



Minnesota State Colleges & Universities

# Mandates and Curiosities

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## **Mandates and Curiosities**

### **2010 Session**

This publication is designed to highlight and explain legislation that affects the Minnesota State Colleges and Universities system. All relevant bills are included with a summary. Readers are cautioned against relying on summaries alone. When a detailed understanding of a new law is required, refer directly to the actual law.

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## OMNIBUS BONDING BILL

### H.F. 2700 (Chapter 189)

*SUMMARY:* The omnibus bonding bill contains language to fund construction of state financed facilities, as well as remodeling and renovation of existing buildings. Early in the session, lawmakers passed a \$1 billion bonding bill, which included \$305.9 million in projects and repair and replacement for the Minnesota State Colleges and Universities system. Gov. Pawlenty indicated he would veto the bill due to its large size, so legislators held back the bonding bill in order to try and reach a compromise. The bill was revised with projects the governor wanted for a total of \$999.6 million. The new bill included \$239 million for the system, which was a reduction of \$66 million. Of the \$239 million, \$52 million was for repair and replacement of already existing buildings. Gov. Tim Pawlenty line-item vetoed the bonding bill to \$680 million and cut 16 projects from the system, which brought the total for the system down to \$106 million. The line-item vetoes include:

- Anoka Ramsey Community College fine arts building renovation - \$5,357,000
- Anoka Ramsey Community College bioscience and allied health addition - \$400,000 (original request was \$16,484,000)
- Hennepin Technical College learning resource center - \$10,566,000
- Minneapolis Community and Technical College workforce program renovation - \$12,990,000
- Ridgewater College lab construction and renovation - \$14,300,000
- South Central College, Faribault classroom renovation and addition - \$13,360,000
- North Hennepin Community College bioscience and health careers center addition - \$600,000 (original request was \$26,581)
- Minnesota State University Moorhead Livingston Lord library and information technology renovation - \$14,901
- Southwest Minnesota State University science lab renovation - \$200,000 (original request was \$5,666,000)
- St. Cloud State University integrated science and engineering laboratory facility - \$42,334,000
- Dakota County Technical College transportation and emerging technologies lab renovation - \$300,000 (original request was \$7,230,000)
- Rochester Community and Technical College workforce center co-location - \$3,238,000
- System wide initiative (nine campuses) for renovation of STEM classrooms - \$4,835,000
- Minnesota State University, Mankato clinical science building design - \$1,908,000
- Minnesota West Community and Technical College, Canby wind turbine training facility - \$200,000
- Mesabi Range Community and Technical College engineering program - \$3,000,000

Section

*Omnibus Bonding Bill*

<b>3</b>	<b>Minnesota State Colleges and Universities</b>	
	<b>Subd. 1. Total Appropriation</b>	\$239,920,000
	<b>Subd. 2. Higher Education Asset Preservation and Replacement</b>	\$52,000,000
	<b>Subd. 3. Alexandria Technical College</b>	\$200,000
	Design the library, student services and student commons building, and complete design for an infill addition.	
	<b>Subd. 4. Anoka Ramsey Community College - VETOED</b>	
	(a) Complete design and renovate, furnish, and equip the Fine Arts classroom and lab building.	\$5,357,000
	(b) Complete design of a Bioscience and Allied Health addition; renovation to support Science Technology and Math (STEM) and nursing program initiatives.	\$400,000
	<b>Subd. 5. Dakota County Technical College – VETOED</b>	\$300,000
	Complete design of the transportation and emerging technologies classrooms, laboratories, and related spaces.	
	<b>Subd. 6. Hennepin Technical College – VETOED</b>	\$10,566,000
	Renovate, furnish, and equip existing space at the Brooklyn Park and Eden Prairie campuses for a Library and Learning Resource Center and student services with an addition and new entrances at both campuses.	
	<b>Subd. 7. Lake Superior College</b>	\$12,098,000
	Construct, furnish, and equip a new Health and Science Center addition, and design renovation of existing spaces.	
	<b>Subd. 8. Metropolitan State University</b>	\$5,860,000
	Construct, furnish, and equip technology-enhanced classrooms and academic offices located above the power plant building. This appropriation includes money to demolish the power plant annex to enable the new construction.	
	<b>Subd. 9. Minneapolis Community and Technical College - VETOED</b>	\$12,990,000
	Complete design and renovate, furnish, and equip instructional space, support space, and infrastructure for workforce programs.	
	<b>Subd. 10. Minnesota State Community and Technical College, Moorhead</b>	\$5,448,000
	Complete design and construct, furnish, and equip a classroom and library addition, and demolish obsolete space.	
	<b>Subd. 11. Minnesota State University, Mankato – VETOED</b>	\$1,908,000

- Design for construction of a Clinical Science Building.
- Subd. 12. Minnesota State University Moorhead – VETOED** \$14,901,000  
Complete design, and renovate, furnish, and equip Livingston Lord Library.
- Subd. 13. Minnesota West Community and Technical College, Canby - VETOED** \$200,000  
Preliminary engineering and design of a commercial scale wind turbine for the wind energy technology program.
- Subd. 14. NHED Mesabi Range Community and Technical College, Eveleth** \$5,477,000  
Construct, furnish and equip shop space for the industrial mechanical technology and carpentry programs. This appropriation includes funding for renovation of existing space for Americans with Disabilities Act compliance.
- Subd. 15. NHED Mesabi Range Community and Technical College, Virginia – VETOED** \$3,000,000  
Predesign, design, construct, furnish, and equip an addition to, and renovation of existing space for laboratories, flexible classrooms, and office space for the engineering program on the Virginia campus.
- Subd. 16. Normandale Community College** \$1,000,000  
Design a new building for classrooms and offices, and design renovation of the Student Services Building.
- Subd. 17. North Hennepin Community College**
- (a) Bioscience and health careers center addition – **VETOED** \$600,000  
Complete design of a new building for Bioscience and Health Careers Center laboratory and classroom space.
  - (b) Center for business and technology \$14,782,000  
Construct, furnish and equip an addition to the Center for Business and Technology, and renovate existing space for classrooms and related space.
- Subd. 18. Ridgewater Community and Technical College VETOED** \$14,300,000  
Design, renovate, furnish and equip classroom and existing instructional lab space; and construct an addition for circulation. This appropriation includes demolishing obsolete space.
- Subd. 19. Rochester Community and Technical College VETOED** \$8,500,000  
Workforce center co-location at the Heintz Center.
- Subd. 20. South Central College, Faribault – VETOED** \$13,360,000  
Complete design, and construct, furnish and equip an addition, and renovate space for classrooms, a

learning resource center, related spaces, and laboratories.

**Subd. 21. Southwest Minnesota State University – VETOED** \$200,000

Complete design of the Science and Math building renovation.

**Subd. 22. St. Cloud State University – VETOED** \$42,334,000

Complete design and construct, furnish, and equip

Integrated Science and Engineering Laboratory Facility.

**Subd. 23. St. Cloud Technical College** \$5,421,000

Complete design, and renovate, furnish and equip  
an Allied Health Center.

**Subd. 24. System wide classroom renovations and demolition** \$3,883,000

Design, renovate, furnish and equip classrooms and academic space; and demolish obsolete space at the following campuses: Central Lakes College, Brainerd; Minnesota State Community Technical College, Wadena and Moorhead; Minnesota West Community Technical College, Pipestone; Northland Community Technical College, Thief River Falls; Pine Technical College; and Rochester Community and Technical College. Campuses may use internal and non-state money to increase the size of the projects.

**Subd. 25. System wide science, technology, engineering, and math initiatives – VETOED** \$4,835,000

Design, renovate, furnish, and equip science laboratories and classrooms at the following campuses: Bemidji State University; Century College; Minnesota State Community and Technical College, Moorhead; Minnesota State University Moorhead; Northeast Higher Education District – Hibbing, Itasca Community College, and Mesabi Range Eveleth; Northwest Technical College; and South Central College, North Mankato. Campuses may use internal and non-state money to increase the size of the projects.

**Subd. 26. Debt service.** The Board of Trustees is required to pay the debt service on one-third of the principal amount on the projects authorized in this section with the exception of higher education asset preservation and replacement.

**Subd. 27. Unspent appropriations.** Upon substantial completion of a project authorized in this section, any remaining funding may be used for HEAPR at the same campus as the project for which the original appropriation was made. The Board of Trustees is to report to the Legislature of any such action by February 1 of each even-numbered year.



- 21     Employment and Economic Development**  
**Subd. 2. Greater Minnesota Business Development Infrastructure Grant Program.** This section appropriates \$200,000 for a matching grant to the Board of Trustees of the Minnesota State Colleges and Universities for Pine Technical College to design, construct, furnish, and equip an entrepreneurship and technology business incubator at the college. This appropriation is not available until the board determines that at least an equal match has been committed from non-state sources, including a grant from the United States Economic Development Administration.
- Subd. 9. Mankato - Civic Center and All Seasons Arenas – VETOED** \$12,000,000  
A grant to the city of Mankato to design, construct, furnish, and equip the expansion of the Civic Center auditorium, including a performing arts theater, and remodeling and expansion of the Civic Center and All Seasons arenas, which must include the Southern Minnesota Women's Hockey Exposition Center, for joint use by the city and Minnesota State University, Mankato.
- Subd. 15. St. Louis County - Arrowhead Regional Event Facilities – VETOED** \$250,000  
A grant to St. Louis County as the fiscal agent to provide and improve event facilities in the Arrowhead region as provided in this subdivision. The facilities must have a cooperative agreement to provide training, exhibition, and competition centers for the five community colleges of the Northeast Higher Education District.
- 33     Recycling construction and demolition waste from state buildings; requirement.** For a project that is located within 40 miles of a construction and demolition waste recycling facility and is for \$5,000,000 or more, this section requires that a contractor and any subcontractor for the construction, renovation, or demolition of a state building must divert from deposit in a landfill and must recycle at least 50 percent of the nonhazardous construction and demolition waste, measured by tonnage or volume, produced by the project or demonstrate that the waste was delivered to construction and demolition waste recycling facilities that maintain a 50 percent annual recycling rate. This requirement applies to a project to construct, renovate, or demolish a state building that receives funding from the bond proceeds fund after January 1, 2011.
- 64     Lease revenue; St. Cloud Technical College.** This section exempts the Minnesota State Colleges and Universities Board of Trustees from a statutory requirement to pay lease revenue on a building acquired for St.



