drivers License

This proposal would allow information on a driver's license application to be used by the Secretary of State (SOS) to determine if the applicant is eligible to vote. Currently, applicants are asked on the application if they want to register to vote. Unless the applicant opts out, this legislation would require the information provided on the application to be automatically transferred to the SOS to determine if the applicant is eligible to register to vote. (S.F. 1346)

## Mail Balloting

Any town or city in the state with fewer than 1,000 registered voters outside the metropolitan area can take advantage of mail balloting at any municipal, county, or state election. Current statute only allows towns outside the metro area or cities with fewer than 400 registered voters to provide mail balloting. (S.F. 46)

***Additional provisions in the Omnibus Elections Bill that did not become law include:***

- Limiting the number of voters a person can assist in marking ballots would be eliminated. (S.F. 262)
- Incarcerated person's actual residence use of redistricting purposes requirement – Currently, the Census Bureau counts prisoners as residents of the facilities in which they are housed instead of their homes. This legislation would fix this problem by requiring the Department of Corrections to gather information relative to the prisoner's home address. This data would be used in attributing prisoners to their home for the purposes of redistricting. (S.F. 1151)

## Campaign Finance Disclosure

As the influence of independent expenditures grows on Minnesota elections, there is increased interest in informing voters about who they are and what they represent. Legislation was heard this year that would provide additional disclosure to voters regarding who is trying to influence their vote. Supporters argue that stricter disclosure in political campaigns is important because the public has a right to know who is trying to influence how they vote. Under current law, an organization could structure itself in a way that would allow it to easily avoid disclosure so the public wouldn't know who was bankrolling the organization and its campaign. This legislation requires an organization that does not have a segregated banking account (ex. one for the organization and one for money donated specifically for electioneering communications) and expends more than \$1,500 for communications in political campaigns in a year, to pro-rate the amount spent for political communications over its membership. Donors whose pro-rate share is more than \$5,000 would be disclosed. (S.F. 214)





# Environment and Energy

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## LCCMR

The Legislative-Citizen Commission on Minnesota Resources (LCCMR) recommendations passed off the Senate floor this week. The LCCMR, made up of both legislators and citizens, is tasked with making recommendations for special environment and natural resource projects for Minnesota which are moved forward in legislation.

This year, the bill appropriates \$46.3 million to 65 projects that are recommended to the 2015 Legislature for funding from the Environment and Natural Resources Trust Fund and the Great Lakes Protection Account.

The bill funds projects in the following categories: foundational natural resource data and information (\$12.9 million, or 27.9% of the total); water resources (\$3 million, or 6.6% of the total); environmental education (\$1 million, or 2.2% of the total); aquatic and terrestrial invasive species (\$6 million, or 13% of the total); air quality, climate change, and renewable energy (\$3.2 million, or 5% of the total); methods to protect, restore, and enhance land, water, and habitat (\$4.6 million, or 10% of the total); land acquisition for habitat and recreation (\$14 million, or 30.6% of the total); and administration/contract agreement reimbursement (\$2.2 million, or 4.6% of the total).

**STATUS: Signed by the Governor. (S.F. 698)**

## Flame Retardants

Flame retardants, many of which are carcinogenic, are found in upholstered furniture and children's products, but recent research shows they are ineffective and are no longer required by state regulators. The Children and Firefighter Health Protection Act prohibits the manufacture, sale, and distribution of children's products, upholstered residential furniture, carpet and carpet pads, and mattresses that contain flame-retardant chemicals in amounts greater than 100 ppm. The bill also requires that replacement chemicals are safe, and will protect children and firefighters from the unnecessary and ineffective use of flame retardants in the home.

**STATUS: Signed by the Governor. (S.F. 1215)**

## DID NOT PASS

### **VETOED: Omnibus Agriculture and Environment Bill**

**The Environment and Natural Resources Finance Omnibus bill was vetoed by the governor. While there was agreement on some provisions contained within the bills, Governor Dayton had indicated there a number of concerns with the environmental provisions.**

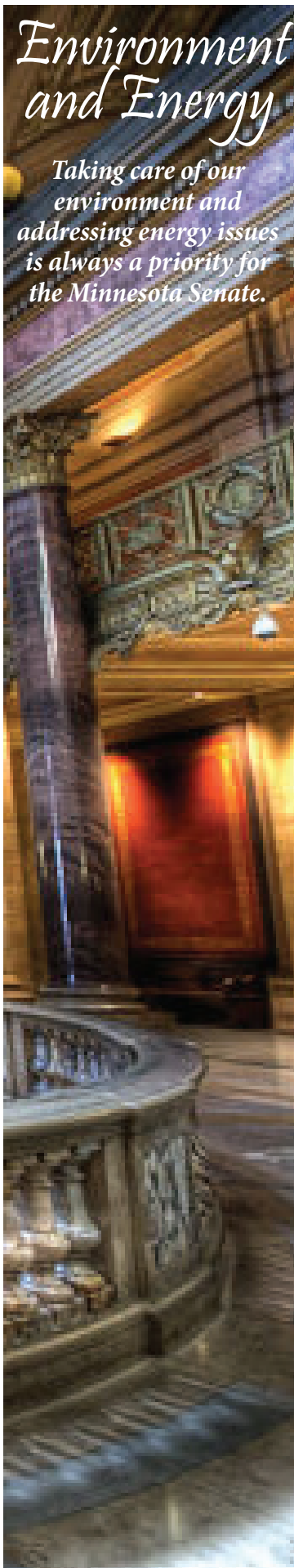
## Riparian Buffer Requirements

A priority of Governor Dayton, buffers must consist of an area of perennial vegetation adjacent to bodies of water within the state that protects the state's water resources from runoff pollution; stabilizes soils, shores and banks; and protects or provides riparian corridors.

A state policy is set to establish riparian buffers and water quality practices to protect state water resources from erosion and runoff pollution; stabilize soils, shores and banks; and protect or provide riparian corridors.

By November 1, 2017, buffers are required along public waters (existing law) at the greater of: a 50-foot average width, a 30-foot minimum width, or state shoreland standards and criteria (M.S. 103F.211).

By November 1, 2018, buffers are required along public drainage systems



# Environment and Energy

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(existing drainage law), at a minimum of 16.5 feet, or an alternative water quality practice as approved by the Board of Water and Soil Resources.

Exemptions are made for land:

- enrolled in the federal Conservation Reserve Program;
- used as a public or private water access or recreational use area;
- covered by a road, trail, building or other structure;
- regulated under a NPDES/SDS permit;
- that is part of a water-inundated cropping system; or
- that is in a temporary non-vegetated condition due to ditch or field maintenance.

Soil and water conservation districts are to assist landowners with implementation of buffer requirements with a \$22 million appropriation from the Legacy Clean Water Fund, carried in H.F. 303, for this purpose. **(The Legacy Bill, H.F. 303 did not pass).**

## MPCA Citizens Board

The Minnesota Pollution Control Agency Citizens Board is repealed. The 40-year Citizens Board makes decisions on rules, environmental review and controversial regulatory issues.

## New Recycling Program

\$1 million each year is for competitive grants to political subdivisions outside the 7-county metro area with populations less than 45,000. Grants are to establish curbside recycling or composting, increase recycling or composting, reduce the amount of recyclable materials entering disposal facilities, or reduce waste hauling costs.

## Wild Rice Standard

Until the Minnesota Pollution Control Agency commissioner amends rules to refine the wild rice quality standard, the implementation of the standard is limited to a list of specified activities unless the permit holder requests additional conditions.

## Aquatic invasive species affirmation

Those who purchase watercraft licenses and nonresident fishing licenses must complete an aquatic invasive species affirmation when applying for a new, transfer, duplicate, or renewal watercraft license, beginning January 1, 2016. The affirmation portion of the license is to be displayed with a signed license certificate. Those who do not have AIS species affirmation displayed or available for inspection are subject to a \$25 penalty. This approach replaces an earlier requirement to comply with a short education course to receive a decal.

## Shooting Sports Facility Grants

\$1 million each year (FY2016/17) to fund grant allowing for the expansion of increasingly popular shooting sports, particularly in rural Minnesota.

## Wetlands

\$414,000 in FY 2016 and \$364,000 in FY 2017 for implementation of a package of initiatives recommended by a stakeholder group led by the Board of Water and Soil Resources and Department of Natural Resources. The changes are designed to improve the public value benefits resulting from wetland mitigation required by the Wetland Conservation Act.



# Environment and Energy

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## Zoo funding

\$8.3 million in FY 2016 and \$8.3 million in FY 2017 is appropriated from the General Fund to the Minnesota Zoo.

## Game and Fish Provisions

The Omnibus Game and Fish bill addressed multiple game, fish, and natural resource management needs proposed by the Department of Natural Resources, but did not pass. The Environment Finance bill includes several initiatives, including:

- Wake surfing is defined and regulated in the same manner as towed sports.
- Minnesota Veterans home residents can get a firearm or muzzleloader deer license during the season and take antlerless deer without a permit.
- Allows the DNR to establish open seasons and restrictions for trapping of beaver from 9 am on the Saturday nearest October 26 in the north zone, and Saturday nearest October 30 in the south zone. Seasons will be open until May 15.
- Removes all but one of the remaining spearing bans for 12 lakes.

**STATUS: VETOED (H.F. 846)**

## OTHER BILLS THAT DID NOT PASS

### Legacy Bill

This year's Legacy bill appropriates a portion of Minnesota's sales tax revenue to four dedicated "Legacy" funds, as outlined by the Minnesota Constitution: The Outdoor Heritage Fund, the Clean Water Fund and the Parks and Trails Fund, and the Cultural Heritage Fund. The bill contains \$22 million from the Clean Water Fund for the Governor's buffer initiative. (H.F. 303)

### Plastic Microbeads

Microbeads are plastic particles less than five millimeters in size. When used in personal care products like facial scrubs, soaps and toothpaste, the tiny microbeads head straight for our water systems, where they are ingested by wildlife. The latest proposal prohibited the manufacture or sale of personal care products containing plastic microbeads by December 31, 2016, except for over-the-counter drugs. On December 31, 2017, over-the-counter drugs containing plastic microbeads would be prohibited from manufacture or sale as well. Certain microbeads that completely break down in the environment within two weeks may be made exempt. (S.F. 674)

### Toxic-free Kids

Legislation surrounding dangerous chemicals used in children's products would appropriate almost \$1.4 million to increase available information, enhance consumer awareness, and give product manufacturers incentives to reduce problem chemicals in consumer products. The bill would require manufacturers to disclose the use of "priority chemicals" in children's products so consumers can make informed decisions. (S.F. 1099)

# Environment and Energy

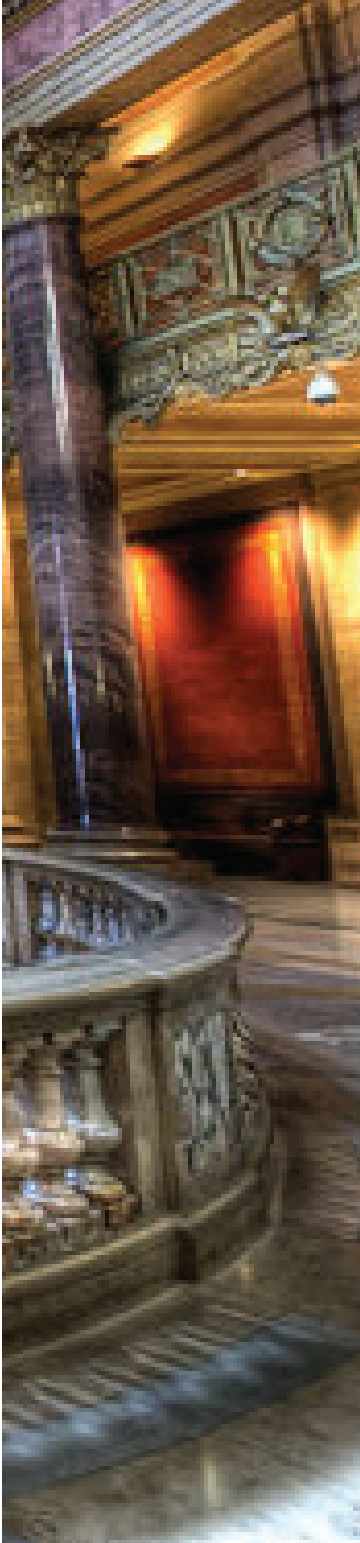
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## Renewable Energy Standards

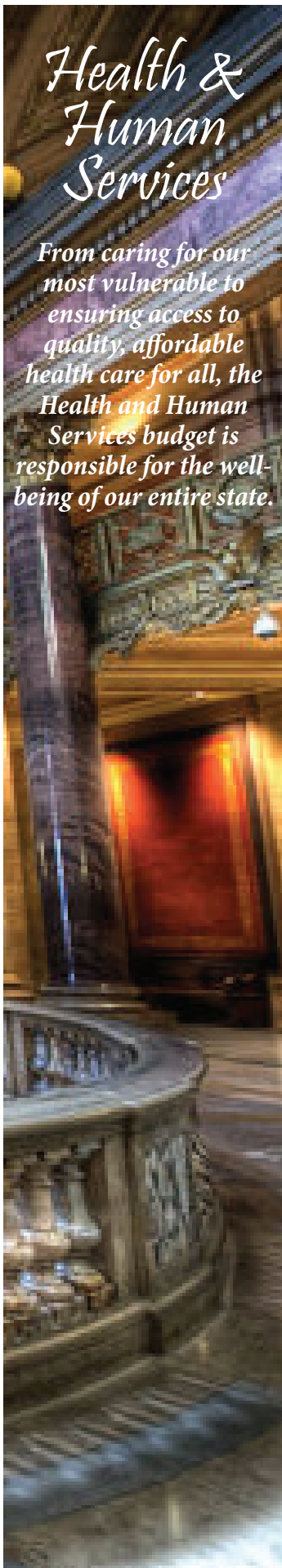
Increasing Minnesota's renewable energy standard (RES) goals would diversify the state's energy sources and boost the economy. Legislators considered a proposal to gradually raise the RES to 40% by the year 2030. Renewable energy currently provides about 19% of Minnesota's total output. (S.F. 1431)

## Energy Efficiency

Energy efficiency is the cheapest and cleanest route to fulfilling energy needs. Energy efficiency advocates point out that Minnesota's current 1.5% yearly energy savings goal for utilities is already saving enough energy to supply power to over 100,000 homes. Raising the goal to 2% would mean more jobs in construction and manufacturing and would save Minnesotans money in the long run. (S.F. 1431)







## Health and Human Services Budget Division Omnibus Bill

### Nursing Home Payment Reform

This legislation will improve the way the state funds our nursing homes. Major innovation in Minnesota's nursing facility payment system has not occurred since the 1990s. This proposal provides a new funding system that better reimburses the actual cost of care. As a result of these realigned payments, rural facilities may be able to retain employees, as they currently often move to metro and regional centers in search of higher wages. With roughly 60,000 people turning 65 this year, Minnesota's senior population is booming; this legislation is one of the proposals passed this year to help prepare our system for this growing population. Investment: \$138.2 million.

### Additional Child Protection Legislation

The funding provided to the child protection system will ensure that Minnesota follows through on its promise to keep all children safe. Along with implementation of the Task Force recommendations, the additional \$52 million to counties and child services strengthens a system in which there are currently too many cracks for our vulnerable children to fall through. The bill ensures that each county gets funding for at least one additional child protection worker. By providing funding for additional workers, counties will be more responsive and efficient when handling maltreatment reports. Investment: \$52.1 million.

### Medical Assistance for Employed Persons with Disabilities (MA-EPD) Premium Increase

Medical Assistance for Employed Persons with Disabilities (MA-EPD) is a program that provides Medical Assistance (MA) coverage to persons with disabilities without the asset and income limitations of traditional MA.