Cloud Technical College and leased to a private party proportionate to the share of state bond funding for the building. Language requires the board to pay one-third of the lease revenue to the state to be used for the debt payment on the building acquired for St. Cloud Technical College.

- 66**    **Effective Date.** Except as otherwise provided, this bill is effective the day following final enactment.

## ELECTION MODIFICATIONS BILL

### [H.F. 3108 \(Chapter 201\)](#)

*SUMMARY:* The election modifications bill includes a variety of technical and procedural changes related to election administration. A new substantive provision is included in the bill that clarifies the right of an employee to take time off from work to cast a ballot during any part of the day on election day.

#### Section

#### *Election Modifications Bill*

- 34     Right to be absent.** This section clarifies current law to permit every employee the right to be absent from work, “for the time necessary to appear at the employee’s polling place, cast a ballot, and return to work.” Previous law allowed workers to be absent to vote only during the morning on election day.

**OMNIBUS SUPPLEMENTAL BUDGET BILL**

**H.F. 1671 (Chapter 215)**

*SUMMARY:* The Legislature approached the almost \$1 billion budget deficit in three phases this session. The first phase resolved approximately one-third of the state's budget deficit through a supplemental budget bill that made \$313 million in reductions. Included in the higher education article of the bill is a cut of \$10.467 million to the Minnesota State Colleges and Universities system in fiscal year 2011. Of this reduction, \$500,000 is directed to be reduced from the Office of the Chancellor, along with an additional \$500,000 internal reduction.

**ARTICLE 2**  
***Higher Education***

**Section**

- 1 Summary of appropriations.** This section reduces appropriations to the Office of Higher Education, the Minnesota State Colleges and Universities and the University of Minnesota for a net total of \$47 million for the 2010-2011 biennium.
  
- 3 Minnesota Office of Higher Education**
  - Subd. 2. State work study.** This section reduces the work study program by \$1.768 million in fiscal year 2011. This is a onetime reduction.
  - Subd. 3. Technical and Community College Emergency grants.** This section reduces the Technical and Community College Emergency Grants by \$50,000 in fiscal year 2011.
  - Subd. 5. Agency administration.** This section reduces the Office of Higher Education budget by \$60,000 in fiscal year 2010 and \$81,000 in fiscal year 2011.
  - Subd. 6. MnLink Gateway and Minitex.** This section reduces the MnLink Gateway and Minitex funds by \$205,000 in fiscal year 2011. This is a onetime reduction.
  
- 4 Board of Trustees of the Minnesota State Colleges and Universities**
  - Subd. 1. Total appropriation.** This section reduces the Minnesota State Colleges and Universities system \$10.467 million in fiscal year 2011, and requires the Board of Trustees to make a good-faith effort to make the reductions at campuses and in the Office of the Chancellor in a manner that minimizes reductions related to providing direct services to students and that maximizes reductions for administrative services not providing direct services to students.
  - Subd. 2. Central office and shared services.** This section reduces the Office of the Chancellor \$500,000 in fiscal year 2011.
  - Subd. 3. Operations and maintenance.** This section reduces the colleges and universities \$9.967 million in fiscal year 2011 and sets the base for the

colleges and universities at \$592.792 million for fiscal years 2012 and 2013.

**Subd. 4. Cook County Higher Education.** This section appropriates \$40,000 in fiscal years 2010 and 2011 by Session Laws 2009, to the Board of Trustees for operations and maintenance of Cook County Higher Education.

- 6     **Awards.** This section reduces from nine to eight, the number of semesters that a student can attend to maintain eligibility for the Minnesota State grant program. A similar change is made for other grant programs. Language provides for an immediate effective date.
- 7     **Terms and conditions of loans.** This section modifies the grade-level loan limits for the existing SELF IV program to \$7,500 per grade level for undergraduates; establishes a \$10,000 grade level limit for the SELF V program for all students in baccalaureate degree and graduate degree programs; and \$7,500 per grade level for all other eligible students. The aggregate principal of all SELF loans to a student is limited to \$70,000. Loan amounts are limited to the cost of attendance minus financial aid, including other loans. Loans to graduate students are limited to \$10,000 per nine-month academic year and a cumulative total of \$70,000 of SELF loan debt.
- 8     **Repayment of loans.** This section establishes repayment terms, based on the aggregate principal amount, of ten to twenty years from graduation or termination for students having SELF loans after SELF IV.
- 13    **Issuance of bonds.** This section increases by \$100 million the amount of revenue bonds that can be issued by Minnesota State Colleges and Universities for the construction of revenue generating projects on college and university campuses.
- 15    **Achieve Scholarship Program.** This section authorizes a transfer of money to the State grant program.
- 16    **Technical and Community College Emergency Grants.** This section clarifies that the Technical and Community College Emergency grant is a onetime appropriation.
- 17    **Transfer.** This section limits the authority of the Office of Higher Education to transfer money in fiscal years 2010 and 2011 from the State grant program unless there is a projected surplus. Language includes an immediate effective date.
- 19    **Office of Higher Education carry forward.** This section provides temporary authority to carry forward child care grant and work study

funds to provide more aid in fiscal year 2011.

- 20 Achieve Scholarship Program fiscal year 2011 modifications.** This section provides priority disbursements for Achieve Scholarships and states that the awards are for students with zero assigned family responsibility, have a maximum of \$1,200 per academic year, and for students who have completed applications by August 31, 2010. Language specifies that a second round of awards is available if there are remaining appropriations.

***ARTICLE 5***

***Agriculture***

**Section**

**3 Agriculture**

**Subd. 5. Administration and financial assistance.** This section reduces the 2011 appropriation by \$6,000 for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support for farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

***ARTICLE 7***

***Economic Development***

**Section**

**3 Employment and Economic Development**

**Subd. 3. Workforce development.** This section reduces the Minnesota Job Skills Partnership program by \$250,000 in fiscal years 2010 and 2011. The Minnesota Job Skills Partnership Board awards grants to educational institutions that partner with businesses to develop new-job training or retraining for existing employees.

**MINNESOTA DATA PRACTICES ACT ON COMPUTER DATA BILL**  
**H.F. 2988 (Chapter 222)**

*SUMMARY:* This bill amends the statute governing computer data, which requires a government entity that installs a "cookie" on computers to inform persons about the use of cookies before they are required to provide data. A "cookie" is any data that a government-operated computer electronically places on the computer of a person who has gained access to a government computer.

**Section**                      *Minnesota Data Practices Act on Computer Data Bill*

- 1**     **Exception.** This section adds an exception for a cookie that is temporarily installed on a person's computer during a single session or visit to a Web site, if it is installed only in a computer's memory and is deleted from the memory when the browser or application is closed.

**HIGHER EDUCATION DATA DISCLOSURE BILL**

**S.F. 2425 (Chapter 230)**

*SUMMARY:* This bill amends a provision authorizing the disclosure of educational data in health and safety emergencies to specify that it includes a mental health emergency.

**Section**

***Higher Education Data Disclosure Bill***

- 1     Private data; when disclosure is permitted.** This section clarifies that under Minnesota law, mental health information can be disclosed in health and safety emergencies consistent with the requirements of the federal Family Educational Rights and Privacy Act, or FERPA. FERPA currently authorizes institutions to determine that a health and safety emergency exists and to disclose health information to appropriate parties, including parents.



**LICENSED PROFESSIONAL COUNSELOR BILL**

**S.F. 2877 (Chapter 248)**

*SUMMARY:* This bill amends Minnesota Statute 148B.54 by providing an exception for continuing education requirements for licensed professional counselors.

**Section**

***Licensed Professional Counselor Bill***

- 1 Relicensure following termination.** An individual whose license was terminated prior to August 1, 2010, and who can demonstrate completion of the graduate credit requirement, does not need to comply with the continuing education requirement of Minnesota Rules, part 2150.2520, subpart 4. This rule states each licensee shall also complete in the first four years of licensure, a minimum of 40 hours of continuing education activities. These individuals also do not have to comply with the continuing education requirements for relicensure following termination in Minnesota Rules, part 2150.0130, subpart 2. This rule states a former licensee seeking relicensure after license termination must provide evidence of having completed at least 20 hours of continuing education activities for each year, or portion thereof, that the former licensee did not hold a license.

This section does not apply to an individual whose license has been canceled.

**OMNIBUS LIQUOR BILL**

**S.F. 2808 (Chapter 255)**

*SUMMARY:* The 2010 omnibus liquor bill includes a provision relating to Bemidji State University as summarized below.

**Section**

***Omnibus Liquor Bill***

- 11 Exemption; Bemidji State University.** This section modifies the existing authorization to Bemidji State University to issue temporary liquor licenses for events at the university by providing that the twelve annual licenses may be issued on an as needed basis, rather than one per month.

**Effective Date.** This section is effective the day following final enactment.

**CONTINUING EDUCATION ACCESSIBILITY FOR PERSONS WITH DISABILITIES BILL**

**S.F. 1246 (Chapter 271)**

*SUMMARY:* This bill relates to state government and provides certification for rehabilitation counselors for the blind, as well as providing public records and continuing education accessibility for persons with disabilities.

**Section**     *Continuing Education Accessibility for Persons With Disabilities Bill*

**2**     **Public records; accessibility.**

**Subd. 1. Definitions.** This subdivision defines “records” as any recorded information that is collected, created, received, maintained or disseminated by the executive, judicial or legislative branches of the state, the Minnesota State Colleges and Universities, the University of Minnesota, cities, towns, counties, school districts and all other political subdivisions of the state, regardless of physical form or method of storage.

**Subd. 2. Accessibility.** This subdivision requires all records be available to persons with disabilities in a manner consistent with state and federal laws prohibiting discrimination against persons with disabilities. Reasonable modifications must be made in any policies, practices and procedures that might otherwise deny equal access to records to individuals with disabilities.

**Subd. 3. Penalties.** This subdivision makes a violation of this section subject to a penalty of \$500 per violation, plus attorney fees, costs and disbursements, payable to a qualified disabled person by the public entity in violation of this section.

**Effective Date.** This section is effective January 1, 2013.

**3**     **Continuing education; accessibility.** This section requires any continuing education or professional development course, offering, material or activity approved or administered by the state, political subdivisions of the state, the University of Minnesota or the Minnesota State Colleges and Universities, to be available to persons with disabilities in a manner consistent with state and federal laws prohibiting discrimination against persons with disabilities. Language requires reasonable modifications be made in any policies, practices and procedures that might otherwise deny equal access to continuing education or professional development to individuals with disabilities. Violation of this section is subject to a penalty of \$500 per violation, plus attorney fees, costs and disbursements, payable to a qualified disabled person by the public entity or the entity offering the course, material, or activity under a contract with a public entity.

**Effective Date.** This section is effective January 1, 2013.

**DATA SHARING AGREEMENT BILL**

**H.F. 2899 (Chapter 297)**

*SUMMARY:* This bill provides for an administrative remedy for certain data practices violations, as well as provides for data sharing agreements with the Minnesota Department of Education for the improvement of teacher education programs.

**Section**

***Data Sharing Agreement Bill***

- 4 Teacher and administration programs.** This section governs data sharing between the Department of Education and the Boards of Teaching and School Administrators for program approval and improvement for education programs.
- 5 Authority to license.** This section requires the Board of Teaching and the Department of Education to enter into a data sharing agreement to share educational data at the E-12 level for the limited purpose of program approval and improvement for teacher education programs. The program approval process must include targeted redesign of teacher preparation programs to address identified E-12 student areas of concern.

The Board of School Administrators and the Department of Education must enter into a data sharing agreement to share educational data at the E-12 level for the limited purpose of program approval and improvement for education administration programs. The program approval process must include targeted redesign of education administration preparation programs to address identified E-12 student areas of concern.

For purposes of the data sharing agreements, the Board of Teaching, Board of School Administrators, and Department of Education may share private data, as defined in Minnesota Statutes 13.02, on teachers and school administrators.

DEPARTMENT OF HUMAN SERVICES, CHILDREN AND FAMILY  
SERVICES BILL

**S.F. 2855 (Chapter 301)**

*SUMMARY:* This bill makes policy and technical changes to the Minnesota Family Investment Program and adult services, child care, and child welfare programs, including eligibility of foster care between the ages of 18-21 as described below.

**ARTICLE 3**  
***Child Welfare***

**Section**

- 1 Education program; permitted ages, additional requirement.** This section modifies the Department of Human Services Licensing Act by allowing the commissioner to license foster care for foster care children between the ages of 18 and 21, under certain circumstances including enrollment in an institution which provides postsecondary or vocational education; or participation in a program or activity designed to promote, or remove barriers to employment.
- 9 Foster care benefits to age 21.** This section specifies the foster care benefits, eligibility, requirements, and resources for foster care children between the ages of 18 and 21. Language states a child already in foster care may continue in foster care past age 18 if the child meets at least one of the following conditions to be considered eligible: completing secondary education or a program leading to an equivalent credential; enrolled at an institution which provides postsecondary or vocational education; participating in a program or activity designed to promote or remove barriers to employment; employed for at least 80 hours per month; or incapable of doing any of the activities described above due to a medical condition.

**STATE EMPLOYEE LABOR AGREEMENT RATIFICATION BILL**  
**S.F. 2386 (Chapter 323)**

*SUMMARY:* This bill provides legislative ratification of the state employee labor agreements and compensation plans for MSCF, MSUAASF, AFSCME, MAPE, MMA, commissioner's plan, managerial plan and the Minnesota State Colleges and Universities administrator's plan. The bill also approves the subsequent amendments to the system's administrator's plan and commissioner's plan.

Included in the bill is a provision that requires the Minnesota State Colleges and Universities system to submit a summary of the proposed agreements, awards or plans to Minnesota Management and Budget at a time and in a manner specified by the commissioner, so the commissioner can post information on the Web site.

When the Legislature is not in session, the Legislative Coordinating Commission Subcommittee on Employee Relations is empowered to review and accept contract settlements conditionally pending formal legislative approval by the full Legislature.

**Section**                      *State Employee Labor Agreement Ratification Bill*

**1      Labor agreements and compensation plans.**

**Subd. 1. MSCF.** Minnesota State College Faculty contract as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 29, 2009.

**Subd. 2. MSUAASF.** Minnesota State University Association of Administrative and Service Faculty contract as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations June 29, 2009.

**Subd. 3. AFSCME.** American Federation of State, County, and Municipal Employees as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 29, 2009.

**Subd. 6. MAPE.** Minnesota Association of Professional Employees as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 29, 2009.

**Subd. 7. MMA.** Middle Management Association as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 29, 2009.

**Subd. 9. MnSCU Administrators.** Personnel plan for the Minnesota State Colleges and Universities administrators as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on June 29, 2009.

**Subd. 10. Commissioner's Plan.** Commissioner of Minnesota Management and Budget plan for unrepresented employees as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations June 29, 2009.

**Subd. 11. Managerial Plan.** As approved by the Legislative Coordinating Commission Subcommittee on Employee Relations June 29, 2009.

**Subd. 14. Commissioner's Plan.** Amendments to the commissioner of Minnesota Management and Budget plan for unrepresented employees as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on October 19, 2009.

**Subd. 17. MnSCU Administrators.** Amendment to the personnel plan for Minnesota State Colleges and Universities administrators as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on December 16, 2009.

**Subd. 18. Commissioner's Plan.** Amendment to the commissioner of Minnesota Management and Budget plan for unrepresented employees as approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on December 16, 2009.

- 2 **Summary information on Web site.** This section requires the commissioner of Minnesota Management and Budget to post on a state Web site a summary of the proposed agreement, award or plan prior to submitting a proposed collective bargaining agreement, arbitration award or compensation plan to the Legislative Coordinating Commission for review. After approval by the Legislative Coordinating Commission, a link must be provided from the summary to the full text of the agreement, award or plan. The Minnesota State Colleges and Universities system must submit information to Minnesota Management and Budget at a time and in a manner specified so it can be posted to the Web site as required by this section.
- 3 **Effective Date.** Section 1 is effective the day following final enactment.



## HUMAN SERVICES LICENSING BILL

### [S.F. 2935 \(Chapter 329\)](#)

*SUMMARY:* The Department of Human Services (DHS) licensing bill makes modifications to the statutes regulating DHS licensed facilities and programs. Article 1 of the bill includes a provision regarding maintaining a copy of a background study done on students in health care programs.

### *ARTICLE 1* *Licensing*

#### Section

- 16 License holder record keeping.** This section requires the license holder to maintain a copy of a background study if the study was initiated by a personnel pool agency, a temporary personnel agency, an educational program, or a professional services agency.

**OMNIBUS AGRICULTURE AND VETERANS AFFAIRS POLICY BILL**  
**S.F. 2737 (Chapter 333)**

*SUMMARY:* The agriculture and veterans affairs omnibus policy bill makes policy changes that affect agriculture and veterans in Minnesota. Changes that affect the Minnesota State Colleges and Universities system can be found below.

***ARTICLE 1***  
***Agriculture***

**Section**

- 35 Dairy research and education facility; collaboration.** This section requires the Minnesota Department of Agriculture to convene a group of milk producers and representatives of the University of Minnesota and Minnesota State Colleges and Universities system whose work relates to the dairy industry to consider the elements of a dairy research and education facility which would represent a partnership between higher education institutions and the dairy industry. The group is required to report to the Legislature by Feb. 1, 2011 on facility and financing options.

***ARTICLE 2***  
***Veterans***

**Section**

- 14 Expiration.** This section extends the sunset date for veteran centers on college and university campuses from June 30, 2011 to June 30, 2012.
- 21 Definitions.** This section expands the survivor of a deceased veteran education benefit eligibility definition. Under current law, the surviving spouse and children of a veteran who has died as a result of military service are eligible for certain education benefits if the veteran was a Minnesota resident within six months of the person's entry into the military. The bill would expand survivor eligibility by recognizing the veteran's Minnesota residency within six months preceding the veteran's death, as well. This section also expands the eligibility for benefits to the child of a deceased veteran to include the stepchild of a deceased veteran. This section is effective July 1, 2010.
- 25 Alternative funding sources.** This section requires the commissioner of the Department of Veterans Affairs to report to the Legislature regarding alternative funding sources for the higher education veterans assistance programs by January 15, 2011.

**STATE EMPLOYEE RETIREMENT INCENTIVE BILL**  
**S.F. 1481 (Chapter 337)**

*SUMMARY:* This bill allows an eligible appointing authority to offer a retirement incentive to a qualified state employee consisting of an amount equal to the value of up to 24 months of employer paid medical and dental insurance premiums to be paid into the employee's pre-tax health care savings plan. The appointing authority will determine the date of retirement upon consultation with the employee, taking into consideration equity, budgetary constraints and workforce planning concerns. A state employee is eligible for this incentive if he or she has had at least 15 years of service and is eligible to retire. An offer must be accepted by Dec. 31, 2010 and the employee must retire no later than June 30, 2011.

**Section*****State Employee Retirement Incentive Bill*****1 Retirement incentive**

**Subd. 1. Eligibility.** This section authorizes an eligible appointing authority to provide the retirement incentive to an employee who has at least 15 years of allowable service, or has at least 15 years of coverage by the individual retirement account plan, and upon retirement is immediately eligible for a retirement annuity or benefit. The employee has to accept the incentive no later than Dec. 31, 2010 and retire no later than June 30, 2011. The employee cannot be in receipt of a retirement plan, retirement annuity, retirement allowance or service pension during the month preceding the termination of qualified employment.

This section defines an eligible appointing authority to be in the executive, legislative, or judicial branch of state government, the Public Employees Retirement Association, the Minnesota State Retirement System, the Teachers Retirement Association or the Minnesota State College and Universities system. An elected official is not eligible to receive an incentive under this section, and an employee who after termination of employment receives an employer contribution for health insurance may not receive a payment for health insurance.

**Subd. 2. Incentive.** This section explains that the retirement incentive is to be deposited into the employee's health care savings plan account for up to 24 months. The contributions provided are those the employee was receiving as of the date of termination, subject to any changes in contributions specified in the collective bargaining agreement or compensation plan covering the position from which the employee terminated service.

**Subd. 3. Employer discretion; implementation.** The retirement incentive in this section is at the discretion of the appointing authority. The

appointing authority will determine the date of retirement upon consultation with the employee.