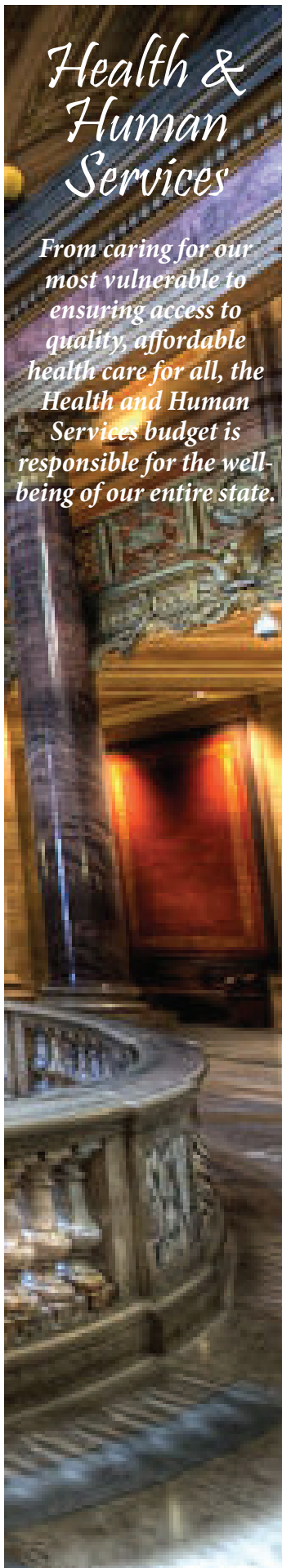
MA-EPD allows employed persons with disabilities to keep MA coverage even though they can earn income and build more assets. Additionally, MA-EPD pays for the same services that standard MA covers, including doctor visits, hospital stays, home care services, medical equipment, and mental health services.

This session, legislation was drafted in response to a premium increase in MA-EPD that went into effect Oct. 1, 2014. The minimum monthly premium increased to \$65 per month, with some people having to pay more of their monthly unearned income as an additional fee. This bill decreases the minimum premium from \$65 to \$35, and returns the additional fee on unearned income to one-half of 1%. Investment: \$4.8 million.

### Non-Emergency Medical Transportation (NEMT) Modifications and Rate Increases

Over the past five years, substantial work has been done to reform the payment and regulation of our non-emergency medical transportation (NEMT) providers. A few years ago, the Health and Human Services Budget bill established the Non-Emergency Medical Transportation Advisory Committee, which has been working diligently.

Last session, the Health and Human Services budget bill contained many policy recommendations made by the Advisory Committee that did not have a cost implication to DHS. This year's proposal is another product of the work of the Advisory Committee, and includes rate increases. This bill represents a compromise between the many stakeholders.



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Within the realm of health and human services, the bill changes the description of services available for reimbursement by MA and the types of records that providers have to keep in order to receive payment.

The bill also makes substantial changes to the rates for NEMT providers under MA. The new language ties the rates paid to the type of transportation service provided, not the type of vehicle. The language also provides a rate add-on if the services are provided in certain rural areas. Finally, the bill eliminates the 4.5% rate decrease levied upon NEMT and ambulance services that started in 2012. Investment: \$3.7 million.

## Violence against Health Care Workers

A violent and unsettling video of St. John's Hospital nurses in Maplewood being attacked by a patient wielding a metal bar from an IV pole made the news back in November. The attacks resulted in a collapsed lung, a fractured wrist, and legislators determined to pass a bill to help combat the rise in workplace violence against health care workers in Minnesota.

The Violence against Health Care Workers Bill is designed to provide adequate training, staffing, and security to health care workers who are faced with workplace violence.

According to the Department of Justice, fewer than half of all non-fatal violent workplace crimes are reported to the police. This bill would protect some of the known causes for under-reporting workplace assaults, including "part of the job" syndrome, fear of blame or reprisal, lack of management/peer support, and feeling it's not worth the effort.

This legislation ensures hospitals have plans in place to deal with these types of incidents. Hospitals must develop violence prevention plans in coordination with healthcare workers and identify areas of need. Health care workers will also receive training on violence prevention and de-escalation, as well as emergency preparedness. Finally, the bill allows MDH to impose an administrative fine of up to \$250 for not complying with these requirements. Investment: \$50,000 (onetime).

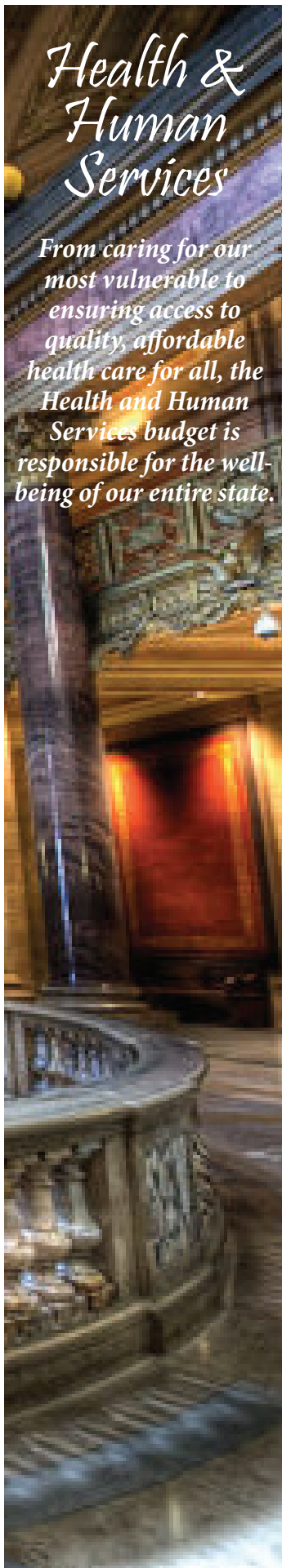
## Naloxone Distribution Expansion and Appropriation

The legislation requires the Commissioner of Health to expand the availability of Naloxone and engage in an education campaign to increase awareness of opiate overdoses and the availability of Naloxone. Specifically under the bill, MDH will make an effort to promote statewide distribution. The initiative also aims to raise awareness of opiate overdoses and the effects of Naloxone through partnerships and social media. Finally, the Commissioner will have to connect with stakeholders to develop a process to improve opiate addiction treatment. Investment: \$290,000.

## Homeless Youth Act Appropriation

On any given night, an estimated 4,080 Minnesota youth experience homelessness. To provide them with comfort and care, legislation was introduced to fund an additional \$2 million a year for programs under the Homeless Youth Act. Additionally, the eligibility age for these programs was raised to 24 years old.

The need for support for homeless youth is abundant: the Department of Human Services received applications for over \$20 million last year, more than five times the funds available. Furthermore, 25% of homeless adults first experience homelessness before the age of 17. The burdens of homelessness cost society a great deal of resources in health care, education, housing, and social services.



With more funding, homeless organizations could help and host more youth, expand emergency shelter beds, provide more transitional housing options, and increase street outreach and drop-in centers. By helping our homeless youth through transitional housing and other resources, we can help them find sustained and stable housing, allowing for a future that is more safe and dependable. Investment: \$2 million.

### **Safe Harbor Appropriation**

The 2015 Safe Harbor for Sexually Exploited Youth bill makes critical state investments for safe shelter and supportive services, including additional shelter beds for sexually exploited youth, training for frontline personnel, and a statewide infrastructure to connect child sex trafficking victims to services. It also appropriates additional funding for youth outreach. Investment: \$1.6 million (DHS) and \$1.4 million (MDH).

### **MA Income, Asset Limits and Spenddown Increases**

The ACA allowed states to increase the income standard for adults accessing Medical Assistance (MA) to 133% FPG (Federal Poverty Guideline) and eliminate the asset limits for this and most other groups eligible for MA under the expansion passed in 2013. However, these new limits did not apply to individuals over the age of 65 or to those with disabilities. Therefore, these populations are still subject to the lower, pre-ACA asset limits and income standards. If an individual with disabilities or an elderly individual has income over 100% FPG, they must spend-down to 75% FPG to access MA.

This bill invests \$3.3 million to reduce the MA spenddown for seniors and persons with disabilities. It decreases the amount of income seniors and persons with disabilities has to spenddown in order to qualify for MA. In the HHS Omnibus bill, the spenddown is increased to 80% FPG. Investment: \$3.3 million.

### **Beltrami County Mental Health Hub & Mental Health Hub Program Creation**

An appropriation of \$2 million will go toward a mental health hub in Beltrami County. Currently, public health advocates and law enforcement have been inundated by people suffering from mental illness and lack the resources to deal with them appropriately. The mental health hub will allow law enforcement to admit people suffering a mental illness event into the center, rather than jail, where patients can receive the treatment they need. Investment: \$2 million (onetime).

### **MN Telemedicine Act**

The MN Telemedicine Act was introduced to help rural communities maintain continued access to high-quality health care. The legislation allows healthcare providers to continue utilizing technology to deliver high-quality patient care in the most accessible and cost-effective ways available.

The Telemedicine Act clarifies the definition of telemedicine to include two-way video conferencing, electronically sending information in real time, and using information and communications technologies that rely on devices worn or used by the patient, among other emerging technologies. It also requires insurance plans to treat services using telemedicine technology the same as they treat face-to-face services, including paying the same rates. Furthermore, the bill ensures clinics or hospitals where the patient is located receive reimbursement for investments in the technology and infrastructure necessary to enable telemedicine consultations.

Telemedicine is one more way to make it easier for rural communities to offer high-quality health care that would otherwise be too expensive to operate. By



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using real-time communication devices, patients can cut down on the long commutes that are often required for face-to-face services. Additionally, telemedicine can reduce the need for transferring patients from smaller rural hospitals to larger ones, saving both the hospital and the patient time and money. In fact, according to some, telemedicine can save an average of \$140 for each use. Minnesota now joins a list of 22 other states and the District of Columbia that have similar laws. Investment: \$344,000.

### Advance Care Planning

The Advance Care Planning Act will provide support in encouraging families and communities to talk early about end-of-life planning. The legislation incorporates elements of life stage planning, including spiritual accommodations and respite care and management.

The legislature will provide funds to an organization that provides training to people in faith, medical, and social services communities that help families engage in these often challenging conversations. Investment: \$250,000 (one-time).

### The ABLE Act

In 2014, the President signed the Achieving a Better Life Experience (ABLE) Act, which allows a new type of savings account for persons with disabilities under the existing 529 plan structure. Without these accounts, many people with disabilities have very limited avenues to save while maintaining access to important services.

Before these accounts can be made available for Minnesotans, the state has to implement regulations governing the new accounts, just as they have for other 529 plans. In this session's Tax Conformity bill, the Legislature implemented the relevant tax provisions so that individuals could take advantage of these accounts in tax year 2015.

The bill implements the necessary regulations to govern ABLE accounts in Minnesota. The bill also takes advantage of the existing 529 plan and open that option for persons with disabilities. Currently, 529 plans are most commonly used to save for college expenses. Parents place after-tax money into the plans, and the growth of that money is not taxed as long as it is used for the allowed educational expenses.

ABLE accounts will be available for individuals who are certified with a disability either through Social Security Income (SSI), Social Security Disability (SSDI), or through another certification process. These eligible individuals may save up to \$100,000 in an ABLE account without risking eligibility for Social Security and other state and federal public programs. Funds accrued in the accounts may be used by eligible individuals to pay for education, health care, transportation, housing, and other expenses as long as they qualify as a disability expense.

Any person is able to contribute to an ABLE account, but an eligible individual is only allowed to have one account for his or her benefit. Earnings on the ABLE account and the distributions made for qualified expenses are not counted as taxable income for either the contributor or the beneficiary. Investment: \$105,000 (onetime).

### Alzheimer's Research and Dementia Grants

The Alzheimer's Research and Dementia Grants program establishes an Alzheimer's research program and further addresses the needs of people with Alzheimer's and the families that care for them.





# Health & Human Services

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According to the Alzheimer's Association, the disease affects one in nine Americans at age 65, and one-in-three by age 85. It is the sixth leading cause of death in America, and Alzheimer's consumes 20% of the Medicare budget.

The legislation creates two types of competitive grants: research grants will focus on prevention, treatments, causes and cures; dementia grants will help empower caregivers through tools to cope and better care for their loved ones.

A dementia grant program is established and the Board on Aging (Board) will award funds to projects and initiatives that promote awareness of dementia-related diseases, increase the rate of testing among the at-risk population, promote early detection and connect those affected by these diseases with education and resources. The grants are awarded on a statewide and local/regional basis. Investment: \$1.6 million.

**While the Dementia Grants program was included in the HHS Omnibus Budget Bill, the Alzheimer's Research Grants were funded through the University of Minnesota, and were included in the Higher Education Omnibus bill.(S.F. 247)**

## The Legislative Health Care Workforce Commission Recommendations

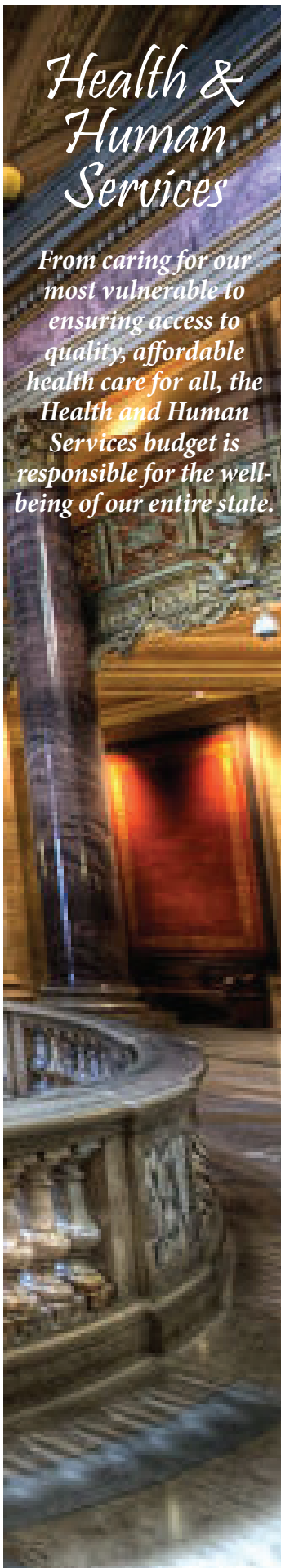
In December, the Legislative Health Care Workforce Commission released its recommendations for strengthening Minnesota's health care workforce. One of the recommendations was to expand participation in the current Health Professional Loan Forgiveness program. The Commission also heard testimony from higher education institutions and training sites, which reported that the lack of available clinical training sites/residency slots was their greatest challenge to fulfilling the needs of the workforce. Two bills were introduced this session to address some of the recommendations made by the Commission.

S.F. 3 expands the state's Health Professional Loan Forgiveness program for participants who serve up to four years in high-need areas. In exchange for practicing in high-need areas, these medical professionals could have, on average, 60% of their college debt forgiven. For more information, see the Higher Education section.

S.F. 1246 would appropriate \$8.4 million to strengthen and increase Minnesota's health care workforce. The bill would establish a grant program to expand primary care residency training sites, as well as a grant program to expand clinical training of advanced practice registered nurses, physician assistants, and mental health professionals. In addition, the bill would provide an incentive payment for health professions student preceptors and medical resident preceptors.

The Primary Care and Mental Health Professions Clinical Training Expansion grant program would provide funding for clinical training sites for physician assistant, APRN, and mental health professionals; the Primary Care Residency Expansion grant would provide funds to Minnesota institutions that train medical students so the availability of residency slots would be increased.

**STATUS: The increase to the Loan Forgiveness Program, as proposed by S.F. 3, was included in the Omnibus HHS Budget Bill. However, only the residency expansion grants from S.F. 1246 were included in the final bill. Investment: \$8.2 million**



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### Child Protection

After it was fast-tracked through the legislative process, child protection legislation was signed into law implementing two of the 32 recommendations offered by the Governor's Task Force on the Protection of Children.

The Task Force, which is comprised of state legislators, county officials, college professors, social services professionals, and children's defense advocates, was established after media coverage of a child's death by maltreatment prompted many to take a closer look at Minnesota's child protection system. Its first recommendation repeals a recently-passed statutory provision that bars the consideration of past screened out reports – initial examinations of maltreatment that did not lead to further investigation – when a new maltreatment report is being screened. The second recommendation included in the legislation revises the public policy statement of Reporting of the Maltreatment of Minors Act to make clear that child safety should be the guiding principle in decision-making.

**STATUS: The bill was signed into law. (S.F. 807)**

### Interstate Medical Licensure Compact

This legislation will enroll Minnesota in the Interstate Medical Licensure Compact, which enables physicians to practice across state lines – physically or via telecommunication – while still being under the visiting state's medical board jurisdiction and subject to the state's licensure standards, ensuring the safety of patients.

Currently, six state legislatures have enacted the compact and 12 other state legislatures are considering adopting the compact. Medical practice boards in participating states do not surrender any authority to regulate the physicians they license, but must share complaints and investigations with other compact states. Physicians participating in the compact must meet the highest standards for licensure across all states, and a license can be revoked by any or all of the compact states. Based on the statute's definition of a physician, it is estimated that up to 80% of licensed physicians in the U.S. are eligible to participate in the compact.