**Subd. 4. Acceptance.** An employee who is eligible for an incentive, and is offered and accepts an incentive, must do so in writing. A copy of the acceptance document must be provided by the appointing authority to the applicable retirement plan within 15 days of its execution.

**Subd. 5. Reemployment prohibition.** An individual who receives an incentive payment may not be reemployed or hired as a consultant by any agency or entity that participates in the State Employee Group Insurance Program for a period of three years after termination of service.

**Subd. 6. Report.** The commissioner of Minnesota Management and Budget must report to the Legislature by April 2, 2011 regarding use of the retirement incentive for calendar year 2012, with a recommendation regarding renewal of the incentive.

**2 Effective Date.** Section 1 is effective the day following final enactment.

**OMNIBUS EMPLOYMENT AND ECONOMIC DEVELOPMENT POLICY BILL  
S.F. 2510 (Chapter 347)**

*SUMMARY:* The employment and economic development policy bill includes policy changes related to business and community development and workforce development that may affect the Minnesota State Colleges and Universities system. Included in Article 1 is the creation of the Minnesota Science and Technology Authority that is charged with, among other things, coordinating public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small-sized and medium-sized businesses, as well as working with Minnesota non-profit institutions including the University of Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting collaborative efforts to respond to federal funding opportunities. Also included in the bill in Article 3, are miscellaneous labor and industry provisions, including changes to the construction code. All related legislation that has an impact on the system is summarized below.

**ARTICLE 1**  
***Employment and Economic Development***

**Section**

- 11 Minnesota Science and Technology Authority Act.** This section establishes the Minnesota Science and Technology Authority Act.
- 12 Definitions.** This section defines “authority,” “eligible recipient,” and “advisory commission” for purposes of the chapter.
- 13 Minnesota Science and Technology Authority.** This section provides that the Minnesota Science and Technology Authority consist of the commissioners of the following departments; Employment and Economic Development (DEED), Management and Budget, Revenue, Commerce, and Agriculture. This section also provides that the commissioner of DEED will serve as the chair and chief executive officer and will convene the first meeting of the authority no later than July 1, 2010. Language is included that describes procedures for delegation of powers, quorum, meetings and staffing, and also authorizes the hiring of an executive director. Language also directs the authority to enter into agreements for administrative and professional services and technical support. This section expires June 30, 2018.
- 14 Powers and duties.** This section specifies the duties of the authority, including: developing and implementing a comprehensive science and technology economic development strategy for the state; coordinating public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small and medium-sized businesses; and working with Minnesota non-profit

institutions in promoting collaborative efforts to respond to federal funding opportunities. This section also directs the authority to assist businesses in identifying qualified suppliers and vendors through a program to serve as a conduit for Minnesota-based companies to network with firms able to support their success, and directs the authority to provide commercialization assistance to Minnesota firms as specified.

Language in this section provides that the authority may sue and be sued, and authorizes the authority to make and enter into contracts, leases, and agreements. The authority is also authorized to apply for, accept, and disburse gifts, grants, loans, or other property as specified, and retain or contract for services. Language authorizes the authority to set and collect fees for its costs and requires submission of an annual report to the Legislature on its progress to design, coordinate, and administer a strategic science and technology program. This section also authorizes the authority to provide general consultative and technical services to assist eligible projects and to enter into agreements concerning the receipt or provision of the services; provides that the authority's financial information is private data with regard to individuals and nonpublic data; and provides that the authority shall have all powers necessary and appropriate to fulfill its responsibilities under the chapter.

- 15 **Project financial assistance.** This section provides that the Minnesota Science and Technology Authority shall assist eligible recipients in identifying and applying for grants or other sources of financial assistance. Language directs the authority to review the financing for proposed projects as specified.
- 16 **Advisory commission.** This section establishes a Science and Technology Initiative Advisory Commission of 18 members, including two representatives from the Minnesota State Colleges and Universities system, including a faculty member actively involved in science and technology research. Language directs the commission to assist the authority in developing a comprehensive science and technology economic development plan to be presented to the Legislature by January 15, 2011. The commission expires June 30, 2013.
- 17 **Money of the authority.** This section specifies how the Minnesota Science and Technology Authority's money must be paid out and deposited. Language directs the commissioner of Management and Budget to prescribe a system of accounts.
- 18 **Non-liability.** This section provides that members, employees, and individuals executing agreements or contracts on behalf of the Minnesota Science and Technology Authority are not personally liable. Language provides that the state is not liable for loans, other agreements or contracts

of the authority and that they are not a debt of the state.

- 19 **State pledge against impairment of contracts.** This section provides that the state will not limit or alter the right vested in the Minnesota Science and Technology Authority to fulfill the terms of any loan, agreement, or contract made with a party. Language provides that the state will not impair the rights and remedies of a party to any loans, agreements, or contracts of the authority.
- 20 **Reserves; funds; accounts.** This section authorizes the Minnesota Science and Technology Authority to establish reserves, funds, or accounts necessary to carry out its purposes and comply with agreements and resolutions.
- 21 **Workforce focus.** This section directs the Minnesota State Colleges and Universities Board of Trustees to identify colleges offering flexible academic programs that accommodate the needs of laid-off workers and assist other institutions to determine if they should offer similar programs. Language directs colleges to increase the number of certificate programs available to meet the needs of the unemployed.
- 22 **Public records; accessibility.** This section modifies a section of law that requires public records to be made available to disabled individuals. Language provides that records must be made available upon request with some exceptions, and sets a \$15,000 cap on penalties for noncompliance.
- 23 **Continuing education; accessibility.** This section modifies a section of law that requires continuing education materials to be made available to disabled individuals upon request, and sets a \$15,000 cap on penalties for noncompliance.
- 26 **Services performed by governmental units; commonality of powers.** This section specifies who is empowered to negotiate with respect to public employees covered by a collective bargaining agreement in the event of a lay-off resulting from an agreement made between governmental units to provide services.
- 33 **Comparative study of state regulation affecting small business start-ups.** This section appropriates \$65,000 for fiscal year 2011 from the general fund to the Legislative Coordinating Commission (LCC) to fund a grant for a comparative study of the effects of state regulation on the cost and delay required to start a typical business in Minnesota, Iowa, North Dakota, South Dakota, and Wisconsin. Language requires the LCC to seek funding elsewhere before using the funding in the bill and directs any unexpended balance to the Minnesota Science and Technology Authority. This section also provides that the study must assess how regulation



affects a typical small services business, a small retail business, and a small manufacturing business. Language directs the LCC to request proposals for the study from among higher education institutions that have a graduate program in business, business administration, or a similar field. The study must be submitted to the LCC no later than December 1, 2011.

- 34 Appropriation.** This section appropriates \$107,000 from the general fund in fiscal year 2011 to the Minnesota Science and Technology Authority for the purposes of this chapter.
- 36 Repealer.** This section repeals the Minnesota Statute that establishes the Office of Science and Technology.

### **ARTICLE 3**

#### ***Labor standards and wages; licensing and fees***

#### **Section**

- 3 Definitions.** This section defines “applicant,” “license,” “licensee,” “notification date,” and “renewal deadline” for purposes of regulating construction code and licensing.
- 4 Fees.** This section specifies general licensing fees and provides the base license fees for entry level, master, journeyman, and business licenses.
- 5 Licenses requiring examination administered by commissioner.** This section provides the process for individuals applying for a license that requires an examination.
- 6 Renewal of licenses.** This section specifies the license renewal application process.
- 7 Incomplete license applications.** This section provides the process for correction of incomplete initial license and renewal applications.
- 8 Reinstatement of licenses.** This section provides the requirements for license reinstatement after revocation, suspension, or voluntary termination.
- 9 Prohibition of transfer.** This section prohibits the transfer or sale of a license.
- 10 Continuing education.** This section provides that continuing education seminars offered by the department are nonrefundable except for overpayment. Language provides that an individual who registers for a

seminar, but is unable to attend, may reschedule only once and must reschedule within the following year.

- 11 **Accessibility.** This section removes language relating to State Building Code requirements for persons with disabilities, because it is relocated and modified in Section 18.
- 12 **Designation.** This section makes a technical change to reference that municipal designation of building officials may be made according to statute in addition to rule.
- 13 **Application; renewal; fees; expiration.** This section provides the process for building official, building official-limited, and accessibility specialist certification and renewal.
- 14 **Certification criteria.** This section removes a reference to the fee for examination and certification of a building official because it has been moved to Section 4.
- 15 **Certification categories.** This section provides that if a municipality adopts the State Building Code, code administration and enforcement are under the authority of its designated building official or certified building official-limited. Language specifies the certification requirements for a certified building official, certified building official-limited, and an accessibility specialist.
- 16 **Continuing education requirements; extension of time.** This section provides the continuing education requirements for a certified building official, a certified building official-limited, and an accessibility specialist.
- 17 **Failure to renew.** This section provides that if the application for renewal is made late, a certified building official, certified building official-limited, or accessibility specialist may not serve as a designated building official until a certification has been issued by the department.
- 18 **Enforcement of requirements for persons with disabilities.** This section provides that the State Building Code's requirements for persons with disabilities apply statewide. This section also replaces the language removed from Section 11, and makes one change to reflect the requirement that municipalities that have not adopted the State Building Code shall enforce the code's requirements for persons with disabilities by hiring or training their own staff. Language also directs municipalities to fulfill code responsibilities in accordance with the procedures established in the State Building Code and describes the enforcement authority of the Commissioner of Labor and Industry with respect to a municipality that does not properly administer and enforce the State Building Code's

requirements for persons with disabilities.