**STATUS: The bill was signed into law. (S.F. 253)**

### Minnesota Security Hospital, Ebola Preparedness Appropriations from Deficiency Bill

To meet the needs of the Minnesota Security Hospital in St. Peter following a series of mandated reforms led by the Department of Human Services, DHS sought an appropriation of \$10.683 million:

- \$10.437 million to the Minnesota Security Hospital
- \$246,000 to the Minnesota Food Assistance program

Most of the deficiency is a result of expenses incurred from increasing staffing levels to support patients and overall safety. DHS was given two conditional licenses with the requirement that, among other tasks, they add security counselors and clinical staff. To pay for the staff level increases, DHS needs \$9.4 million. The agency also requested \$1 million to pay for additional security cameras and construction of a temporary admissions unit.

**STATUS: The bill was signed into law. (S.F. 174) See also: Deficiency Bill in State and Local Government.**

### Department of Health

The Department of Health faced a deficit of \$891,000 as a result of Ebola-related activities. In order to conduct the necessary Ebola-related



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preparations, staff was redirected from existing federal grant work. As a result of these staff re-assignments, there have been insufficient staff resources to complete existing federal grant requirements. Therefore, most of the request (\$643,000) will cover these staffing costs. The remaining resources are needed for expenses incurred for Ebola education, preparedness, and monitoring.

In the final bill, a grant program was established to provide four hospitals and the Emergency Medical Services Regulatory Board (EMSRB) funds for Ebola-related expenditures. The total appropriation is \$2 million, with \$148,000 appropriated to the EMSRB and the remaining divided between Unity Hospital, Children's Hospitals and Clinics, Mayo Clinic, and the University of Minnesota Medical Center.

**STATUS: The bill was signed into law. (S.F. 174) See also: Deficiency Bill in State and Local Government.**

## Right to Try Act

Under the Right to Try Act, patients who are diagnosed with terminal illnesses will gain easier access to drugs, procedures, or medical devices that are still undergoing clinical trials. It permits the use of investigational drugs, biological products, or devices for certain eligible patients, with some exceptions. The cost of using investigational drugs is not covered under medical assistance (MA) and early periodic screening, diagnosis, and treatment (EPSDT) programs. Although the medications are still undergoing clinical trials, they must pass the first and most exhaustive phase of FDA clinical trials, and a physician's signoff is required.

**STATUS: The bill was signed into law. (S.F. 100)**

## DID NOT PASS

### MFIP Assistance Increase

Two bills that would increase the cash grants for the Minnesota Family Investment Program (MFIP) did not make it into this year's final HHS budget. The program is the state's support program for working families with children, and an increase would be a first step to promoting the stability and security these families need to get on their feet. MFIP provides both cash and food assistance, though only cash assistance is the target of both bills.

Families continue to struggle to transition to a place of increased economic security, as the transitional standard grant has not been increased in almost 30 years. In an attempt to provide more resources to these families, the bipartisan bill simply raises the amount of money given to MFIP enrollees, entrusting those families to make the decisions that are best for them individually.

The first bill would double the cash grant available to families on MFIP, while the other would increase the assistance payment for MFIP recipients by \$100 per month. (S.F. 734 & S.F. 422)

### Prior Authorization Requirements Modification

This bill would remove barriers confronting a patient's access to necessary medications, but was not included in the final HHS budget.

Currently, health plans may require subscribers to submit certain prescriptions for approval before they are covered, through a process known as prior authorization. While this is a necessary process for several medications, it has become increasingly used for medications that do not need to go through the process. These formularies (which are detailed lists of covered medications) are different across all health plans, and plans can eliminate and add drugs to a formulary at any time. This added level



## Health & Human Services

*From caring for our most vulnerable to ensuring access to quality, affordable health care for all, the Health and Human Services budget is responsible for the well-being of our entire state.*

of bureaucracy takes time for physicians and can be confusing, as they are unaware which drugs are covered.

This bill would make the process more standardized and less time-consuming for prescribers through several modifications to prior authorization. It shortens the time available to process prior authorization requests and adds a process to report which requests were approved and denied. The bill also requires a health plan to release its formulary prior to the renewal period and prohibits removing drugs that increase costs for patients, unless they also add a similar drug that will lower the cost. If the formulary does change, the health plan would have to establish a transition period to prevent coverage gaps.

To oversee this process, the bill would create an advisory council within the Department of Health to provide guidance in the changes and trends that occur within prescription coverage and formularies. Supporters say these changes place the patient's care first and guarantee they get the care they deserve. (S.F. 934)

### **MNsure Governance Restructure**

The MNsure Governance Restructure bill – which was not included in the final HHS budget – would transform MNsure into a state agency, and was crafted after complaints from citizens and legislators regarding oversight, technical glitches, and ease of accessing coverage. According to the legislation, MNsure would be headed by a commissioner appointed by the governor, and would be held accountable to the executive and legislative branches. The move from a public-private governance structure to a state agency will allow MNsure to better serve its customers, as well as provide greater oversight of the health exchange. A February report from the Office of the Legislative Auditor (OLA) was critical of MNsure's roll out and outlined four main recommendations to improve the health exchange; this bill addresses three of those recommendations. To date, MNsure has played a substantial role in providing the uninsured with affordable options and has contributed to the lowest uninsured rate in the state's history. (S.F. 139)

### **The Let's Talk Now Act**

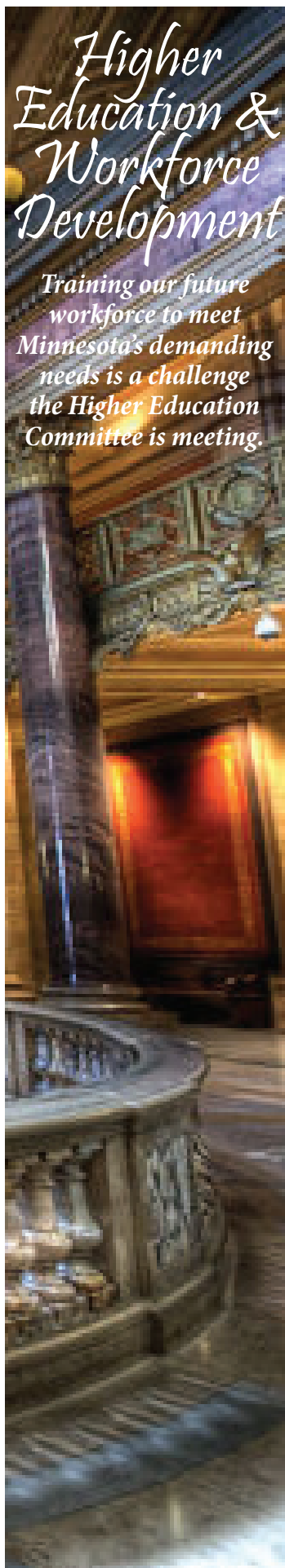
The Let's Talk Now Act would provide grants to organizations that inspire and support community-and-family-based conversations that promote planning for transitions that come with aging. The bill was not included in the final HHS budget. (S.F. 410)

### **CARE Act (Caregiver Advise, Record, Enable)**

The CARE Act encourages patients and their loved ones to have a conversation about hospital aftercare before it becomes a pressing issue upon discharge. This bill encourages patients to designate an aftercare caregiver when they are admitted to a hospital. The designated caregiver would be responsible for providing the care a patient needs after their hospital stay. Hospitals would also provide the designated caregiver training on aftercare needs and instructions.

Many hospitals are already performing these functions, but this process will more formally document a caregiver in the patient's medical record. If a designated caregiver is selected, it is more likely that the caregiver and the patient will be able to better prepare for the healing process after the hospital, and this vulnerable population is less likely to be neglected or forgotten once they are home. (S.F. 107)





## Higher Ed Omnibus Bill

The final higher education omnibus bill included approximately \$166 million in new funding for the University of Minnesota, Minnesota State Colleges and Universities, and the Office of Higher Education. The bill is a compromise between the Senate and House, with policy provisions and priorities that work to keep Minnesota's students first. Provisions of the bill are included below.

### The University of Minnesota (U of M)

Originally in the House bill, the U of M received just \$2.9 million in funding for projects on two campuses and provided no new funding for students. Thanks to the strong position of the Senate the final bill included \$53 million in new spending. Of this new spending, \$22 million will go toward student tuition relief, \$1 million for Alzheimer's and dementia research and \$30 million for the U of M Medical School to hire additional faculty to conduct research.

To ensure student's outcomes are prioritized, the bill also included performance funding metrics that tie 5% of the 2017 appropriation to progress made toward certain goals.

The bill also allows the U of M to refinance TCF Bank Stadium Bonds, saving \$42 million. Of this, \$10.3 million will be used to improve health education and clinical research facilities to be built on the Twin Cities Campus. An additional \$29 million will revert to the general fund.

### Minnesota State Colleges and Universities (MnSCU)

Investments to MnSCU will freeze tuition rates at two-year colleges for the 2015-2016 academic year while reducing tuition by at least 1% for these same institutions in the 2016-2017 academic year. Universities in MnSCU will be able to raise tuition as much as needed in the 2015-2016 academic year, but must freeze that rate in 2016-2017. Overall, the bill appropriates \$100 million to tuition relief for over 410,000 students at MnSCU.

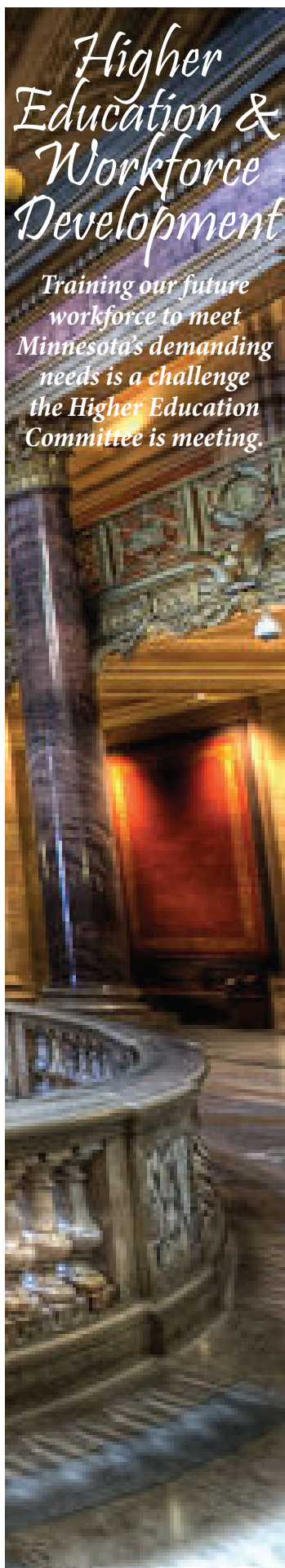
Mirroring the U of M, 5% of the appropriation for 2017 is tied to performance metrics. In addition, the bill includes initiatives to make transferring between MnSCU institutions easier, a Veterans into Agriculture fields, year-long Student Teaching and allows students with a college ready ACT score to forgo taking remedial classes.

### Office of Higher Education (OHE)

Several new provisions and policies will move forward thanks to the \$19.83 million in new funding provided for OHE. This will include \$5 million to expand available scholarships for qualifying students in technical fields at Minnesota's two-year schools and will invest \$3.4 million into grants for the dual-education "Earn While You Learn" apprenticeship programs in high growth/strong demand sectors.

One major initiative from the Senate was to use an existing surplus of \$74 million in the State Grant Program to increase its cap and expand its reach, allowing more students to use this resource to help pay for college. This was in stark contrast to the original House plan to take this surplus and use it to fund MnSCU. Thanks to the Senate, the State Grant Program was protected and was given an additional \$7 million to ensure it can continue to deliver access to higher education for Minnesota's students.





The Senate was also able to include \$1 million for the Spinal Cord Injury and Traumatic Brain Injury Research Grant Program, allowing much needed research to continue. Other provisions include loan forgiveness programs for large animal veterinarians, increased American Indian scholarships, summer academic enrichment programs, and concurrent enrollment (College in the Schools).

### Surplus State Grant Money

The Office of Higher Education (OHE) released projections earlier this year showing a surplus of about \$74 million dollars in the State Grant fund during FY 2016-2017. This money, which generally helps low and moderate income families, can be reinvested into the state grant formula and allow lawmakers to get more dollars directly in the hands of Minnesota students and families. Additionally, the Senate was able to invest \$7 million more into the State Grant Program.

In the original House plan much of the funding for MnSCU would have come from money in the State Grant Program. The Senate worked hard to ensure any new funding would not come at the expense of expanded access for higher education for more students.

### MnSCU College Occupational Scholarship Pilot Program

One of the first pieces of legislation introduced in 2015 was tuition relief at two-year technical colleges for students who are learning skills and trades. Minnesota is facing a shortage in high-demand, technical fields, making it difficult for businesses and industries to grow and expand.

The provision grants scholarships for qualifying students who enroll in qualifying high demand programs. Students qualify for the program if their families make \$90,000 per year or less and they enroll immediately following high school graduation. While in the program, students must maintain a college GPA of 2.5 and take at least 30 credits per year. Degrees must be in high demand programs that qualify under the Perkins Program that are offered at MnSCU state colleges. The program areas include: agriculture, food, and natural resources; business management and administration; human services; engineering, manufacturing and technology; arts, communications, and information systems; and health science technology.

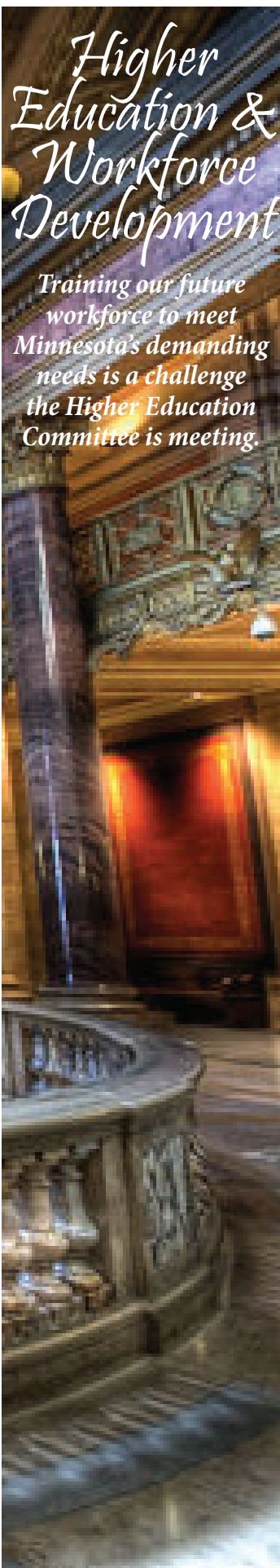
When companies are able to find the labor they need, businesses can grow, which in turn helps our economy thrive. The MnSCU College Occupational Scholarship Pilot Program is meant to serve as another avenue for young degree-seeking Minnesotans, particularly those interested in a 2-year degree in a field that's currently lacking a large pool of qualified applicants.

**STATUS: In the final bill, the Senate was able to secure \$5 million to expand available scholarships for qualifying students in technical fields at Minnesota's two-year schools. (S.F. 2)**

### MnSCU Credit Transfer Plan

Legislation was included to require MnSCU to develop new transfer pathways between associate of arts, associate of science, and associate of fine arts degrees and baccalaureate degrees. Any plan put forth by MnSCU must take into account last year's legislation that create agreements for how students can get a degree if they studied on multiple campuses within 60 credits of transferring.

Some students within MnSCU have seen their credits go uncounted when transferring between schools. Although the schools are in the same system, sometimes credits are not counted and students are required to retake the same or very similar classes. Last year, the Legislature required MnSCU to develop a plan with agreements between campuses which lead to a BA degree being completed in about two years of transferring within MnSCU after receiving an associate of arts degree.



The bill also implements the creation of a baccalaureate plan for applied science degrees to respond to areas of high employability in the state. Approximately \$115,000 was included for this initiative.

### **Earn While You Learn**

Currently, many employers in highly skilled fields are finding students are unprepared for the positions they need. Likewise, many students who graduate are unable to find jobs or are underemployed. The Legislature is working to address these issues. In that pursuit, last year the Legislature established the MN PIPELINE Project, now called “Earn While You Learn”. The project builds on the “apprentice style” learning system of Germany, and other initiatives that exist in parts of the United States.

The first step of the MN PIPELINE Project required the Department of Labor and Industry (DOLI) to convene “industry councils” in four high-demand fields: information technology, health care services, advanced manufacturing, and agriculture. These councils, comprised of representatives of employers, employees, and educators, delivered plans for how to implement this program to the legislature early in the Session.