- 19 **Bond required for certain contractors.** This section changes the bonding requirements for specified contractors from an annual filing fee of \$15 to a biennial filing fee of \$100.
- 20 **Examination.** This section provides that applicants for electrical licenses are subject to the examination requirements specified in Sections 3 through 10. This section also removes language for consistency.
- 21 **License, registration, and renewal fees; expiration.** This section modifies the fee structure for electrical licenses to reflect the new structure outlined in Section 4. Language specifies how entry level, journeyman, master, and business licenses are designated. This section also requires a \$100 fee for each filing of a certificate of responsible person by an employer.
- 22 **Reciprocity.** This section specifies the fees that an applicant for a personal license must pay under a reciprocity agreement with another state.
- 23 **Exemptions from licensing.** This section modifies filing requirements for a certificate of a responsible person, which an employer must maintain for employees who work as unlicensed maintenance electricians.
- 24 **Contractor.** This section defines “contractor” as a person who performs or offers to perform any plumbing work, with or without compensation, and who is licensed as a contractor by the commissioner.
- 25 **Plumbing contractor.** This section defines “plumbing contractor” as a licensed contractor whose responsible licensed plumber is a licensed master plumber.
- 26 **Responsible licensed plumber.** This section defines “responsible licensed plumber” as the licensed master plumber or licensed restricted master plumber designated in writing by the contractor in the contractor's license application, or in another manner acceptable to the commissioner, as the individual responsible for the contractor's compliance with Minnesota Statutes 326B.41 to 326B.49, all rules adopted under these sections and M.S. 326B.50 to 326B.59, and all orders issued under M.S. 326B.082.
- 27 **Restricted plumbing contractor.** This section defines “restricted plumbing contractor” as a licensed contractor whose responsible licensed plumber is a licensed restricted master plumber.
- 28 **Local regulations.** This section makes technical changes to accurately reflect the department's licensing structure.

- 29 Licensing, bond and insurance.** This section specifies requirements for licensed plumbing contractors with respect to the organizational structure of the contractor, work to be performed, and when a license is not required.
- 30 Plumber's apprentices.** This section modifies provisions with respect to supervision and registration of a plumber's apprentice.
- 31 Use of license.** This section clarifies that restricted master plumbers and restricted journeyman plumbers may engage in the plumbing trade in areas of the state as specified.
- 32 Renewal; use period for license.** This section adds a cross reference to reflect new requirements in Section 6.
- 33 Application, examination, and license fees.** This section modifies the fee structure for plumber licenses to reflect the new structure outlined in Section 4. This section also specifies how business, master and journeyman licenses are designated, and requires a \$100 fee for each filing of a certificate of responsible person by an employer.
- 34 Responsible licensed master.** This section defines “responsible licensed master” as the licensed water conditioning master or licensed master plumber designated in writing by the water conditioning contractor in the water conditioning contractor's license application, or in another manner acceptable to the commissioner, as the individual responsible for the water conditioning contractor's compliance with Minnesota Statutes 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code, and all orders issued under M.S. 326B.082.
- 35 Water conditioning contractor.** This section defines “water conditioning contractor” as a person who performs or offers to perform any water conditioning installation or water conditioning servicing, with or without compensation, who is licensed as a water conditioning contractor by the commissioner.
- 36 Water conditioning journeyman.** This section defines “water conditioning journeyman” as an individual, other than a water conditioning master, who has demonstrated practical knowledge of water conditioning installation and servicing, and who is licensed by the commissioner as a water conditioning journeyman.
- 37 Water conditioning master.** This section defines “water conditioning master” as an individual who has demonstrated skill in planning, superintending, installing, and servicing water conditioning installations, and who is licensed by the commissioner as a

water conditioning master.

- 38     **Violations to be reported to commissioner.** This section adds licensed water conditioning master and licensed water conditioning journeyman to the list of licensees that a local authority must report to the commissioner when there is a violation.
  
- 39     **Licensing in certain cities; qualifications; rules.** This section provides licensing requirements for individuals performing water conditioning installation and water conditioning servicing. This section also provides requirements for contractors with respect to their organizational structure and supervision of plumber's apprentices and describes when a license is not required.
  
- 40     **Bonding and insurance.** This section modifies bonding and insurance requirements for water conditioning contractors.
  
- 41     **Fees; renewal.** This section modifies water conditioning license fee requirements to conform to the fee structure outlined in Section 4.
  
- 42     **Exemptions.** This section specifies that for the purposes of fee calculation, a certificate of exemption is considered an entry level license.
  
- 43     **Fees.** This section modifies residential contractor, remodeler, and roofer license fee requirements to conform to the fee structure set out in Section 4.
  
- 44     **Form.** This section modifies residential contractor, remodeler, and roofer license application requirements to conform to the structure set out in Section 4.
  
- 45     **Examination.** This section modifies examination requirements.
  
- 46     **License.** This section updates a statutory reference.
  
- 47     **Bond.** This section specifies that the bonding requirement for licensed manufactured home installers and licensed residential roofers is biennial.
  
- 48     **Sign contractor; bond.** This section changes the annual bonding requirement to a biennial bonding requirement.
  
- 49     **High pressure pipefitting business license.** This section provides that an application for a high pressure piping business license must include a verified statement that the applicant or licensee has complied with this subdivision.

- 50 Registration with commissioner.** This section modifies the fee requirements for an unlicensed individual to conform to the fee structure in Section 4.
- 51 License, registration, and renewal fees.** This section modifies the fee requirements for high pressure pipefitter licenses to conform to the fee structure in Section 4.
- 52 License application and renewal.** This section modifies application and renewal requirements for high pressure pipefitter licenses.
- 53 Examinations, licensing.** This section requires each individual that operates a boat for hire to hold a current master's license issued by the commissioner, unless the individual holds a valid, unlimited, current U.S. Coast Guard master's license.
- 54 Applications.** This section modifies application requirements for an engineer's license to conform to Section 4.
- 55 Applicability.** This section provides that a section of law relating to examination, classification, and qualification requirements for an engineer's license does not apply to traction or hobby boiler engineer's licenses or provisional licenses.
- 56 Boiler engineer license fees.** This section modifies the fee requirements for boiler engineer licenses to conform to the fee structure in Section 4.
- 76 Effective Date.** The sections listed above in this article are effective January 1, 2012.

## OMNIBUS PENSION BILL

### S.F. 2918 (Chapter 359)

*SUMMARY:* The omnibus pension bill contains various provisions related to pension of an administrative nature, as well as provisions with some policy substance. Minnesota State Colleges and Universities administers all or part of several pension programs, and employees currently participate in seven plans, including deferred compensation and tax sheltered annuity programs. Those provisions that affect Minnesota State Colleges and Universities system, including authorization for the system to contract out for investment selection and review services for the Individual Retirement Account Plan with providers other than just the State Board of Investment, are summarized below.

#### **ARTICLE 1**

#### ***Financial Sustainability Provisions***

#### **Section**

- 2 Age and service requirements.** This section applies to MSRS-General and increases from three years to five years the minimum allowable service credit required to obtain entitlement to a disability for plan members hired after June 30, 2010.
- 3 Age and service requirements.** This section applies to MSRS-General and increases from three years to five years the minimum allowable service credit required to obtain entitlement to a retirement annuity for plan members hired after June 30, 2010.
- 4 Surviving spouse benefit.** This section applies to MSRS-General and increases from three years to five years the minimum allowable service credit required to obtain entitlement to a survivor benefit for plan members hired after June 30, 2010.
- 5 Amount of refund.** This section applies to MSRS-General and reduces the interest rate on refunds from 6 percent annually to 4 percent annually.
- 6 Deferred annuity.** This section applies to MSRS-General and increases from three years to five years the minimum allowable service credit required to obtain entitlement to a deferred retirement annuity for plan members hired after June 30, 2010.
- 7 Entitlement to annuity.** This section applies to MSRS-General and increases from three years to five years the minimum allowable service credit required to obtain entitlement to a retirement annuity with multiple retirement plan service credit for plan members hired after June 30, 2010.
- 8 Computation of deferred annuity.** This section applies to MSRS-



General and reduces the rate of compound interest during the deferred period on deferred retirement annuities from its current rates to 2 percent. (Current rates: 3 percent before age 55 and 5 percent after age 54 for the pre-2006 hires, and 2.5 percent at any age for post-2005 hires).

- 23     **Vesting.** This section applies to PERA administered defined benefit plans and adds a definition of “vesting” for PERA-General plan members set at three years for pre-July 1, 2010 and five years for post-June 30, 2010.
- 24     **Employee contribution.** This section applies to PERA-General employees and increases the coordinated program member contribution from 6 percent to 6.25 percent, effective Jan. 1, 2011.
- 25     **Employer contribution.** This section applies to PERA-General and increases the coordinated program employer contribution from 6 percent to 6.25 percent, effective Jan. 1, 2011.
- 26     **Change in employee and employer contributions in certain instances.** This section applies to PERA-General and modifies the 2006 automatic contribution rate revision provision; provides for 0.5 or 0.75 percent of pay contribution increases with significant contribution deficiencies; requires a 1 percent of pay reserve if there is a future contribution sufficiency; requires implementation of any experience study related actuarial assumption changes before reducing contribution rates upon having a contribution sufficiency; and requires that funding for any future benefit increases be provided upon any future benefit increase proposal.
- 27     **Age and allowable service requirements.** This section applies to PERA-General and makes retirement annuity entitlement vesting consistent with vesting change in Section 23.
- 28     **Pre-July 1, 1989 members: early retirement.** This section applies to PERA-General and makes retirement annuity entitlement vesting consistent with vesting change in Section 23.
- 29     **Before retirement.** This section applies to PERA-General and makes refund interest rate change for death-related refund consistent with Section 23.
- 30     **Surviving spouse optional annuity.** This section applies to PERA-General and makes the surviving spouse optional annuity entitlement vesting consistent with the vesting change in Section 23.
- 31     **Age, service and salary requirements.** This section applies to PERA-General and makes the disability benefit entitlement vesting consistent

with the vesting change in Section 23.

- 32     **Refund or deferred annuity.** This section applies to PERA-General and makes refund interest rate change for post-termination refund consistent with Section 23.
  
- 33     **Refund with interest.** This section applies to PERA-administered retirement plans and reduces the refund interest rate from 6 percent to 4 percent for the post-June 20, 2011 period.
  
- 34     **Deferred annuity; eligibility; computation.** This section applies to PERA-General and makes the deferred annuitant annuity entitlement vesting consistent with the vesting change in Section 23.
  
- 41     **Eligibility.** This section applies to PERA-administered retirement plans and makes the service-in-more-than-one-plan retirement annuity entitlement vesting consistent with the vesting change in Section 23.
  
- 42     **Deferred annuity computation; augmentation.** This section applies to PERA-administered retirement plans and reduces the deferred annuity augmentation rate to 1 percent after Dec. 31, 2010 for pre-Jan. 1, 2012 terminations, and there is no augmentation for post-Dec. 31, 2011 terminations.
  
- 48     **Employee contribution.** This section applies to TRA and increases the basic member contribution rate from 9 percent to 11 percent, and the coordinated member contribution rate from 5.5 percent to 7.5 percent in 0.5 percent annual increments from July 1, 2011 until July 1, 2014.
  
- 49     **Employer.** This section applies to TRA and increases the employer contribution rate for basic members from 9.5 percent to 11.5 percent, and for coordinated members from 5.5 percent to 7.5 percent in 0.5 percent annual increments from July 1, 2011 until July 1, 2014.
  
- 50     **Determination.** This section applies to TRA and creates a procedure for determining whether or not there is a contribution deficiency or a contribution sufficiency.
  
- 51     **Contribution rate revision.** This section applies to TRA and provides for an automatic member and employer contribution rate increase of 0.25 percent each if there is a 2 percent covered pay or smaller contribution deficiency, a 0.5 percent each increase if there is a greater than 2 percent of covered pay contribution deficiency, and a 0.75 percent increase each if the deficiency exceeds 4 percent.
  
- 52     **Contribution sufficiency measures.** This section applies to TRA and

requires that any contribution sufficiency of up to 1 percent of pay be reserved to offset any future funding requirement increase, and requires any future proposed benefit increase to include a recommendation on the additional funding for the modification.

- 53     **Reporting; commission review.** This section applies to TRA and requires the Legislative Commission on Pensions and Retirement to review and approve any automatic member and employer contribution rate increase under Minnesota Statutes 354.42, new subdivisions 4a and 4b.
  
- 54     **Death before retirement.** This section applies to TRA and reduces the interest on a refund payable upon the death of an active member where no large survivor benefit is payable from 6 percent to 4 percent.
  
- 55     **Calculation.** This section applies to TRA and reduces the interest on a refund payable upon termination from 6 percent to 4 percent.
  
- 56     **Deferred annuity; augmentation.** This section applies to TRA and reduces the deferred annuity augmentation rate from 3 percent before age 56 and 5 percent after age 55 for pre-July 1, 2006 hires and from 2.5 percent for post-June 30, 2006 hires to 2 percent.
  
- 68     **Interest and salary assumptions.** This section applies to PERA-General and replaces the PERA-General age-related select and ultimate future salary increase actuarial assumption with a service-related salary increase actuarial assumption and revises the PERA-General payroll growth assumption from 4.5 percent to 4 percent.
  
- 69     **Amortization contributions.** This section applies to MSRS-General and extends the amortization target date from 2020 to 2040.
  
- 70     **Eligibility; computation of annuity.** This section accommodates longer retirement plan vesting requirements in qualifying for a combined service annuity.
  
- 71     **General employee plan eligibility requirements.** This section accommodates longer retirement plan vesting requirements in qualifying for a combined service disability benefit for general employees.
  
- 73     **General and public safety plan eligibility requirements.** This section accommodates longer retirement plan vesting requirements in qualifying for a combined service disability benefit for combined general and public safety employees.
  
- 74     **Entitlement; eligibility.** This section accommodates longer retirement plan vesting requirements in qualifying for a combined service survivor

benefit.

- 76 **Annual postretirement adjustments; generally.** This section excludes the various statewide retirement plans from the general statewide retirement plan post-retirement adjustment provision (which would provide a 2.5 percent annual increase) until financial sustainability is regained, defined as achieving a 90 percent funding ratio based on market value.
- 77 **Annual postretirement adjustments; Minnesota State Retirement System plans other than State Patrol retirement plan.** Until financial stability is achieved, the annual post-retirement adjustment rate for MSRS plans is reduced from 2.5 percent to 2 percent, and the benefit recipient must be in receipt of the annuity or benefit for at least six months before qualifying for an initial prorated post-retirement adjustment.
- 78 **Annual postretirement adjustments; PERA; general employees retirement plan and local government correctional retirement plan.** Until financial stability is achieved the annual post-retirement adjustment rate is reduced from 2.5 percent to 1 percent for the applicable PERA plan.
- 80 **Teachers Retirement Association annual postretirement adjustments.** This section provides for TRA to pay no increase in 2011 and 2012. In 2013 and thereafter until financial stability is achieved, TRA will provide a 2 percent annual increase, with individuals in benefit receipt for at least six months but less than 12 months receiving a prorated increase. Upon achieving financial stability, the increase will be 2.5 percent per year for individuals in benefit receipt for at least 18 months, with a prorate increase paid to those in receipt for at least 12 months but less than 18 months.
- 82 **Actuarial valuation reports until funding is stabilized.** For the MSRS, PERA and TRA plans, for as long as the applicable plan provides a reduced post-retirement adjustment, the actuary must use a post-retirement interest rate assumption equal to the difference between the pre-retirement interest rate assumption and the stated post-retirement adjustment rate.
- 83 **Payment.** Reemployed annuitant earnings limitation deferral amount savings accounts for MSRS, PERA and TRA plans will pay no interest after June 1, 2011.
- 84 **Reallocation of amortization or supplementary amortization state aid.** For the TRA plan, the requirement that reallocated amortization and supplemental amortization aid be segregated and not used to fund a benefit improvement is removed.

- 85     **Local retirement fund investment authorities study.** This section requires the State Auditor to convene a study group to review small and large plan investment authority and fiduciary provisions and make recommendations to the Legislature by Jan. 15, 2011.
  
- 86     **Defined contribution plan study.** This section directs the executive directors of MSRS, PERA and TRA to conduct a study of alternatives to the current defined benefit plans and report to the Commission by June 1, 2011.

## *ARTICLE 2*

### *MSRS Administrative Provisions*

- 1     **Included employees.** This section revises the included employee provision by expanding the seasonal employee inclusion to include all seasonal employees, rather than just Department of Revenue seasonal employees.
  
- 3     **Erroneous deductions, canceled warrants.** This section applies to MSRS-General and revises the erroneous deductions provision to conform with the new erroneous membership provision in Minnesota Statutes 356.99 and authorizes transfers to defined contribution plans with 8.5 percent interest.
  
- 6     **Establishment.** This section revises the deferred compensation plan establishment provision by changing the name from “Minnesota state deferred compensation plan” to “Minnesota deferred compensation plan.”
  
- 7     **Right to participate in deferred compensation plan.** This section revises the deferred compensation plan right to participate provision by specifying that the deferred amount must be specified in an agreement, rather than in a written agreement, and that the agreement is between the employee and the plan sponsor (MSRS), rather than between the employee and the employer.
  
- 11    **Deductions or contributions transmitted by error.** This section applies to PERA-General and revises the erroneous deductions provision to conform with the new erroneous membership provision in Minnesota Statutes 356.99 and by authorizing transfers to defined contribution plans with 8.5 percent interest.
  
- 13    **Erroneous salary deductions or direct payments.** This section applies to TRA and revises the erroneous deductions provision to conform with the new erroneous membership provision in Minnesota Statutes 356.99 and by authorizing transfers to defined contribution plans with 8.5 percent

interest.

- 16 **Annuity repayment.** This section applies to retirement systems in general and amends the unlawful discharge annuity repayment provision by deleting statements specifying what is to occur if the annuity is not repaid.
- 17 **Correction of erroneous defined benefit plan coverage.** This section adds a procedure to handle the situations of erroneous plan membership and deductions between defined benefit Minnesota public retirement plans.

### **ARTICLE 3**

#### ***Minnesota State Deferred Compensation Plan Amendments***

- 1 **Plan administrative expenses.** This section requires employers of public employees participating in the Minnesota State Deferred Compensation Plan to provide information to the third-party administrator of the program, who must comply with data practice requirements and who is prohibited from undertaking unrelated service or product sales solicitations.

### **ARTICLE 4**

#### ***MSRS Unclassified State Employees Retirement Program Amendments***

- 1 **Excluded employees.** This section amends the MSRS-General excluded employee provision to exclude employees who transfer to MSRS-Unclassified.
- 2 **General fund.** This section revises the “general fund” definition in MSRS-Unclassified to reference MSRS-General under Minnesota Statutes 352.
- 3 **General employees retirement plan.** This section adds an MSRS-General Plan definition to the Unclassified Program.
- 4 **Value.** This section redefines “value” consistent with daily asset valuations.
- 5 **Transfer of contributions.** This section revises an MSRS-Unclassified transfer of contribution provision by correcting the name of the MSRS-General Plan.
- 6 **Coverage upon employment change.** This section revises an MSRS-Unclassified coverage-upon-employment change provision which permits certain individuals in MSRS-Unclassified to remain in the program if the

position held is deleted from coverage, to apply only to those in the program before July 1, 2010.

- 7     **Transfer to general employees retirement plan.** This section amends the MSRS-Unclassified provision permitting transfer from MSRS-Unclassified to MSRS-General at any time after ten years of covered service by restricting this treatment to those employees hired before July 1, 2010 and by requiring post-July 1, 2010 hires to make any transfer to MSRS-General within the first seven years of service.
- 8     **Transfer of assets.** This section reduces the interest on the transfer of the MSRS-Unclassified provision covering the treatment of assets transferred to MSRS-Unclassified, and clarifies the provision as to eligibility.
- 9     **Investment options.** This section amends an MSRS-Unclassified investment option provision by permitting individuals to specify the desired investment vehicles in a manner provided by the executive director, rather than in writing on a provided form, and by eliminating references to guaranteed investment contracts.
- 10    **Contribution rates.** This section indexes the MSRS-Unclassified member contribution rates to the MSRS-General member contribution rate.
- 11    **Full or partial withdrawal.** This section amends the asset withdrawal provision to be consistent with daily rather than monthly valuation of accounts.
- 12    **Repayment of refund.** This section amends the MSRS-Unclassified repayment of refund provision by correcting the reference to MSRS-General.
- 13    **Accrual date.** This section permits an annuity to accrue the day after receipt of a valid application or the day following termination of employment, whichever is later, rather than at the start of the next full month.
- 14    **Annuity payment.** This section permits disability annuities to accrue the day after receipt of a valid application or the day following termination of employment, whichever is later, rather than at the start of the next full month.
- 15    **Prospectus.** This section requires the executive director to make the investment prospectus available by electronic means rather than requiring the distribution of a prospectus to each participant, and permits individuals to request hard copies.