This legislation will provide grants for the cost of workforce training to higher educational institutions or programs with qualified trainers partnering with businesses. Large employers (more than \$25 million in revenue) will be required to pay at least 25% of the cost to train employees. To the extent possible, the Commissioner of DEED must distribute the grant money equally based on geography, while giving preference to women or racial and ethnic minorities. Depending on the amount of applications, 20% of the grants must be directed toward racial and ethnic minorities in the metropolitan area.

To ensure the skills the workforce receives under these partnerships are transferable, the legislation calls for the development of competency standards. As much as possible, the competency standards must be based on recognized international and national standards. Approximately \$3.4 million was included for the program in the final bill.

### **Disclosure and Added Transparency**

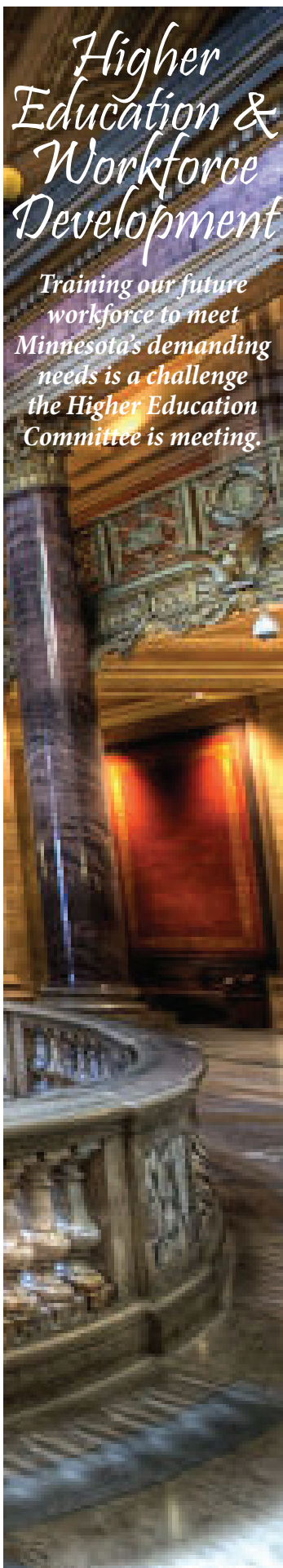
As student debt burdens continue to increase, more attention is being focused on potentially predatory practices that may take advantage of students. One effort to address this issues increases disclosure requirements for colleges and universities around students who graduate. It is hoped that by requiring information around things like graduation rates and post-graduation job placement, more students will understand which options are best suited for them.

It was clear from Senate hearings that more disclosure and transparency was needed for students, and four different bills were introduced and heard that addressed these issues (S.F. 329, S.F. 418, S.F. 696, S.F. 697).

The final bill included a hybrid of the language in these bills requiring any institution that receives state financial aid to provide information on student persistence and completion, debt of graduates, employment and wage information, and other relevant data. An electronic copy of this information should be provided on the institution’s website and provided to public and private high schools, as well workforce centers operated by the Department of Employment and Economic Development.

### **No Remedial Classes for College-Ready Testers**

To improve efficiency and reduce redundancies in class, this provision prohibits a state college or university from requiring an individual to take a remedial non-credit course if the individual received a college-ready ACT score. Additionally, colleges and universities who use placement testing must give reasonable time to review materials provided by the institution covering what will be in the test, including a sample test.



After the test, if a student is required to take a remedial noncredit course, the student must be given the opportunity to retake the placement test at the earliest time possible, as determined by the student and testing schedule. The institution is also mandated to provide the individual with study materials.

### **Refinance Student Loans**

The legislature adopted a technical provision allowing the OHE the flexibility needed to administer a student loan refinancing program. This would allow OHE to refinance high-interest student loans--which currently can be as high as double digits--to rates as low as 3%.

This change advances legislation that passed last year. In 2014, the Legislature passed a bill allowing the OHE to develop a program so students with qualifying loans could refinance them through the state.

Student debt continues to be a major issue for many of Minnesota's students. A recent report found that Minnesota's students rank fifth in the nation in total debt burden. This burden continues to be a drag on the larger economy as students struggle to pay off their debt, start their families, and buy their first homes.

**STATUS: The bill is awaiting the Governor's signature. (S.F. 5)**

### **Office of the Legislative Auditor (OLA) Report on Research Practices at the University of Minnesota**

In response to the Markingson report, the U of M is now required to report monthly about progress toward developing protocols for conducting research on human subjects. This task must be completed addressing recommendations included in the report issued by the Association of Human Research Protection Program.

The Senate Higher Education and Workforce Development Committee heard two reports on research practices at the U of M. The reports, one of which was requested by Higher Education leaders in the legislature and the other requested by the U of M, went into specific detail around the case of Dan Markingson and his unfortunate death, provided information around where the University had fallen short in its oversight and responsibilities for ethical human research, and provided a series of recommendations for the U of M to explore going forward.

The Markingson case involved a man suffering from mental health issues who was given the choice to participate in a drug study or to be placed in a psychiatric hospital. While taking part in the study, Markingson's mental health deteriorated, and during the course of the study he committed suicide. The case brought much scrutiny around the research practices at the U of M, especially those studies involving human subjects. An initial round of reviews and investigations largely found the U of M's practices were thorough.

The OLA report found that the U of M ignored serious ethical issues in its handling of the case. These findings include that Markingson was extraordinarily vulnerable when recruited into the initial study; numerous instances of conflict of interest were cited; Markingson's mother's concerns were not considered; he did not have an advocate with him when he agreed to participate in the study; the Institutional Review Board's (IRB) review was superficial; the coordinator of the study was found to make significant errors; both administrators and regents responded to the case by dismissing the need for further review and ignored serious ethical issues; and a panel of experts who recently reviewed the U of M's current human subjects protection program found significant and troubling problems.

The second report, the result of an independent investigation committed by the U of M, was intended to be forward looking. They identified



opportunities to enhance components of the Human Research Protection Program (HRPP) with special attention to research that includes subjects at-risk for impaired decision-making or who are otherwise vulnerable to coercion or undue influence. They also made recommendations to strengthen IRB review. The report also asserted that efforts to rethink organizational structure and lines of reporting will assist the IRB in its educational and compliance functions. These recommendations would require an appropriate investment in effort and resources from the University and Medical School.

## **Board of Regents**

The Legislature had the responsibility of choosing five University of Minnesota Regents this year, filling positions of four regent terms slated to expire in 2015 and one regent to serve the remainder of former regent in the third district David Larson, who passed unexpectedly last year. The regent vacancies come from the first, fourth, sixth and seventh congressional districts, while the regent elected to fill the vacancy of regent Larson will serve out his term, ending in 2017.

Selection of the Board of Regents was done through a joint legislative convention between the two Senate and the House. Candidates needed a simple majority to be elected to the Board. The following Regents were selected:

Dr. Patricia Simmons for CD 1, Darrin Rosha for CD 3, Rick Beeson, current Chair of the Board, for CD 4, Michael Hsu, CD 6, Tom Anderson, CD 7

## **MnSCU Board of Trustees**

The Governor appointed six new members to fill vacancies on the MnSCU Board of Trustees.

The appointees began their terms in August and were confirmed by the Higher Education and Workforce Development Committee this session. The new trustees are Louise Sundin from CD 5, Erma Vizenor from CD 7, Robert Hoffman from CD 1, and John (Jay) Cowles from CD 4. Each trustee serves a six-year term. Maleah Otterson from CD 3 is the new student trustee, and will serve a two-year term.

## **BILLS THAT DID NOT PASS**

### **Full Credit for PSEO Classes**

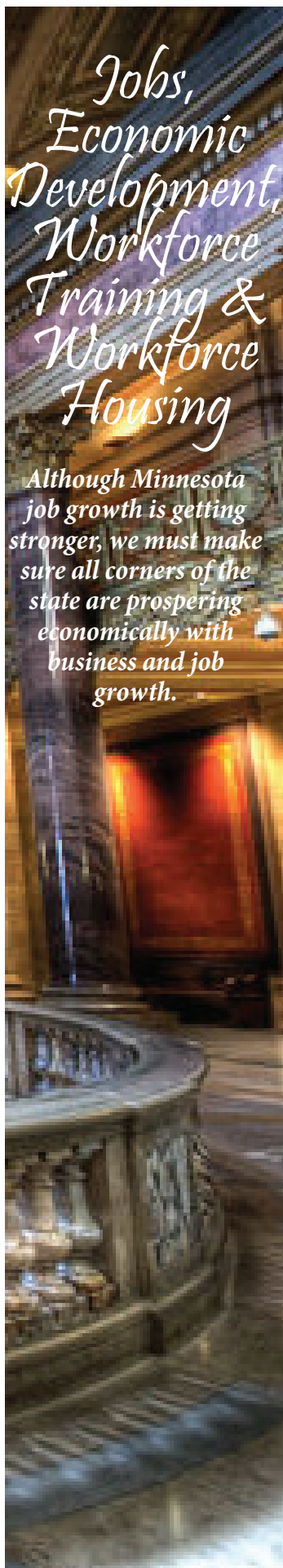
Legislation was heard requiring MnSCU institutions to give full credit to a student who earned PSEO credits as part of a goal area or transfer curriculum at a MnSCU institution. Once the MnSCU institution certifies the completed postsecondary coursework, every MnSCU institution must consider that part of the curriculum complete.

The bill also encourages the Chancellor to create a common naming and numbering convention for dual credit courses offered under PSEO.

A second component of the bill requires MnSCU to prepare and submit a report to the E-12 and higher education committees describing the implementation of the transfer curriculum policy for PSEO program in Minnesota statute. The report must also detail how to standardize Advanced Placement, International Baccalaureate, and college-level exam program course equivalencies across the system.

Approximately 80% of PSEO students in Minnesota attend a MnSCU college or university. In FY2014, this was approximately 30,500 PSEO students. (S.F. 856)





## DID NOT PASS:

### **VETOED: Omnibus Jobs, Housing, Commerce, and Energy Bill**

The Omnibus Jobs bill was vetoed by the governor. While there was agreement on some of the provisions contained within the bills, Governor Dayton had indicated Governor Dayton had indicated there was a lack of funding in some areas.

In a multi-member, bipartisan effort to address jobs training, housing needs, and a skills gap in Greater Minnesota, a package of bills were passed by the Senate this session.

The bills are aimed at addressing a number of issues currently hindering economic growth in rural parts of the state. The importance of greater investment in workforce housing is viewed as particularly critical this session. Legislators came together to provide additional funding to help people in rural Minnesota connect with jobs in their communities, and establish incentives for developers to build more housing in towns with low vacancy rates. Together, these bills will help improve the economic outlook for towns across the state and help attract and retain educated Minnesotans.

*The bills are highlighted individually below:*

- **Establishing a workforce housing grants program:** There is an extreme lack of workforce housing in several portions of the state. The cost of construction and labor materials has hurt the profitability of new construction in rural parts of the state. This is mainly due to the market rental rate in small towns versus the cost of construction, which is the same in big cities as it is in small towns. This proposal provides for \$4 million in grants to local units of government for market value workforce housing needs outside the metropolitan area. The money would be available to cities hoping to kickstart a building proposal.
- **Adult Workforce Development Grants** received a \$1.72 million boost over its base funding. This increase is dedicated to workforce sites across the state that help adults find and retain employment. This money is particularly useful in the wake of recent job loss related to several mine closures and layoffs on the Iron Range.
- **Housing Job Growth Initiative** is a new program that received \$2 million to help communities across the state experiencing low vacancy rates and anticipated job expansions.

## Business Development

Minnesota has a strong tradition of providing incentives and financing to new businesses and entrepreneurs to help improve economic vitality statewide. We have myriad programs that are run through the Department of Employment and Economic Development (DEED). In particular, the Minnesota Investment Fund has proven highly successful; the Senate invested \$30 million this year into the program for the FY16-17 biennium. The Minnesota Investment Fund provides financing to help add new workers and retain high-quality jobs on a statewide basis. The focus is on industrial, manufacturing, and technology-related industries to increase the local and state tax base.

DEED's Job Creation Fund has likewise proved extremely successful at





incentivizing job creation and capital investment. The Senate has invested \$25 million into the program over the next biennium. Companies deemed eligible to participate in the program may receive up to \$1 million for creating or retaining high-paying jobs and for constructing or renovating facilities or making other property improvements. This award-winning program has been recognized for its innovation by the Economic Development Association of Minnesota.

The Greater Minnesota BDPI Grant Program received \$3.6 million this year. This program helps stimulate new economic development, create new jobs, and retains existing jobs through investments in public infrastructure.

### **Workforce Housing**

Workforce housing is a bipartisan issue that has been discussed in numerous committees this session. According to the Minnesota Rural Counties Caucus, which has lobbied the legislature on behalf of small towns and rural counties for more than two decades, workforce housing has risen from a never-discussed topic to the number one priority in only a few years.

From small towns with large employers nearby like Roseau, home to Polaris Industries, to Jackson or Fairmont in southern Minnesota, the problem is persistent. Legislators are insistent upon doing something to fix the problem and ebb the flow of young workers leaving small towns behind in search of work.

The Senate addresses the need for workforce housing this session, including \$2 million appropriated to the Housing Job Growth Initiative, which is a program run by the Minnesota Housing Finance Agency and \$4 million for the Workforce Housing Grant Program will provide grant money to communities hoping to kickstart a building proposal.

When there is a lack of housing, business growth is hindered. In some cities, thousands of market-rate rental housing units are needed to satiate demand. When businesses are not hindered by a lack of housing in their communities, they are free to grow and expand – bringing more money into the state and well-paying and stable jobs into our communities. All of these bills will work in tandem to provide communities several avenues of support to fund new projects and incentivize developers to come build.

### **Rural Task Force**

The Rural Task Force is an 8-member bipartisan group of Senators who came together during the fall of 2014 to identify specific needs for rural Minnesota. The needs of Greater Minnesota can be very different than those in the metro area. The Task Force met several times this fall, touching on topics as wide ranging as affordable and accessible health care, safe roads in rural areas, workforce housing and workforce development needs. The Task Force settled on workforce development as the key issue it wanted to tackle this legislative session.

### **Rural Career Counseling and Minnesota Youth Program**

The bi-partisan centerpiece legislation from the Senate Rural Task invests in rural career counseling coordinators placed at nine Workforce Development Centers across the state. The coordinators will be dedicated to helping address gaps in the labor force by bringing together students, businesses and schools. The bill also invests in the Minnesota Youth Program, which puts money into career counseling to help expose young people to a variety of good paying career options that are both in-demand and local, while they are still in high school.



The legislation recognizes that skilled workers and successful businesses are key to a strong economy in Greater Minnesota. Currently, businesses across the state are experiencing a shortage of skilled workers, hindering their ability to grow. This legislation is meant to connect the dots between students, businesses, and schools.

The legislation increases the biennial appropriation by \$1.1 million to the Minnesota Youth Program for employment and career counseling to young Minnesotans. It also appropriates \$500,000 per year for the creation of rural career counselor coordinators.

Career counseling coordinators will be responsible for connecting with new and existing businesses to help determine how they can assist with training or recruiting more workers. The coordinators will also connect with job seekers, employers, high school students, and college students in the area. The career coordinators are designed to have their fingers on the pulse of what local communities need. In addition, they will be responsible for truly connecting the dots between high school students, higher education and business needs.

According to DEED, the top predictor of future success in the workplace is early exposure to work experience. With an investment of \$2.1 million over the biennium, the Rural Task Force believes employment and career counseling at an earlier age will help set students up for success. Giving young people career options in their own communities keeps small towns alive and vibrant – which is good for a healthy and diverse state economy.

## **Broadband**

With roughly 20% of Minnesotans lacking access to basic broadband, connectivity remains a concern. The Greater Minnesota Partnership has stated that on an annualized basis, 95% coverage would produce \$440 million in household income and create or sustain 15,000 jobs. A renewed 'Border-to-Border Broadband' Fund will spur new investments in poorly-served areas of the state and promote job growth and innovation."

Recognizing the importance of increasing broadband access, the Legislature appropriated \$20 million during the 2014 session for a grant program to encourage broadband development in un-served and underserved areas.

That work and commitment to providing Minnesotans with broadband access has continued this session, with an appropriation of \$10.588 million for border to border broadband. Bill language states that up to 3% of the appropriation can be used by the department to collect broadband data which will be used for future investments.

## **Paid Family Leave**

The common understanding is that health care is the major contributor to health. However, there is increasing evidence that the major factors driving health are outside of the health care system. We now know health is mostly related to the social and economic conditions within our communities. In a recent research paper published by the Minnesota Department of Health, called "Paid Leave and Health" the Department highlights the links between socio-economic factors and health, and underscores how a lack of access to paid sick and family leave contributes to health disparities.

### ***Key points from the paper include:***

- With paid leave policies, people are healthier. People with paid leave use less sick time and health care, and their children do better in school.
- Paid maternity leave contributes to better maternal mental and physical health, better prenatal and postnatal care, more breastfeeding, and greater parent/infant bonding.



- Elders cared for by family members with paid leave more often enjoy a higher quality of life.
- People with lower incomes, part-time workers, and single parents are least likely to have access to paid sick and family leave. These groups are disproportionately populations of color and American Indians.
- These disparities in access to paid leave have a cascading effect on families and communities, including children, the elderly, and people with disabilities.

In response to findings which show that paid sick and family leave is not only an economic issue, but a public health issue as well -- the Senate has appropriated \$150,000 to study various delivery methods for providing parental, family, or medical leave. This report is due by December 15, 2015. (S.F. 2101)

STATUS: Vetoed (H.F. 1437)

## **OTHER BILLS THAT DID NOT BECOME LAW**

### **Net Metering**

Electric cooperatives or municipal utilities can charge an additional fee to recover net metering fixed costs that are not already billed to customers. Those charges must be reasonable and appropriate, based on the most recent cost-of-service study. Cost of service studies must be made available upon request by customers. These provisions are effective July 1, 2015, and apply to customers who install net metered systems after that day.

### **Energy-Intensive Trade-Exposed Electric Rates**

Minnesota Power and Otter Tail Power are given the option to propose competitive electric rates for energy-intensive trade-exposed (EITE) customers. These utilities may propose various EITE rate options within their service territories. (S.F. 1437)



## Judiciary Omnibus Bill

### Child Advocacy Bill

When a child becomes a victim of domestic or sexual violence, Minnesota is going to make sure the child has a safe environment where they can go and receive support. The Senate is investing \$800,000.

### Public Defender Budget Increase

Low income Minnesotans will be better served in court with the 36 new public defenders that will be hired. The conference report commits \$6.475 million to hiring additional public defenders. This is \$2.845 million more than the House proposed.

### Civil Legal Aid

Increase in funding for civil legal aid to low income Minnesotans by \$1.758 million

### Bureau of Criminal Apprehension.

The BCA is going to be able to fully stock its labs and hire additional special agents to investigate major crimes and support local law enforcement. The Senate invests \$13.559 million dollars.

### Youth intervention programs

For the first time in decades Minnesota is actually going to bend the cost curve on criminal justice. Youth Intervention Program (YIP) grants go to fund troubled youth and get them on productive life paths, keeping them out of the criminal justice system, and grantees will do this with a \$1.5 million investment from the state

### Crime Victim Services

When someone becomes a victim a crime in Minnesota, there will be a shoulder for them to lean on. This budget contributes \$1.35 million to victim support.

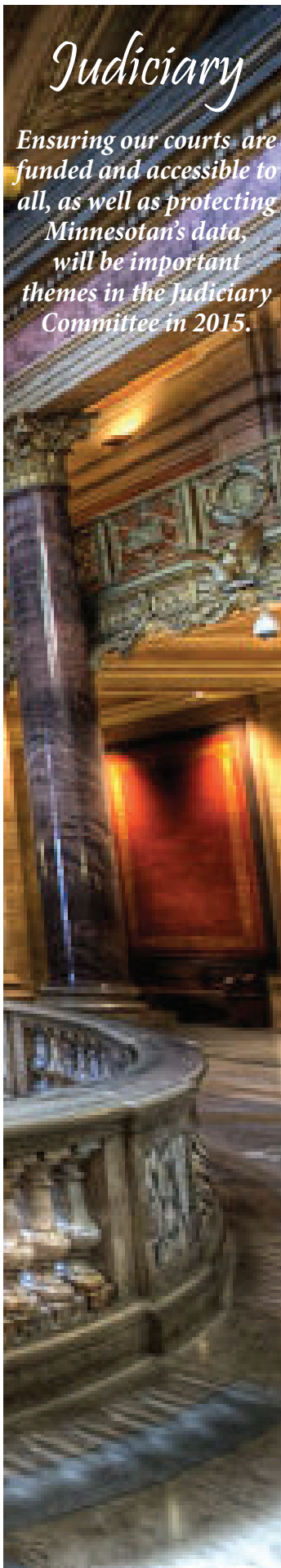
### Juvenile Detention Alternatives

Minnesota is committing \$600,000 in alternatives to jail for youths who made a bad decision. Studies show juvenile offenders are better served by entering into a diversion program rather than a detention facility where they may be mentored by other criminals.

#### *Other Highlights include:*

- Prohibiting firearms-ineligible persons from possessing ammo.
- Cracking down on straw purchasing of firearms
- Protecting pregnant women who are incarcerated
- Sex trafficking prevention, and increased sex trafficking penalties
- Protecting vulnerable adults from financial exploitation





## DWI Provision Changes

In Minnesota, punishments related to Driving While Intoxicated convictions are separated into two distinct realms: criminal punishments (i.e. jail time, fines) and administrative punishments (i.e. driver license revocation, plate impoundment, etc.). In recent years, issues have arisen regarding the threshold at which court punishments are enhanced. Currently, driving at double the legal limit triggers enhanced criminal penalties, but this does not coincide with the administrative threshold of .16. This legislation aims to bring the criminal threshold in line with the administrative threshold.

## Steve's Law EMS Training Appropriation

This legislation would appropriate money to expand education and distribution of the opiate overdose antidote Naloxone (Narcan). The bill would provide funding for the implementation of Steve's Law, which was signed into law during the 2014 Legislative Session.

Steve's Law allows first responders to carry and administer the opiate antidote Naloxone and releases liability for anyone seeking medical assistance in the event of an overdose. However, in the time since Steve's Law was signed by Governor Dayton, less than 5% of police and first responders in Minnesota have begun to carry Naloxone. This lack of knowledge and practice has led to unnecessary overdose deaths that Steve's Law could have otherwise prevented.

The bill funds a grant through the Department of Public Safety for EMS personnel education on Naloxone administration. It is a one-time appropriation and has a fiscal impact of \$250,000, which would be evenly distributed between the eight regional emergency boards. Essentially, the bill appropriates money so first responders are trained to administer Naloxone.

## Blue Alert

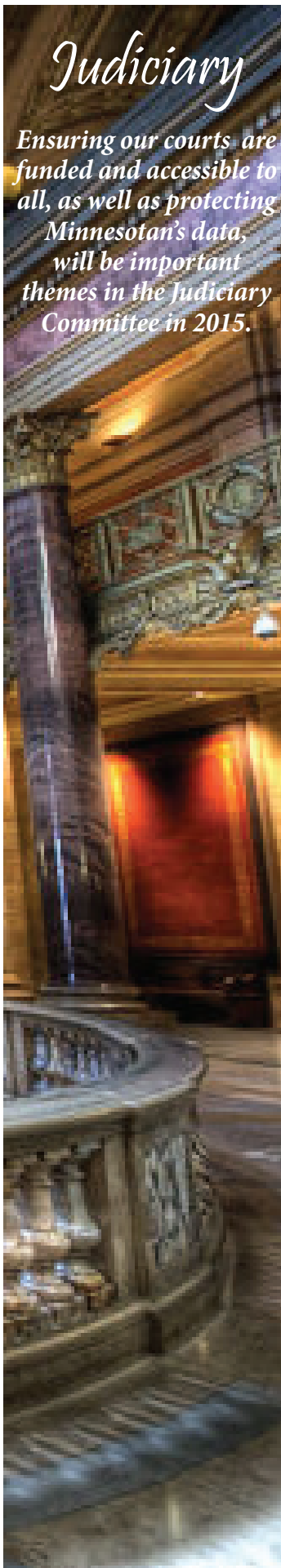
With the massive success of the Amber Alert program, legislation made its way through the Capitol that would expand the program to police emergencies. The so-called Blue Alert would be triggered if a peace officer is killed or seriously injured. At that point, an electronic notification would go out using the current AMBER Alert system. Messages would be sent to the public on their cell phones and social media, and would be posted to MnDOT road signs. Electronic messages would also be sent via fax, email, and text messages to key members of the public such as media organizations, other law enforcement organizations, businesses, hospitals, and schools. The bill has passed out of the Judiciary Committee and is now in Finance. (S.F. 397)

## Colton's Law

18-year-old Colton Gleason was walking with friends when a car pulled up next to them. 18-year-old Jesse Smithers got out of the vehicle and punched Gleason, who died as a result of hitting his head as he fell. Smithers, who had recently been released from prison, was ordered to wear an electronic ankle bracelet, but at the time of the incident had not been fitted for one. Colton's law would allow the Department of Corrections or the Sheriff's office to place an offender in custody until they are properly fitted with an electronic surveillance device. (S.F. 1244)

**STATUS: The Omnibus bill is awaiting the Governor's signature. (S.F. 1410)**





## Automated License Plate Reader Legislation

The Senate Judiciary and Transportation committees heard legislation on several occasions that would lay out guidelines for the retention of data gathered by law enforcement agencies through automated license plate readers. This has been a contentious issue dating back to the 2013 session. License plate readers take a picture of a license plate, convert the picture to text, and compare the license plate number to law enforcement databases. If the vehicle owner is the subject of an active law enforcement investigation or if the vehicle has been reported as stolen, law enforcement is notified of the time and location of the vehicle. There are no guidelines in place covering when, where, or how the technology can be used, how long the data can be stored, or how the data is classified. The bill says that police may store the data for up to 60 days to assist in criminal investigations. However, privacy advocates have argued that law enforcement should not store the data at all. The state as a whole lacks a clear standard on how long the data should be stored with different agencies adopting different standards.

**STATUS: The bill is awaiting the Governor's signature .(S.F 86)**

## BILLS THAT DID NOT PASS

### Juvenile Justice Act

In recent years, studies have shown so-called "tough on crime" policies aren't actually working, and in some cases have shown to actually be a detriment, especially juvenile delinquency. The Juvenile Justice Act seeks to remedy this by making several changes in the way the state administers juvenile justice. Among the changes are:

- Removes the mandate that all juvenile offenders be shackled during court proceedings
- Eliminates life without parole convictions for juveniles to bring the state in line with a recent supreme court ruling
- Provides training for diversion programs.

(S.F. 994)

### Felon Voting "See Elections"

### Police Body Camera Data Provisions

More police departments are utilizing body cameras for their officers to ensure adherence to proper policy and procedures, as well as to provide accountability in the case of police misconduct. However, privacy advocates have argued the images captured by the cameras that serve little to no public value should not be retained for more than a few days, let alone years. Minnesota lacks a comprehensive guideline on how long law enforcement should be allowed to retain body camera footage. Legislation introduced this year would lay out guidelines by first classifying all body camera footage as private non-public, meaning only the subject of the video would have access to it. The bill also mandates that non-criminal investigation footage that has not been flagged by law enforcement be maintained for 90 days and then destroyed within one year. The American Civil Liberties Union and several newspapers have argued that the presumption that all footage be classified as private may have an adverse impact on police accountability, while law enforcement agencies would like to see the data retained longer in order to prevent frivolous complaints against officers. (S.F. 498)



## Judiciary

*Ensuring our courts are funded and accessible to all, as well as protecting Minnesotan's data, will be important themes in the Judiciary Committee in 2015.*

### Peace Officer-Caused Death Investigations

Due to recent events, law enforcement agencies across the country are under immense scrutiny when they make the decision to use deadly force. The use of deadly force is one of the most solemn and difficult decisions a law enforcement officer can make, and it is important that it is used righteously. It is also important for the public to know that investigations into peace officer-caused deaths are transparent and performed correctly. To address this, legislation was introduced that would lay out guidelines on how peace officer-caused deaths are investigated. The bill says investigations must be conducted by at least two officers from outside agencies not involved in the incident. Furthermore, it says the results of the investigation must be promptly turned over to the county attorney, who then decides if charges will be brought. If no charges result from the investigation, the report would then become available to the public. Supporters of the bill say these new standards remedy a perceived conflict of interest during these investigations. Several law enforcement groups support this bill, as does the NAACP. The bill was passed and is now awaiting final passage on the floor. (S.F. 466)

### Drone Use by Law Enforcement

During this legislative session and throughout the past biennium, the Senate Judiciary Committee has heard testimony regarding the use of Unmanned Aerial Vehicles (UAV), or drones, by law enforcement. Minnesota, like many other states, is flying without a clear set of parameters governing the use of drones by law enforcement. Privacy advocates say drone use may be a platform for mass surveillance of innocent civilians, while law enforcement says UAV's are vital in some investigations and provide another tool for emergencies. To try to alleviate privacy concerns while still recognizing the usefulness of drones, legislation was introduced that does the following:

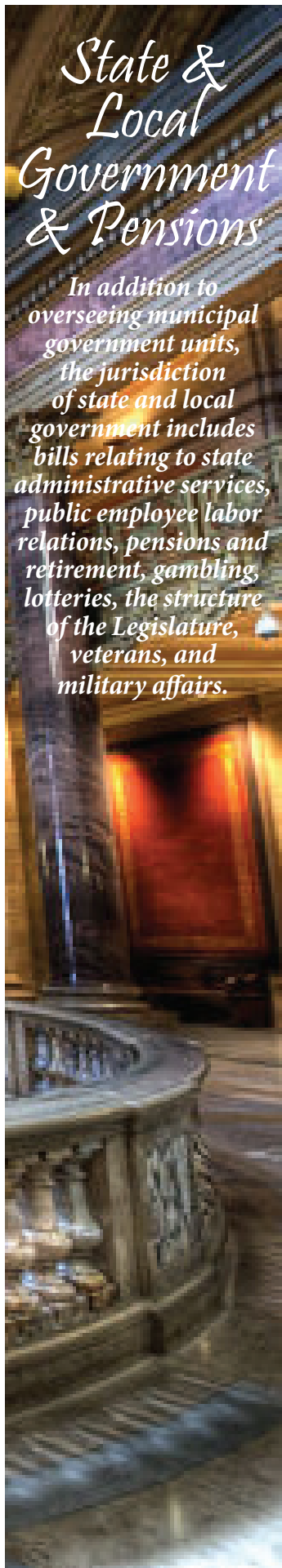
- Search warrants must be obtained before drone utilization except in an emergency, or if the use is in a public area where there is a reasonable suspicion of illegal activity.
- The subject of the surveillance must be notified within three days of the action, though law enforcement may petition to have that deadline increased.
- The bill lays out guidelines for the retention, deletion, and disclosure of the data collected from the UAV. (S.F. 1299)

### Mental Health Diversion Program

Due to inadequate space at mental health facilities across the state, those with severe mental illnesses are often arrested and jailed instead of being admitted to a mental health facility. This is not a best case scenario, as it is shown that the condition of people suffering from mental health issues often deteriorates while sitting in a jail cell. These cases also tax local law enforcement, who lack the resources and training required to diagnose mental health issues. To address these issues, a bill was introduced that would authorize a grant program where counties can develop a comprehensive mental health program as well fund four centers where law enforcement can bring people they suspect have a mental illness. The bill appropriates \$8 million to the Department of Health. (S.F. 141) ***See HHS for Beltrami County Appropriation.***

### Ignition Interlock

Included in the Senate DWI omnibus bill were two provisions related to ignition interlock devices. These pieces of equipment prevent the ignition of an automobile unless the driver is sober. The bill would require those convicted of criminal vehicular homicide to enroll in the ignition interlock program, and cancels the requirement for some DWI offenders to get a limited drivers' license while participating in the ignition interlock program.



## Omnibus State Government, Veterans and Military Affairs Appropriation Bill

The final State Departments and Veterans Omnibus Appropriations bill includes the Senate's budget recommendations to fund various state agencies, boards, and commissions. The budget target was \$973 million, or approximately \$11 million over the FY16-17 base. (The Senate bill was about \$40 million over the base and the House bill was \$67 million under the base.) \$36 million in savings is due to reduced aid payments to the Public Employees Retirement Association (PERA) for the Minneapolis Employees Retirement Association (MERF) merger. The final bill included the Governor's recommendation for a 1.8% operating increase to all state agencies to cover staff compensation costs. For all state agencies, the cost of the 1.8% increase is approximately \$25 million; about \$8 million is carried in the conference report, excluding the Veterans Affairs budget, which is provided an additional 5% across-the-board increase.

\$2.6 million is appropriated to the Department of Administration to streamline the certification process for minority-, woman-, and veteran-owned small businesses in an effort to provide preferences to these businesses when they participate in procurement contracts with the state. These changes will merge the state requirements for certification with federal definitions.

\$14.9 million is appropriated to the Minnesota Senate for rental payments for the new Senate building.