- 16 **Administrative fees.** This section revises the MSRS-Unclassified administrative fees provision by removing the cap on the fees.

**ARTICLE 5**

***Public Employees Retirement Association Administrative Provisions***

- 1 **Public employee.** This section revises the definition of “public employee” for clarity.
- 2 **Included employees; mandatory membership.** This section revises the definition of “included employee” for clarity.
- 4 **Optional membership.** This section clarifies the “optional membership” definition by reformatting the paragraph structure.
- 5 **Allowable service; limits and computation.** This section excludes overtime pay from the salary base used in obtaining allowable service credit for periodic repetitive leaves and from military service leaves.
- 6 **Purchase procedure.** This section excludes overtime pay from the salary base used in obtaining allowable service credit for various authorized leaves of absence.
- 7 **Reduced salary periods salary credit purchase.** This section adds a new section to PERA statutes replacing the similar service/salary credit purchase workers’ compensation provision, based on that provision but differing by excluding overtime pay from the salary used to compute the contributions, and expanding the procedure to also apply to partial paid medical leave, and partial paid leaves due to a budgetary or salary savings program offered or mandated by a governmental subdivision. Payment is based on the contribution rates in the applicable PERA plan.
- 9 **Employer reporting requirements; contributions; member status.** This section revises the employer reporting requirements member status provision by clarifying the requirements apply to all PERA plans; by specifying a 30-day time limit before interest will be charged on delinquent employee and employer contribution amounts; by specifying that salary deduction reports are due within 14 days of the pay date or a \$5 per calendar day penalty will be applied; that the salary data reports must include data on reemployed annuitants and any reemployed disabilitants; by creating a \$25 fine for failure to report membership data; and by authorizing PERA to review employer payroll records. If the employer fails to provide the requested payroll records, the employer is responsible to pay any PERA field audit expenses, including staff salaries, administrative expenses, and travel expenses.



- 10     **Adjustment for erroneous receipts or disbursements.** This section revises the adjustments for erroneous receipts provision by removing authority to have the employer pay any employee refund and interest to the employee with the employer being compensated by a credit against future contributions; instead, the pension fund will pay the refund.
  
- 11     **Employer exclusion reports.** This section revises the exclusion report provision, which is an annual report from employers listing individuals occupying positions normally covered by PERA who for various reasons are not covered by the plan, by creating a \$25 fine for employer failure to provide the report.
  
- 12     **Duration.** This section revises the Post Retirement Option Program duration provision by permitting renewals after the person attains Social Security retirement age and by permitting up to four renewals.
  
- 20     **Right to review.** This section applies to MSRS, PERA and TRA and amends the appeals procedure right to review provision by stating that determinations are made by the plan's chief administrative officer rather than the plan "administration."
  
- 21     **Notice of determination.** This section applies to MSRS, PERA and TRA and amends the appeals procedure notice of determination provision by requiring a statement of all materials the person wants the board to review to be filed with the board 15 days rather than 30 days before the hearing date, and by removing a requirement that the individual must be supplied with a copy of this section of law.
  
- 22     **Petition for review.** This section applies to MSRS, PERA and TRA and amends the appeals procedure petition for review provision by replacing the term "executive director" with "chief administrative officer."
  
- 23     **Notice of hearing.** This section applies to MSRS, PERA, TRA and amends the appeals procedure notice of hearing provision by removing any time requirements for scheduling review of a petition; by requiring that the chief administrative officer mail an acknowledgement of the person's petition 30 days, rather than 15 days, before the hearing date; by requiring all materials the petitioner wishes the board to review be submitted at least 15 days, rather than 30 days before the hearing; and by permitting the chief administrative officer to reschedule a hearing review within "a reasonable time," rather than within 60 days
  
- 24     **Record for review.** This section applies to MSRS, PERA and TRA and amends the appeals procedure record of review provision by revising the provision for clarity; and by allowing the applicable board to permit any additional document or information the petitioner requests at any time,

with the consent of the board, rather than at least five days before the hearing.

- 27 **Effective date.** This section extends the sunset date of the Post Retirement Option Program of June 30, 2011 to June 30, 2014.

#### **ARTICLE 8**

##### ***MnSCU IRAP Administrative Provisions***

- 1 **Duties and powers.** This section permits the SBI to contract with the Minnesota State Colleges and Universities Board of Trustees for investment selection and review services.
- 2 **General governance.** This section permits the Minnesota State Colleges and Universities Board of Trustees to contract out for investment selection and review services.
- 3 **Selection of financial institutions.** This section authorizes the Minnesota State Colleges and Universities to contract out for investment selection and review services with other providers of those services.
- 4 **Investment of deductions and contributions.** This section permits the Minnesota State Colleges and Universities Board of Trustees to contract out for investment selection and review services.
- 5 **Repealer.** This section repeals Minnesota Statute 354C.15, a provision authorizing the Minnesota State Colleges and Universities Board of Trustees to redeem State Board of Investment Supplemental Investment Fund shares held by plan members who want to redirect their assets to other investments.

#### **ARTICLE 10**

##### ***Optional Annuity Revocation Following Certain Marriage Dissolutions***

- 1 **Revocation of optional annuity due to marriage dissolution or annulment.** This section applies to various retirement plans and permits bounce-back to the full annuity amount of optional annuity if marriage dissolution with court-ordered revocation.
- 2 **Sale or distribution while proceeding pending.** This section applies to various retirement plans and eliminates the requirement of a division of only liquid marital property when pension benefits are marital assets from pending proceeding sale or distribution provision.
- 3 **Pension plans.** This section applies to various retirement plans and adds

the requirement of a division of only liquid marital property when pension benefits are marital assets to pension plan marital property division provision.

**ARTICLE 11**

***Administrative Consolidation of the Minneapolis Employees Retirement Fund (MERF) into the Public Employees Retirement Association (PERA)***

- 1 Included employees.** This section provides that the members of the former MERF as of June 29, 2010 are members of the MERF division of PERA.
- 2 Excluded employees.** This section revises the former MERF-covered employee exclusion from PERA to apply to the MERF division.
- 3 MERF division.** This section defines “MERF division” as the separate retirement plan within PERA-General.
- 4 MERF division account.** This section defines “MERF division account” as the special account within PERA-General retaining the assets and liabilities of the former MERF.
- 5 Custodian of funds.** This section expands the PERA fund custodian provision to cover the MERF division account also.
- 6 State Board of Investment to invest funds.** This section expands the PERA/SBI retirement funds investment provision to include the MERF division account also.
- 7 General employees retirement funds.** This section includes the MERF division account in the general employees retirement fund provision; establishes the MERF division account within the general employees retirement fund and provides for its revenues and disbursements; clarifies that the current member contribution provision is the PERA-General member contribution rate; clarifies that the current employer contribution provision is the PERA-General employer contribution rate provision; clarifies the application of the current additional employee contribution provision to PERA-General; and clarifies the application of the PERA board member and employer contribution rate change authority to PERA-General and excludes the MERF division actuarial results from the contribution change trigger.

This section also clarifies that the employer reporting requirements provision applies to PERA-General; clarifies that the erroneous receipts or disbursements provision applies to PERA-General; clarifies that the

erroneous deductions transmission provision applies to PERA-General; and provides that the recovery of overpayments provision applies to PERA-General. Language also clarifies that the current employer exclusion report provision applies to PERA-General; specifies that the current payroll data request response provision applies to PERA-General; clarifies that the current omitted salary deduction collection provision applies to PERA-General; specifies that the current terminated employee omitted deduction provision applies to PERA-General; clarifies that the retiring member omitted deduction provision applies to PERA-General; specifies that the current canceled warrants provision applies to PERA-General; and clarifies that the uncovered pre-membership service credit acquisition provision applies to PERA-General.

- 8     **Refund or deferred annuity.** This section clarifies that the terminated employee refund provision applies to the MERF division.
- 9     **Additions to fund.** This section clarifies that the current donation, buyout, and gift provision applies to PERA-General.
- 10    **Salary maximums.** This section clarifies that the current reemployed annuitant salary limit provision applies to PERA-General, and does not apply to the MERF division.
- 11    **Suspension of annuity.** This section clarifies that the current PERA annuity suspension for certain reemployed annuitants does not apply to MERF division members.
- 12    **Reduction of annuity.** This section clarifies that the current PERA annuity reduction for certain reemployed annuitants does not apply to MERF division members.
- 13    **Resumption of annuity.** This section clarifies that the current PERA annuity resumption for certain reemployed annuitants does not apply to MERF division members.
- 14    **Effect on annuity.** This section clarifies that the current PERA reemployed annuitant effect on annuity provision does not apply to MERF division members.
- 15    **Rights of deferred annuitant.** This section specifies that the current deferred annuitant annuity entitlement applies to PERA-General and the MERF division.
- 16    **Computation of benefits for certain coordinated members.** This section reformulates the current benefit computation provision for former consolidated MERF Coordinated Program to accommodate the creation of

a MERF division in PERA.

- 17 MERF consolidation account; establishment and operation.** This section provides that the MERF division and MERF division consolidation account are administered by PERA. Language transfers the current MERF membership, liabilities and service credit, records and asset legal title to the MERF division.

This section also specifies the member and employer contributions to the MERF division, and includes an increase in state contributions as specified in Section 21, and requires employing units to pay a minimum of \$27 million and a maximum of \$34 million annually. If insufficient to cover MERF's cash flow needs, employers must provide the additional required assets. Language also provides for an eventual consolidation of the MERF division or account into PERA-General when the MERF division is fully funded.

- 19 Interest and salary assumptions.** This section eliminates references to MERF and sets MERF division economic actuarial assumptions.
- 20 Amortization contributions.** This section eliminates references to MERF and implements a 2031 amortization date for the MERF division.
- 21 State contributions.** This section redirects the current state contribution to MERF to the MERF division and provides for an increase in the MERF division state contribution by \$13.75 million in FY2012 and FY2013, and by \$15 million in FY2014 and thereafter, payable to 2031.
- 23 July 1, 2010, MERF division actuarial valuation assumptions.** This section provides for a review of the July 1, 2010 actuarial valuation actuarial assumptions for the new MERF division by the current MERF consulting actuary and the forwarding of any recommendations to the Legislative Commission on Pensions and Retirement for consideration along with those of the PERA consulting actuary.
- 28 Effective date.** This section makes Article 11 effective June 30, 2010.