The bill includes the Racing Commission's request to alter the licensing fee structure to multi-year licenses and to have the ability to increase Class C license fees by removing the current \$100 maximum for certain licensees, e.g. certain horse track vendors. The anticipated revenue in FY16-17 resulting from the fee increase is \$182,000.

The Gambling Control Board requested an increase in fees on charitable gambling organizations for increased regulatory oversight capacity. The conference report provides compromise language with Allied Charities to increase the fee by .025% of gross receipts.

### The Department of Veterans Affairs

The Department of Veterans Affairs was provided a \$17 million operating increase to assist in maintaining current staffing levels since they have spent down their special revenue account. Veterans Affairs is also provided greater authority to distribute grant dollars from the Support Our Troops Fund to organizations that improve the lives of veterans and their families. Military Affairs is allowed to transfer \$10 million from their Enlistment Incentives Fund to their Maintenance & Training Facilities Fund.

### Mobile Salons

Legislation would authorize the Minnesota Board of Cosmetology to define mobile salons and provide operational requirements to keep business standards high and clients safe. These salons provide access to personal and cosmetic services for Minnesotans living in underserved areas, including homeless shelters. The legislation would define a mobile salon as any salon offering personal services while operating in a mobile vehicle or structure. Mobile salon license holders would need to maintain a permanent business address and notify the board of the mobile salon location and schedule of operations.

**STATUS: The Omnibus bill is awaiting the Governor's signature. (S.F. 888)**



## State & Local Government & Pensions

*In addition to overseeing municipal government units, the jurisdiction of state and local government includes bills relating to state administrative services, public employee labor relations, pensions and retirement, gambling, lotteries, the structure of the Legislature, veterans, and military affairs.*

## Flood Relief

The first bill signed into law this session was Senate File 1, a disaster assistance bill for dozens of counties hit hard by damaging flooding last year. Thanks to an appropriation of \$9.635 million, the state will have access to a 75% federal match from FEMA. Several communities that suffered damage from the flooding did not qualify for federal assistance; those areas will see \$1.4 million in Minnesota funding, in accordance with the state's long history of aiding local communities at a higher level than provided by official FEMA disaster relief. An additional state appropriation of \$3 million will be utilized for a matching grant from the Federal Highway Administration to finish much-needed repairs on washed-out roads and other infrastructure. The Board of Water and Soil Resources will receive \$2.476 million for erosion, sediment, and water quality control.

**STATUS: The bill was signed into law. (S.F. 1)**

## Deficiency Funding Bill

The Minnesota Security Hospital and the Minnesota Zoo are two recipients of an appropriation through a \$15.45 million deficiency bill signed into law. The bill provides sufficient funding to state departments and public assets which have incurred unexpected costs that would have hampered their performance if the state didn't act by the end of the fiscal year.

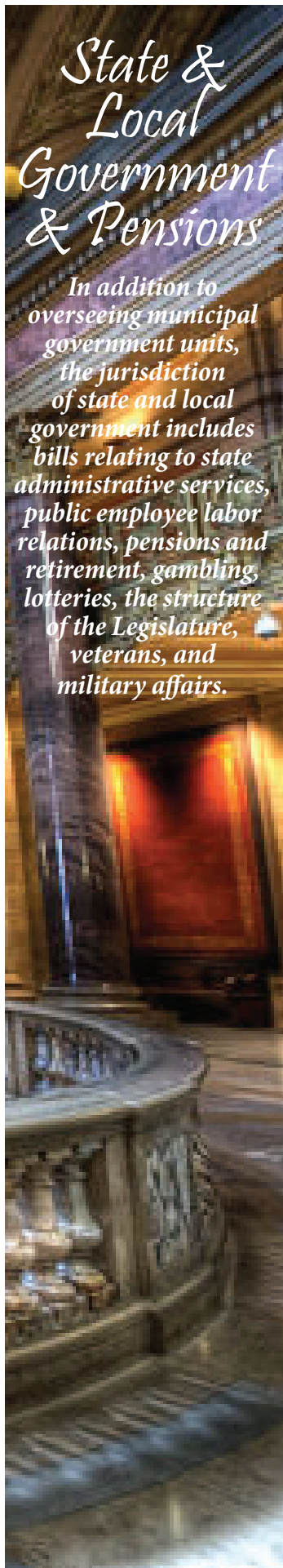
The Minnesota Security Hospital (MSH) required an additional \$10.4 million to cover costs associated with improving the hospital's ability to appropriately treat patients and protect staff. Separating the admitting area from the crisis unit cost \$600,000. In an attempt to bolster both safety and care, staff are required to receive best practice training for \$1.2 million. Perhaps most importantly, almost 60 security counselors have been added, costing the facility \$8.2 million. The MSH is the only secure facility in the state equipped to assess and treat persons with severe mental health disorders who are considered a danger to the community.

The Minnesota Zoo has received a \$1.35 million appropriation in the 2015 Deficiency bill to maintain operations after declining attendance and unexpected expenses left a hole in their budget. The zoo has made \$500,000 in cuts in an attempt to align operating costs with revenue generated. If the emergency funds were not appropriated, the zoo would have experienced operation disruptions, have to close exhibits, and lay off staff. The DNR also received deficiency funding, and \$2 million was appropriated for grants to hospitals and the Emergency Medical Services Regulatory Board for Ebola preparedness expenditures.

Through the process, the deficiency bill became mired in debate when lawmakers used it as a vehicle to change Gov. Dayton's salary increases for state agency heads. Two years ago, the legislature changed state law so that the governor could pay Commissioners up to 133% of his salary. Previous law capped the limit at 95% for most Commissioners. Under the bill, the governor would be required to seek legislative approval for future agency head pay raises, effective July 2, 2015. Currently, the Commissioner's salaries are frozen at the 2014 level. However, on July 1, 2015 only—the start of the new fiscal year—the governor may act on the raises without legislative consent.

**STATUS: The bill was signed into law. See also: Health and Human Services (S.F. 174)**





## Online Lottery Sales Ban

This bill prohibits the Minnesota Lottery from distributing or selling online lottery games, digital lottery games at gas station kiosks and ATMs, and casino-style games. Last session, the Legislature passed gambling prohibitions included in a technical bill supported by Allied Charities of Minnesota that was vetoed by Governor Dayton. This year's bill includes many of the same provisions as last session, including the gambling prohibitions and requested Allied Charities changes. The purpose is to send a strong message to the Lottery that the legislature needs to oversee any future expansion of gaming in Minnesota.

According to Senate Counsel and the Lottery, the Lottery will have to negotiate a financial settlement to the vendor of the online scratch-offs, Scientific Games (SGI), for the expenses SGI incurred creating and maintaining the online games. The negotiated payment, required in a 2012 amendment relating to e-scratch-offs to the original 2010 contract with SGI, appears to preempt a force majeure clause in the original SGI contract, which would have allowed the contract to expire without penalty as a result of legislative action. The amendment entitles SGI to fair compensation to recover their expenses due to a change in state law.

**STATUS: The Governor allowed it to become law by not vetoing the bill. (S.F. 188/S.F. 229)**

## STATE AND LOCAL GOVERNMENT BILLS THAT DID NOT PASS

### Legislative Budget Office

A proposal to create a legislative budget office is moving through the process that would oversee the creation and review of the fiscal impact estimates for proposed legislation. That would mark a departure from the current practice in which Minnesota Management & Budget (MMB) prepares the fiscal estimates lawmakers use to evaluate pending bills.

Under the proposal, however, executive branch agencies like the Agriculture, Education, and Transportation departments would still provide their cost estimates related to legislative proposals—the bill would simply change who reviews and approves the notes by passing that responsibility to the legislative budget office rather than the executive branch through MMB. (S.F. 1304)

## PENSIONS

### Omnibus Retirement Bill

The Legislative Commission on Pensions and Retirement (LCPR) is a bipartisan commission tasked with creating an omnibus retirement bill each session and delving into additional state pension issues throughout the interim.

The rate of return assumption is the assumed annual investment return for each of the pension plans based on historical market factors and the investment performance of the Board of Investment. The current 'select and ultimate' rate is a blended rate of 8.5% and 8%, which is scheduled to increase back to 8.5% in the next few years. The omnibus pension bill lowers the assumed rate of return to 8% for the Public Employee Retirement Association (PERA), Minnesota State Retirement System (MSRS), and the St. Paul Teachers Retirement Fund. This change provides a more conservative approach to assumed returns, but also affects the assumed future pension liabilities because the plans aren't predicted to



grow as much over time. However, MSRS testified this change will have less of an impact on retirees and active members if the assumed rates are lowered now.

Another provision alters the adjustment mechanism for cost-of-living-adjustments (COLAs) for retirees based on market value losses. Currently, COLA increases are triggered for pension plans when the funding ratio of plans are at high levels (typically over 90% funded based on market value). This bill would trigger a corresponding decrease in COLAs if the market value is below 85% for two years, or below 80% for one year.

The bill reduces aid payments to PERA for the 2010 Minneapolis Employees Retirement Fund (MERF) merger into PERA. The MERF fund within PERA has performed well, so less state aid is necessary over the next few decades. The Senate took the House position in the Omnibus Retirement Bill to continue the supplemental contribution level by employers (Minneapolis, Minneapolis school district, Hennepin County, etc.) to PERA. Currently, \$31 million per year is contributed by the Minneapolis employers and \$24 million is contributed by the state for a total of \$55 million. The House's position requires the state to provide \$6 million each year of the next biennium and the city employers to continue to pay \$31 million in supplemental aid for a combined total of \$37 million.

Individual and small group pension changes will be added to the omnibus retirement bill, in addition to reforms for local volunteer fire relief associations (VFRAs). One of the major proposals will allow monthly benefit VFRAs to join the statewide program for lump-sum VFRA plans administered by PERA. These plans are difficult for volunteer firefighters to manage and will be more easily administered by PERA.

**STATUS: The bill is awaiting the Governor's signature. (S.F. 1398)**

## Tax Conformity and the Destination Medical Center

The legislature worked together to quickly pass a \$20 million middle-class tax-relief package in the first 20 days of the 2015 Session. This means less confusion for taxpayers and tax preparers, and more tax savings for teachers, homeowners, small business owners, and thousands of other Minnesotans.

The Minnesota Legislature is faced with considering tax conformity each time Congress updates the federal tax code. There have been past sessions when the legislature has not been able to afford to conform to many federal tax benefits, creating headaches – and higher bills – for taxpayers. This year's quick conformity agreement is due in large part to the balanced budget passed in 2013.

In addition to the broad package of tax cuts, the bill includes language to clarify a 2013 law authorizing Rochester Destination Medical Center developments. The DMC legislation provides state aid to Rochester to help improve transportation, public spaces, and other amenities, but only after \$200 million in initial private investments have been made.

The original legislation intended the private investments to be calculated over the life of the project, but under the Attorney General's interpretation of the law the investments would be calculated on a yearly basis. This opinion could have required billions of dollars in additional investments and have made it difficult for the DMC project to ever receive state aid. This bill was needed to ensure statute accurately reflects the legislature's original intent.

**STATUS: The bill was signed into law. (H.F. 6/S.F. 50)**

## TAX PROVISIONS THAT DID NOT PASS

### Omnibus Tax Bill

The Minnesota Senate passed a bipartisan omnibus tax bill that provides property tax relief, addresses the statewide workforce housing crisis, and invests in getting unemployed veterans back to work. The bill passed the Senate Floor with a vote of 42-25, but stalled in conference committee due to Republicans' unwillingness to back off irresponsible tax cuts that would have left a \$4 billion hole in future budgets.

While the Senate was unable to pass its tax omnibus this session, the House tax bill was prevented from becoming law. The House bill included large tax cuts for corporations and the very wealthy that would grow over time and included provisions that would reverse Minnesota's progress toward a fairer tax system. The republican tax bill was larger than the state's project surplus, paid for in part by cuts in health care, affordable housing, and other critical services.

The Senate omnibus tax bill, which will remain open in conference committee and ready to be acted upon next session, provides \$268 million in tax relief and meets a total budget target of \$459.8 million for fiscal years 2016 and 2017.

***Provisions in the bill include:***

### Property Taxes

**Aids to local governments:** Since 1972, state aids to local governments have been a critical lifeline for local units of government to provide important services without having to rely solely on property tax payers to support local budgets. During the decade of budget deficits facing Minnesota, state aids suffered dramatic cuts and property taxes skyrocketed. After a decade of cuts, the bill returns Local Government Aid to pre-recession levels and adds stability to county budgets. An additional \$54 million investment in aids to

# Taxes

local governments helps cities, counties, and townships take pressure off local property taxes while continuing to improve local services.

**Property tax relief:** The tax bill property tax relief to every type of property in the state. First, homeowners and farmers who have experienced the highest property tax increase will qualify for additional property tax refunds. The threshold to qualify for the Targeting Refund, which is open to every homeowner regardless of income, is decreased from 12% to a 10% annual increase in property taxes. A similar Agricultural Land Targeting Refund is established for farmers who have seen property taxes increase by 8% or \$200 over the year.

**Business property tax payers** will see a projected property tax reduction, partly due to a \$93 million reduction in the statewide General Levy. A small class rate adjustment on these properties helps deliver widespread relief to every property type. The average property tax reduction will be 2.2% for homeowners, 2.1% for agricultural homesteads, and 4.3% for cabin owners. Smaller business owners will see an average 2.8% cut. The property tax decrease for apartments – a factor in maintaining affordable rents – should be 2.4%.

**Railroad property taxes:** Increased rail traffic presents new costs and concerns for Minnesota's cities, counties, and townships. Because they cover so many jurisdictions, railroads must be assessed by the state instead of by local governments. This bill changes how rail property is assessed by updating methodologies to consider the modern rail economy. The tax bill modernizes these assessments by allowing rail cars and rolling stock to be considered taxable property and adds that property to the general levy tax base.

## Responsible Governing

**Repaying the LGA shift:** Local Government Aid payments – which are currently sent in July and December – will be restored to March, July, September, and November. The four-times-per-year payment schedule was removed as a shift to balance a budget deficit, as eliminating the March payment pushed the obligation into the next fiscal year. Restoring the four-times-per-year schedule provides tools for future legislatures facing a deficit and adds responsibility to the state's budget.

**Budget reserve report:** This bill changes the timing of Minnesota Management and Budget's budget reserve report so the most recent legislative changes are taken into effect. This is necessary to ensure November forecast surplus decisions are adequately informed. The bill also increases the state's budget reserves by \$250,000 in order to better prepare for future deficits.

**Accelerated sales tax payments:** Businesses with annual sales tax liabilities over \$250,000 must currently submit 81.4% of their June sales tax liabilities before the close of the Fiscal Year on June 30. This is a budget shift mechanism that has been used several times since the 1980s to artificially balance the state's budget. The Senate Omnibus Tax Bill reduces this shift percentage to 80%, providing additional cash-flow relief to about 2,300 Minnesota businesses.

## Workforce Development

**Veterans Jobs Tax Credit:** Minnesota has one of the highest veteran unemployment rates in the nation – about 1.5% higher than the state rate of unemployment. Under the Veterans Jobs Tax Credit, employers could claim up to a \$2,500 tax credit for each qualified unemployed veteran hired in a year. The credit would be equal to 10% of wages paid to the new employee. The omnibus tax bill also creates a similarly-valued grant program for nonprofits and local governments that hire unemployed veterans.

**Research and Development Tax Credit expansion:** The tax bill expands use of the state's current R&D Tax Credit to sole proprietors. It also allows the first \$15,000 of qualified expenditures to be refundable – a unique, attractive quality



of Minnesota's credit that disappeared in 2013. The R&D credit has proven to be particularly effective at attracting and creating high-tech, high-paying jobs.

**Workforce housing:** This bill addresses the statewide workforce housing crisis by allowing cities to create Workforce Housing TIF districts and creating a Workforce Housing Tax Credit for workforce housing projects outside the 14-county metropolitan area. The tax credit is equal to one-third of qualified investments made by project investors and the maximum credit is \$1 million. Approved TIF districts must meet housing vacancy standards and be located within 15 miles of a business with 20 or more full-time employees. This provision will help cities provide affordable housing so Greater Minnesota businesses can attract and retain the highly skilled workers they need.

**Telecommunication equipment sales taxes:** Some machinery and equipment used directly by a telecommunications, cable television, or direct satellite service provider is currently exempt from sales and use tax in Minnesota. The Senate tax bill would expand the exemption to fiber and conduit. These items are especially important in deploying broadband throughout Minnesota. The Governor's Task Force on Broadband has recommended extending this sales tax relief to modern technology to help reach Minnesota's ambitious broadband goals.

**Income tax reciprocity:** This bipartisan proposal provides conditions to reinstate income tax reciprocity with Wisconsin, a condition that has not existed since 2009 when Gov. Pawlenty ended the agreement. Under the reciprocity agreement, residents of Minnesota who work in Wisconsin (and vice versa) pay income taxes only to their state of residence, regardless of where the income was earned. Minnesota would pay Wisconsin for a portion of that state's lost revenue, and Wisconsin would do the same for Minnesota.

**Defining residency:** This bill limits the list of items that may be taken into consideration when determining residency for income tax purposes. The location of an individual's attorney, CPA, or financial advisor and the place of business of a financial institution at which the individual applies for a new type of credit or opens or maintains an account may no longer be considered when determining a place of residency. The proposal also defines the terms "financial advisor" and "financial institution."

## Children and Working Families

**K-12 Education Credit expansion:** The K-12 credit helps families who are paying early childhood and school-related expenses. The expansion will reach 16,800 new families and save the average taxpayer \$285 each year. In addition, money paid for Head Start or public pre-K programs is now eligible for the credit, helping working families better afford quality early childhood education.

**Minnesota College Savings Plan Credit:** Thirty-three other states have tax incentives to help families save for college. Minnesota's incentive disappeared during past budget deficits, but this bill reinvests in that priority and makes it easier for families to save for college. The omnibus tax bill establishes a maximum credit of \$500 per year for qualified contributions to Minnesota's college savings plan. Families could earn up to 200% of contributions to the savings plan – a percentage that decreases as a family's income increases, up to \$160,000. The credit is not refundable, but any unused portion of the credit is deposited back into the taxpayer's college savings plan.

**Out-of-home placement costs:** In 1978, the Indian Child Welfare Act was enacted due to the high number of Native American children being removed from their homes through the social service system. This federal law has financially impacted Minnesota counties with a high number of Native American children. To ease the burden on the counties, this bill authorizes the state to reimburse counties for the cost of out of home placement procedures in accordance with the ICWA.

# Taxes

## Business Taxes

**Energy Production taxes:** Minnesota has spent the last several decades developing policies for energy production taxes. The Senate Omnibus Tax Bill significantly reforms the way electric generation machinery and equipment is valued for property tax purposes, aiming for more clarity and consistency among all utilities. The bill eliminates the personal property tax and the pollution control exemption on personal property that is part of an electric generation system and establishes a new valuation system for electric generation equipment. The bill does not change the way wind and solar production taxes are calculated and assessed.

**Business property tax cuts:** The Senate tax bill gives business property a \$69 million tax reduction through changes in the general levy. The slight class rate increase is what provides property tax relief to all property taxpayers because it takes pressure off homeowners, farmers, and other properties. See the “Property tax” section for more information.

## Sales Taxes

**Nonprofit sales taxes:** Federal statute currently qualifies nonprofits for income tax protection, but it does not necessarily guarantee sales tax-exempt status for 501(c)3 organizations. The Senate tax bill changes Minnesota statute so all federally designated 501(c)3 nonprofit organizations would be exempt from sales taxes.

**Tickets to high school events:** Admission to high school events has been exempt from sales tax for decades, but post-season tournaments and other Minnesota State High School League-sponsored events were not included in the exemption until 2006. At that time, lawmakers put a sunset on the exemption, which is scheduled to be effective July 1. The activities affected include post-season tournaments for athletics, arts, and activities for public and private schools across the state. MSHSL officials stressed that money saved from the sales tax exemption is returned directly back to the community for programs such as financial assistance for students who find the cost of participating in an MSHSL activity to be prohibitive.

**Car seats sales tax exemption:** Minnesota’s child passenger safety law requires all children under the age of eight years old or shorter than 4’9” to be fastened in a child safety or booster seat. The fine for not securing children in car seats is \$50, but can exceed \$100 after other fines are added. The average cost of car seats is \$90, and the Department of Public Safety does not recommend purchasing seats from garage sales and re-sale shops. This bill adds car seats to the numerous items for infants that are currently exempt from the sales tax.

**Sales tax exemption for bullion:** Precious metal bullion sales are treated like other investments and exempt from sales taxes in this bill. Thirty other states offer some type of exemption on these sales, and say Minnesota’s sales tax are harming Minnesota brokerages that are forced to compete against the other states.

**STATUS: The Omnibus bill did not become law. (H.F. 848)**

## OTHER ITEMS THAT DID NOT PASS

### Corporate franchise tax transfers

A bill was heard by the Senate Tax Committee to encourage entrepreneurs by providing Minnesota start-ups with cash to help offset their initial costs. Under this bill, corporations can purchase unused Minnesota Net Operating Loss carryovers from emerging technology and biotech start-up businesses. Purchasing companies would receive tax credits equal to the amount of the

tax benefits being transferred, and smaller companies would receive cash to help offset initial start-up costs. This bill allows small start-ups to have some cash flow during their early stages, while providing tax benefits to larger corporations also settled in Minnesota. (S.F. 1253)

## Angel Investment Tax Credit

The Small Business Investment Tax Credit – commonly known as the Angel Investment Tax Credit – was enacted in 2010 and is another mechanism to help start-up businesses in Minnesota. The current credit is set to sunset after 2016. The Tax Reform Division heard three bills that would extend that deadline as well as adjust the annual appropriation, timeline, and business targets. (S.F. 119/S.F. 185/S.F. 186)

## Scholarship and Fellowship Grants

Scholarships and fellowship grants are currently two of several nontaxable items that must be added back into household income in order to determine Minnesota property tax refund eligibility. A Tax Committee proposal would remove that requirement and reduce the reported household income for filers with scholarships or fellowship grant income. This would expand the number of people who qualify and could increase the amount of refunds for which they qualify. (S.F. 226)

## This Old House and This Old Shop

A proposal to resurrect and add to a property tax exclusion first enacted in 1993 – commonly referred to as “This Old House” – would allow certain improvements to be fully or partially excluded from a home or commercial property’s value for assessment purposes. The credits were originally created as an incentive for owners of older homes to renovate them and preserve or revitalize older neighborhoods. The exclusions would exist for 10 years or until the property is sold. (S.F. 208/S.F. 319)

## Estate Taxes

In 2014, the Minnesota Legislature made the first substantive changes to the estate tax brackets since 2001. As a result, Minnesota’s estate tax exclusion is currently increasing in \$200,000 increments every tax year through 2018, up to a maximum exclusion of \$2 million. While a significant increase, that is still about \$3 million less than the total estate value subject to the federal estate tax. The Department of Revenue estimates about 800 people – those with total estates valued at more than \$1.4 million for 2015 – will be subject to the Minnesota estate tax this year. If the state matched the federal exclusion, about 100 taxpayers would still owe tax. Three bills heard by the Senate Tax Committee would adjust the state’s policy to conform to the federal estate tax exclusion – currently \$5.43 million and indexed for inflation. (S.F. 1623/S.F. 743/S.F. 198)

## Social Security Income Taxes

The Tax Reform Division considered four bills that would allow Social Security income included in federal taxable income to be subtracted for Minnesota tax purposes. Called the “Retire in Minnesota Act,” authors claim the bills will save senior citizens an average of \$600 a year and discourage them from moving to other states. Minnesota is already foregoing \$489 million this biennium to fund the Social Security tax exemptions that currently exist. Right now, only seniors reaching certain income levels are subject to tax on their Social Security benefits. Extending a complete subtraction to all Minnesota seniors would cost more than \$400 million every year. (S.F. 123/S.F. 256/S.F. 124/S.F. 254)



# Transportation & Public Safety

*Stable and long term investments in transportation is necessary to address our vast needs.*

## Minnesota's Need for Transportation Funding

Minnesota's underfunded transportation network has been a major priority of the Senate, House and Governor in the 2015 Legislative Session. As the state continues to grow, our roads and bridges are struggling to keep up, and growing needs for transit and other options are going unmet.

According to the Governor's Transportation Finance Advisory Committee (TFAC), the state is projected to have a \$21.2 billion dollar funding gap over the next 20 years for our transportation system just to maintain the status quo, and a \$54.6 billion shortfall if we want to compete internationally. The Senate legislation prioritizes road and bridge repair, expands economic corridors across the state, and increases the ability of all Minnesotans to get where they need to go in rural, suburban, and metro areas.

## "Lights On Plus" Funding Bill and Omnibus Policy Bill

This is the lights-on plus bill agreed upon by the Senate and the House, providing an additional \$30 million from the general fund. Appropriations are included for greater Minnesota transit, rail grade crossing safety, funding for small cities' roads, and other specific initiatives. It also includes an increase for Airports Development assistance and more funding over the biennium for the Trunk Highway Fund.

The bill also consists of numerous agency and member provisions, many of which passed out of committee with little controversy. This package consists of many local issues, agency priorities, and other updates and reforms. This includes rail safety, reforms and updates to current statute, various changes in regulations to road usage, and other local priorities.

**STATUS: The bill is awaiting the Governor's signature. (S.F. 1647)**

## Limiting Eminent Domain Powers of a Railroad Company or Corporation

As concerns rise around the length of trains and their effects on first responders getting to emergency situations quickly and effectively, public officials are looking for more tools to reduce blocked road connections. This bill is one way to address this issue.

The legislation limits the eminent domain power of a railroad corporation or company can exercise over property owned by Hennepin County, the Hennepin County Housing and Redevelopment Authority, or the Hennepin County Regional Railroad Authority if the government power, by resolution, determines that the public safety or access of first responders would be negatively affected.

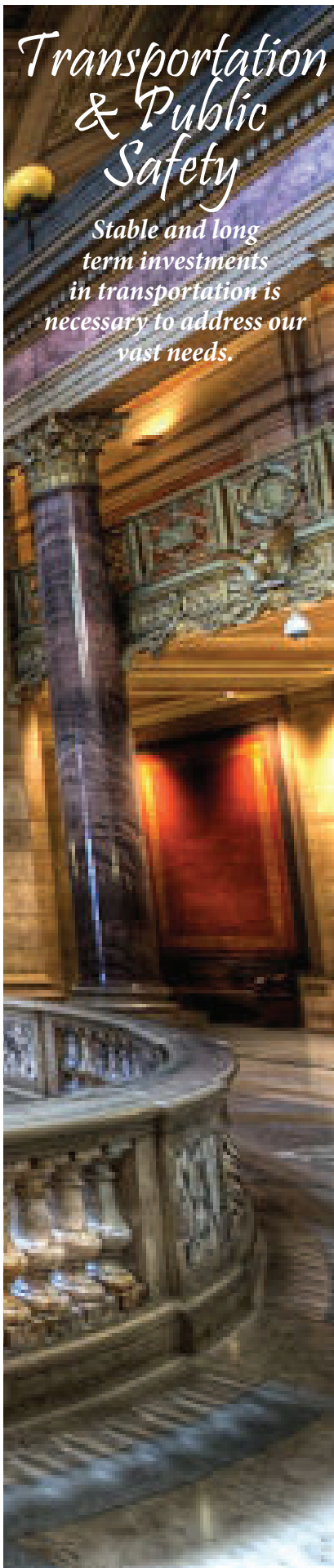
**STATUS: The bill is awaiting the Governor's signature. (S.F. 1251)**

## Texting While Driving

The committee adopted amended language regarding secondary violations of the prohibition on texting while driving. The Senate originally had a \$300 fine for the second and subsequent violations, but it was lowered to \$225 with added House language having the standard \$75 surcharge included in the total fine calculation –\$300 total with the surcharge.

**STATUS: The bill is awaiting the Governor's signature. (S.F. 1556)**





## Electronic Proof of Auto Insurance

Minnesota will now join a list of 37 other states allowing electronic proof of insurance thanks to an update in state law. As more drivers are using apps rather than paper forms, Minnesota law need to reflect the 21st century and this is an easy and convenient way to insurance status.

Currently, a lack of clarity around electronic insurance has resulted in some drivers being given a citation for not carrying proof of insurance. However, many insurance companies offer cell phone apps that allow insurance to be shown on the phone. Updating the law will ensure both law enforcement and drivers know that electronic proof of insurance is a valid method of showing proof of insurance.

The bill also states that in a traffic stop, police officers would only be using a drivers phone to view their insurance. Also, if in the handling of the phone it falls and is damaged, the police officer is not liable for any damages – as long as the officer handled it appropriately.

**STATUS: The bill is awaiting the Governor's signature. (H.F. 307**

## Expanding Railroad Responsibility

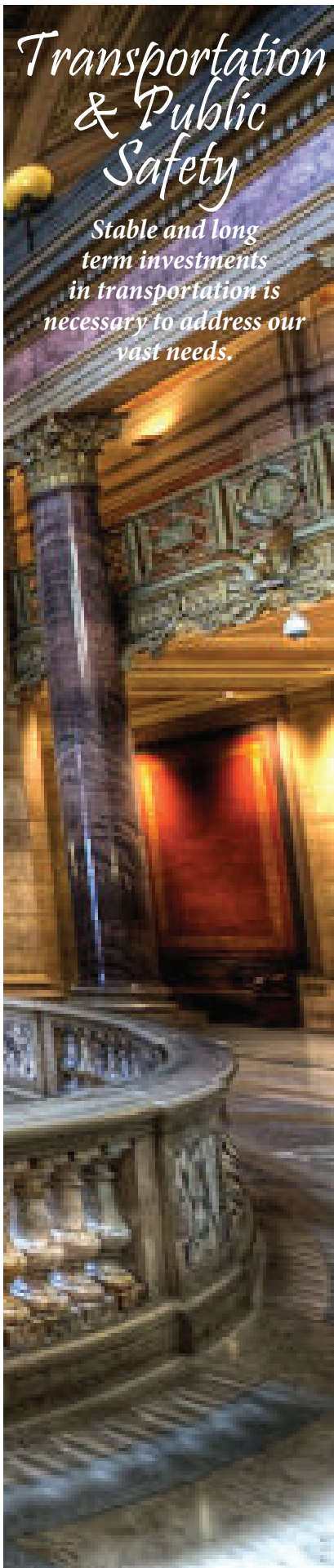
One piece of legislation heard this year would play a pivotal role in increasing the protections for communities along rail lines. The bill updates statute so that railroad corporations are responsible for damages to every person and private or public entity whose property would be potentially damaged by fire caused by railroads. The fire must be spread or caused by the rolling stock, or the contents of the rolling stock, a spill, tear, discharge, or combustion of train contents.

The second component holds railroads liable for response expenses when a fire or other emergency is caused by a railroad locomotive, a train car, or employees on a railroad right-of-way, operating property, or other property. If a fire department or other emergency responder responds and deems a railroad responsible under this provision, they must give the railroad notice within 60 days. If the railroad refuses to repay the expenses, the claimant may recover, by civil action, various expenses outlined in the bill. There is also a section outlining necessary expense claim information.

This bill updates statutes to ensure the public will be protected from expenses for emergencies caused by railroad operations, like the derailments and explosions that have occurred across the US and Canada.

This bill would also add to the railroad safety reforms the Legislature passed last session.

The changes were aimed at ensuring communities along the rail lines would be prepared to respond to emergency situations. The rail safety package last year included requiring railroad companies to submit disaster prevention and emergency plans, increased the number of state rail inspectors, codified derailment and spill response times, and provided additional emergency response training for local emergency responders. (S.F. 1705)



## DID NOT PASS

### Transportation Omnibus Finance Bill

The Governor and the Senate have a shared vision to provide sustainable dedicated transportation funding for a comprehensive plan, but the House was adamantly opposed to any revenue increases to pay for it. Minnesotans expect and deserve a 21st century transportation network. The House Republican transportation plan relied on taking resources away from educating our kids, our most vulnerable citizens, and other shared priorities. Transportation projects require long-term, dedicated funding and the House plan did not offer that--unfortunately that meant we were unable to get the plan our transportation system requires.

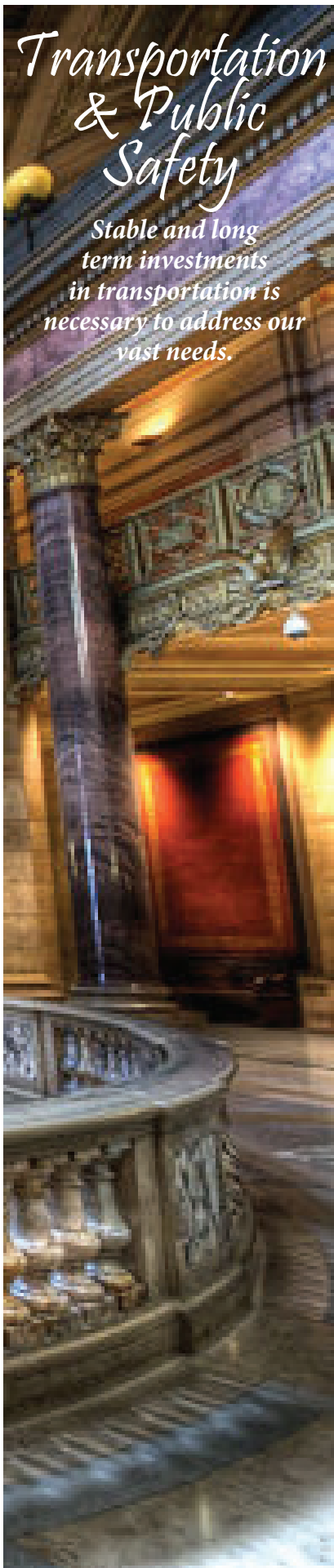
The Senate's Transportation Omnibus Finance Bill raises new, sustained, and dedicated funding to invest in Minnesota's transportation network. The bill is a comprehensive and honest funding plan that dedicates new funding without shifts or gimmicks to maintain our existing network, invest in priority projects, and expand transit options to make our communities more livable for everyone. Additionally, the bill funds much needed safety improvements and upgrades to the state's rail network as increased demand and pressure has sharply increased freight rail volume.

#### *Some highlights of the Finance Bill:*

- Gross Receipts Tax of 6.5% at the wholesale level constitutionally dedicated to the Highway User Tax Distribution Fund – raising approximately \$787 million over the biennium.
- Vehicle Registration Tax increase to 1.5% while increasing the base tax to \$20 in 2018 while adding a late fee to \$25 a month capped at \$100 – raising approximately \$195 million over the biennium.
- Metro Transit Sales Tax increase from ¼ cent to 1 cent sales tax in 5 metro counties – raising approximately \$599 million over the biennium.
- Additional fees raising approximately \$128 million over the biennium.
- This increased funding will allow the state to take on more bonding capacity, allowing an additional \$800 million for the Corridors of Commerce program over the next four years, while allowing increased Trunk Highway Bonding.
- An additional \$200 million for Transportation and Economic Development (TED) bonding.
- The bill invests \$32.5 million annually to make safety upgrades and improvements to the state's existing rail network where crude oil and other hazardous materials are transported and creates an Office of Rail Safety at MnDOT.
- "Driver's License for All" allowing undocumented individuals to obtain a Minnesota driving license.

The bill addresses long-term transportation funding without taking money from other priorities, and will help the state create a 21st century transportation network that supports the growing demands of our aging transportation network.

**STATUS: The Conference Committee on H.F. 4, the Transportation Omnibus Finance bill, remains open. It could be taken up in the next legislative session. (H.F. 4)**



## Improving Minnesota's Railroads

Minnesota's railroads are seeing an unprecedented burst in usage and pressure as North Dakota's oil boom continues. Many of Minnesota's rail lines are at capacity, and with the freight lines also seeing increased use thanks to agriculture and other commodities, there have been calls for action at the legislature to relieve this burden. Multiple oil train derailments and other hazardous spills have occurred across the country, including one in early May, creating more urgency for legislative actions.

Last year, the Legislature passed measures to help communities respond to potential emergencies related to transporting oil and other hazardous materials through Minnesota. Concerns around congestion were also brought up last fall in a joint hearing of the Senate Transportation, Commerce, and Jobs committees, and the House committee counterparts. Many believe increased oil freight traffic on the rails is leading to unintended effects on many industries throughout the state. Minnesota's agriculture industry is seeing higher shipping costs in part because of increased oil rail traffic. The Department of Agriculture estimated that \$100 million in revenue was lost by Minnesota corn, soybean, and wheat growers last spring alone. Also, passenger rail like Amtrak and the North Star Line are experiencing significant service delays and accompanying ridership reductions.

## Bills to Support Improved Railroad Safety

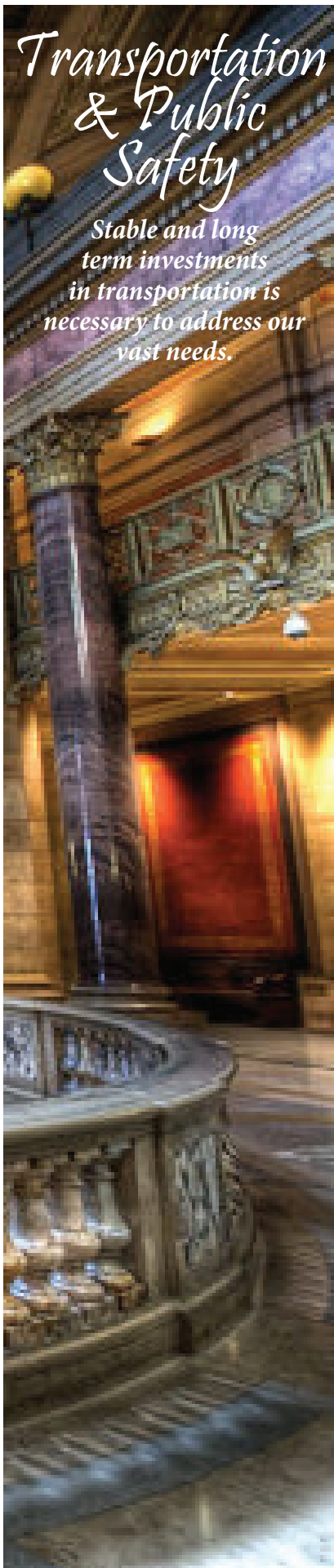
### Increasing Crews for Freight Rail Transport

Many of the freight rail trains that are traveling across the state are currently operated by crews of only one person. As the volume of freight increases on the state's rails, these crews are responsible for the safe transport of not only commodities, but often hazardous materials, including oil. Some are concerned that one person may not be enough to ensure safe passage for these trains, and by adding a requirement for two-person crews, a second level of safety is added to ensure safe passage.

This legislation is similar to legislation that was passed in Wisconsin that requires two person crews, and the Federal Rail Authority announced it was intending to require two person crews for freight rail carrying crude oil. Legislation of this sort has been introduced in 14 other states concerned with rail safety, and has been passed in Arizona and Wisconsin. With a second crew member on each train, proponents believe this measure provides one more level of safety and one more level of oversight for these trains. (S.F. 918)

## Crystal and Hennepin County Railroad Legislation

Several bills heard this session surround a railroad project in Crystal, Minnesota that could have broad implications around the state. The project is a connector track at an intersection between BNSF and Canadian Pacific (CP) railroad lines. The trains do not currently connect the two tracks allowing trains running east-west (CP track) to turn south (BNSF track). Currently about 24 trains a day travel on east-west CP track and a few per week go on the north-south BNSF track.



If the connector is built, the track would see a large increase in its volume of trains running north-south. This concerns many local officials, as it would allow mile-long trains carrying oil and potentially other hazardous materials through Theo Wirth Park, across I-94, near Target Field, and through downtown Minneapolis.

The proposed track would also affect first responders trying to get to emergencies in Crystal and Robbinsdale. The new track would block numerous at-grade crossings, which due to the increased volume and the increased length of trains, would require first responders to add roughly two to three miles to their trips from the south side of Crystal, where the first responders are housed, to the north side.

An additional concern is the effects of this proposal on several local businesses. There are three businesses on the path of the new connector that would have to be moved in order for the project to be completed.

The three pieces of legislation surrounding this project seek to delay or move the project to a different area. Of the three bills looking to address the communities' concerns, one provision did make it into the Omnibus State Government, Veterans and Military Affairs Appropriation Bill (S.F. 888). ***Please see the "Limiting Eminent Domain Powers of a Railroad Company or Corporation" section above for a description.***

## Resolution for an Environmental Impact Statement

The first piece of legislation is a resolution on behalf of the Minnesota legislature urging the Surface Transportation Board (STB) to order BNSF and Canadian Pacific to complete an environmental impact statement prior to acquiring land, completing final design, or beginning construction of a railroad connector track in the City of Crystal. (S.F. 866)

## Requiring an Environmental Impact Statement

This legislation sets specific parameters when an EIS must be completed on the project. Under the legislation, MnDOT would complete the EIS, and no construction would begin and no governmental decision granting authority for the project may occur until the Commissioner deems the EIS is adequate. This would ensure a thorough environmental review is performed before a project like this changes the character of the community. (S.F. 1074)

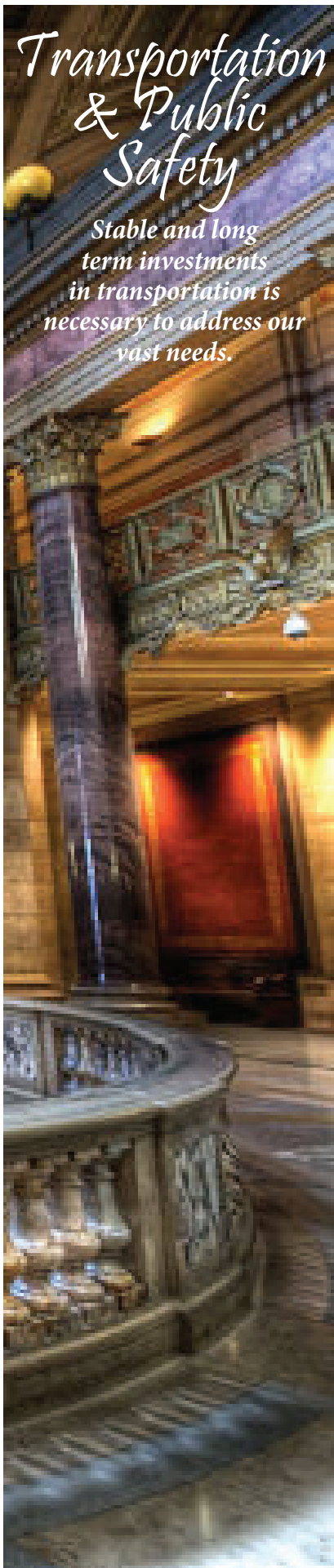
## Uninsured Drivers

Legislation was passed to crack down on uninsured drivers by not allowing re-registration if they are without insurance. The bill specifies that proof of insurance is demonstrated by providing the insurance company's name, policy number, and policy expiration date for the motor vehicle or motorcycle - the same information that is on insurance verification card.

Until 2003, DVS required drivers to provide their insurance card as part of the vehicle registration and renewal process. This program was discontinued when DVS did not have the resources to store and verify collected data. Currently, drivers who register, reregister, or transfer ownership only have to attest to having auto or motorcycle insurance without showing proof.

The Minnesota Association for Justice and the Insurance Federation of Minnesota testified in support of the bill which would go into effect Jan. 1, 2016. (S.F. 1108)





## Drivers' Licenses for All

To help ensure safer roads for Minnesota, legislation was passed to reduce barriers for Minnesotans to get a valid drivers' license.

The bill changes the types of documents needed for people to use as a form of identification that is accepted to receive drivers' licenses. The bill allows Minnesota ID, provisional, and driver's license applicants to:

- Use a valid unexpired passport from another country that shows a photo of the cardholder;
- A certified birth certificate that matches the passport;
- Both the unexpired passport and certified birth certificate must have security measures making it difficult to alter the document;
- Any foreign governmental identification document not in English must have an English translation

Additionally, the bill repeals the requirement of US citizenship, short-term admission to the US, and authorized presence status. The bill also removes the status check date which shows the lawful period someone is allowed to be in the country. It will no longer be required to be shown on the driver's license or ID, which would affect license and ID renewal.

An amendment was accepted to clarify that a "Driving Card" means a class D driver's license, provisional license, instructional permit, motorcycle permit, and motorcycle instruction permit (which would not be eligible for voter registration). The card must be designed to say "FOR DRIVING ONLY" on the back, whereas a Minnesota ID card must say "FOR IDENTITY ONLY". The bill also requires the Secretary of State to notify county auditors that these cards cannot be used for voter registration, and these auditors would inform election judges not to accept them.

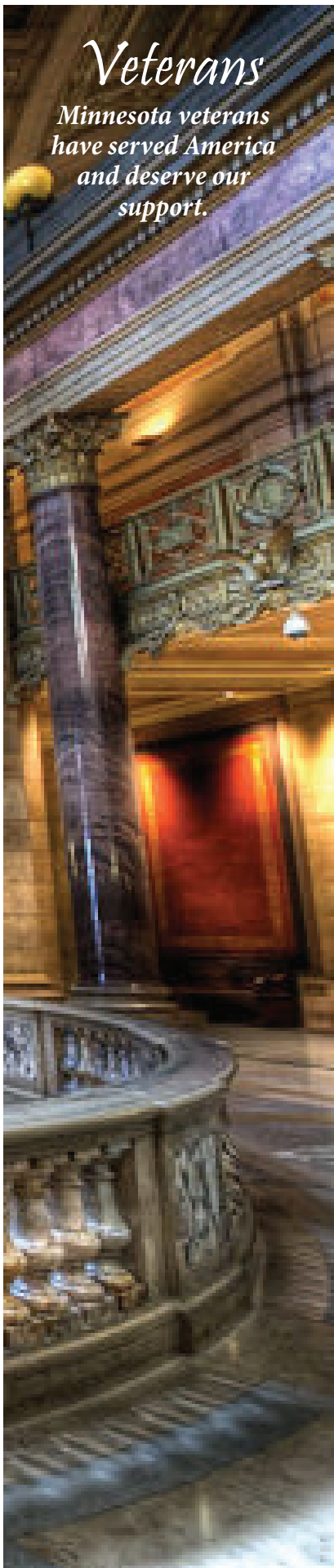
According to the Department of Public Safety, the only changes this law would have is that an applicant could then issue a driver's license or ID with a valid unexpired passport and a certified birth certificate from another country. Any previous steps applicants would have to make to receive a card remain in place.

The bill is very similar to a bill which passed the Senate in 2013; however, due to House inaction the legislation did not become law. (S.F. 224)

## Increasing Worker Safety on MN's Roads

The workers who maintain and repair Minnesota's sprawling road network saw great efforts to improve their safety in the last biennium. This year, further legislation was heard to increase safety and offer stiffer penalties for people who violate workplace safety rules.

This bill would allow a peace officer to stop and issue a citation to a driver if the officer has probable cause to believe that a driver has disobeyed a work zone flagger within the last 4 hours, the position that is one of the most vulnerable positions for workers. (S.F. 1393)



## Veterans Funding

There is a substantial \$17 million in new investments for Minnesota's veterans to help care for our veterans. The Department of Veterans Affairs is given greater authority to distribute grant dollars from the Support Our Troops Fund to organizations that improve the lives of veterans and their families.

**STATUS: The bill is awaiting the Governor's signature. (S.F. 888)**

## Free Hunting Permits for Veterans' Home Residents

Legislation to permit any veterans' home resident to hunt and take antlerless deer using a firearm or muzzleloader without a permit is making its way through the legislature. A person could help the veteran, but the assistant must not shoot the deer.

**STATUS: The bill is awaiting the Governor's signature. (S.F. 1020)**

## BILLS THAT DID NOT PASS

### Purple Heart Driver's License Designation

Minnesotans who have earned a Purple Heart would be able to show their recognition every time they display their driver's license or state identification card if this legislation becomes law. The proposal would add an optional Purple Heart designation license to those documents and would also permit free daily or annual access to state parks and trails to holders of a driver's license or state identification card with the Purple Heart designation. Minnesota already has special designation on driver's licenses for veterans, seniors, for 100% disabled veterans, and multiple others. The Purple Heart designation would be added when recipients renew their state identification cards.(S.F. 345)

### Encouraging Businesses to Hire Veterans

Minnesota's 370,000 veterans are finding work at better rates in 2014 than even a year ago, but veterans' unemployment rates are still higher than the state average of 3.7%. This session, legislation has been introduced to create a new veterans hiring tax credit aimed at further lowering veteran unemployment.

Not only does the legislation incentivize businesses to hire under- and unemployed veterans, but disabled veterans as well. While similar tax relief measures exist at the federal level, this bill would represent the boldest step in Minnesota to encourage private-sector veteran hiring. These veterans basically leave their jobs behind when they go overseas to fight, and when they return the unemployment rate they face is unacceptable. Supporters argue that we owe them a job and a renewed sense of purpose when they finally return.

The bill has strong support from a number of veteran advocacy groups, and is listed as one of the top legislative priorities for the United Veterans Legislative Council (UVLC) and the Military Action Group (MAG), two veterans' organizations that advocate for veterans issues at the Capitol. See also the Tax Section.(S.F. 888)