## **ARTICLE 12**

### ***Conforming Changes Related to the MERF Administrative Consolidation***

- 2 Covered retirement funds and plans.** This section revises a reference to PERA-General.
- 3 In executive branch, local government.** This section eliminates statutory citation to MERF law from open meeting requirement.

- 4     **Political subdivision compensation limit.** This section eliminates statutory cross-references to MERF law from an exemption from a compensation limit.
  
- 5     **Continuation of coverage.** This section eliminates statutory citation to MERF law from continuation of insurance coverage provision.
  
- 11    **Excluded employees.** This section clarifies reference to the former MERF for non-teaching Minnesota State Colleges and Universities employees who elected coverage other than MSRS-General.
  
- 12    **Management; composition; election.** This section revises a reference to PERA-General.
  
- 13    **Repayment of refund.** This section updates potential reduction of current MERF state aid to reflect MERF consolidation with PERA-General.
  
- 14    **Participation.** This section revises a reference to PERA-General.
  
- 15    **Election.** This section revises a reference to PERA-General.
  
- 16    **Participation.** This section revises a reference to PERA-General.
  
- 17    **Option.** This section revises a reference to PERA-General.
  
- 18    **Penalty for membership miscertifications and certification failures.** This section revises a reference to PERA-General.
  
- 22    **Agreement.** This section clarifies that former MERF members are PERA-General members for benefit coverage and not for Social Security coverage, maintaining their Basic Program status.
  
- 23    **Covered public pension plans and funds.** This section eliminates a reference to MERF.
  
- 24    **Actuary retention.** This section eliminates a reference to MERF and corrects statutory cross-references.
  
- 25    **Covered plans.** This section eliminates references to MERF.
  
- 26    **Definitions.** This section corrects statutory references related to MERF.
  
- 27    **Covered retirement plans.** This section eliminates a reference to MERF for combined service disability portability.

- 28 **Covered retirement plans.** This section eliminates a reference to MERF for combined service portability.
- 29 **Covered retirement plans.** This section eliminates a reference to MERF for the age 65 proportionate annuity.
- 30 **Covered retirement plans.** This section eliminates a reference to MERF and to the Minneapolis Teachers Retirement Fund Association.
- 31 **Covered funds.** This section eliminates a reference to MERF for the survivor benefit restoration.
- 32 **Covered retirement plans.** This section includes the MERF division of PERA in annual automatic 2.5 percent post-retirement adjustments.
- 33 **Lump-sum postretirement payment conversion.** This section corrects statutory cross-references related to MERF.
- 34 **Covered retirement plans.** This section eliminates a reference to MERF for the supplemental needs trust optional annuity.
- 43 **Effective date.** This section makes Article 12 effective June 30, 2010.

**ARTICLE 14**

***One Person/Small Group Pension Issues***

- 2 **Teachers Retirement Association; second chance retirement coverage authority for IRAP member.** This section permits a certain IRAP member employed by the Minnesota State Colleges and Universities system whose position was upgraded, to transfer coverage to TRA retroactive to September 2007, and requires full actuarial value payment.

**OMNIBUS ENVIRONMENT, ENERGY AND NATURAL RESOURCES POLICY  
AND FINANCE; AND OUTDOOR HERITAGE BILL****S.F. 3275 (Chapter 361)**

*SUMMARY:* The omnibus environment, energy and natural resources policy and finance; and outdoor heritage appropriations bill contains various provisions related to the environment and natural resources, including appropriating funds in fiscal year 2011 from the outdoor heritage fund, as recommended by the Lessard-Sams Outdoor Heritage Council. The bill includes three sections to amend three separate Minnesota Statutes regarding convening a technical evaluation panel to evaluate habitat restorations. One of the five members of the panel is to include a technical expert from the Minnesota State Colleges and Universities or the University of Minnesota.

**ARTICLE 1**  
***Outdoor Heritage***

**Section**

- 3     Restoration evaluations.** This section amends the statute on Parks and Trails Fund, and directs the commissioner of natural resources to convene a technical evaluation panel beginning July 1, 2011, consisting of five members, including one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities. Each year, the commissioner of natural resources shall assign a coordinator to identify a sample of up to ten habitat restoration projects completed with parks and trails funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan.
- 8     Restoration evaluations.** This section amends the statute on Outdoor Heritage Fund; Lessard-Sams Outdoor Heritage Council, and directs the commissioner of natural resources to convene a technical evaluation panel beginning July 1, 2011, consisting of five members, including one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities. Each year, the commissioner of natural resources shall assign a coordinator to identify a sample of up to ten habitat restoration projects completed with parks and trails funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan.
- 9     Restoration evaluations.** This section amends the statute on Clean Water Fund, and directs the commissioner of natural resources to convene a technical evaluation panel beginning July 1, 2011, consisting of five members, including one technical expert from the University of Minnesota



or the Minnesota State Colleges and Universities. Each year, the commissioner of natural resources shall assign a coordinator to identify a sample of up to ten habitat restoration projects completed with parks and trails funding. The coordinator shall secure the restoration plans for the projects specified and direct the technical evaluation panel to evaluate the restorations relative to the law, current science, and the stated goals and standards in the restoration plan.

**LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES  
FUNDING BILL**

**H.F. 2624 (Chapter 362)**

*SUMMARY:* The Legislative-Citizen Commission on Minnesota Resources, or LCCMR, reviews and recommends funding for special environment and natural resource projects. For the 2010 legislative session, the request for funding consisted of 240 proposals for a total of \$163.8 million. Eighty-five of those proposals were chosen to be presented to the LCCMR. Forty-eight of the 85 proposals were incorporated into a bill, HF 2624. The Legislature adopted the recommendations, along with one additional project, for a total of 49 appropriations. Of the 49 appropriations, one project was line-item vetoed by the governor, resulting in a total of 48 appropriations being signed into law. Included in the bill is funding for St. Cloud State University and Minnesota State University, Mankato as summarized below.

**Section    *Legislative-Citizen Commission on Minnesota Resources Funding Bill***

**2       Minnesota Resources**

**Subd. 5. Water resources.**

**(c) Ecological impacts of effluent in surface waters and fish.** This subdivision appropriates \$340,000 from the trust fund to the Board of Regents of the University of Minnesota in cooperation with St. Cloud State University to determine the chemical and biological fate of phytoestrogens in surface waters and the impacts on fish. The appropriation is available until June 30, 2013, by which time the project must be completed and final products delivered.

**(e) Assessing septic system discharge to lakes.** This subdivision appropriates \$594,000 from the trust fund to the commissioner of health for department activities and for an agreement with the United States Geologic Survey in cooperation with St. Cloud State University to develop quantitative data on septic system discharge of estrogenic and pharmaceutical compounds and assess septic and watershed influences on levels of contamination and biological responses in Minnesota lakes. The appropriation is available until June 30, 2013, by which time the project must be completed and final products delivered.

**Subd. 8. Environmental education.**

**(k) Online field trip of Minnesota River.** This subdivision appropriates \$124,000 from the trust fund to the commissioner of natural resources for an agreement with Minnesota State University, Mankato to develop online educational materials on the Minnesota River for schools and outreach centers.

## HIGHER EDUCATION POLICY BILL

### S.F. 184 (Chapter 364)

*SUMMARY:* The higher education policy bill makes policy changes to financial aid and regulatory programs administered by the Office of Higher Education, including a directive on prorating state grants in fiscal year 2011. The bill also requires the Minnesota State Colleges and Universities system to plan and implement improvements to the credit transfer process within the system, and institutes a pilot project regarding the local deposit of campus reserves.

#### Section

#### *Higher Education Policy Bill*

- 1 **Policy required.** This section makes a technical change to the sexual harassment and violence policy statute.
- 2 **Hazing policy.** This section makes a technical change to the hazing policy statute.
- 3 **Senior citizen.** This section increases from 62 to 66 the age at which “senior citizens” can take postsecondary courses at Minnesota State Colleges and Universities and the University of Minnesota, paying only an administrative fee.
- 4 **Responsibilities.** This section authorizes the Office of Higher Education to match individual student enrollment information with financial aid information from specified programs to audit or evaluate public educational programs, to the extent allowed by federal law. This section lists the financial aid programs that can be used for matching and prohibits personal identifiable information from being known outside of the Office of Higher Education.
- 5 **Eligible institution.** This section replaces the current definition for the state funded grant programs with a reference to a new definition in Section 7.
- 6 **Satisfactory academic progress.** This section replaces the current definition with a reference to definitions in federal law for federal student loans.
- 7 **Institution eligibility requirements.** This section provides that institutions are eligible to participate in state student aid programs if the institution is operated by the state (Minnesota State Colleges or Universities) or the Board of Regents (University of Minnesota); privately operated and has academic standards comparable to Minnesota institutions, is licensed or regulated by the Office of Higher Education, participates in federal financial aid programs by July 1, 2010, or has participated in state financial aid programs and requires signed disclosure forms from each enrolled student recognizing it does not participate in federal aid programs; or offers only graduate programs or

programs too short for federal financial aid and the institution is registered or licensed by the Office of Higher Education.

A private institution that does not participate in the federal Pell Grant program must participate within three years of an ownership change to continue as an eligible institution, subject to an appeal for a single one-year extension. Any institution that loses eligibility for the federal Pell Grant program is not an eligible institution for state grants.

- 8     **Student eligibility.** This section defines “resident student” for eligibility for Indian scholarships by reference to the state grant definition of “resident student.”
- 9     **Awarding procedure.** This section establishes new procedures for making Indian scholarships, including complete applications ranked by date of receipt with further sorting for multiple applications with the same date; awards made until all funds are spent; and remaining applicants placed on a waiting list in order of application date.
- 10    **Definition; qualifying program.** This section makes a technical change to the Achieve Scholarship definition.
- 11    **Student eligibility.** This section adds a requirement that for a student to be eligible for an Achieve Scholarship, the student needs to meet satisfactory academic progress as defined for other financial aid programs.
- 12    **Eligible institution.** This section replaces the current definition for the state loan program with a reference to a new definition in Section 13.
- 13    **Additional institution eligibility requirements.** This section requires institutions eligible for the loan programs to meet the eligible institution requirements for the grant programs or if the institution operates in another state, to be approved by the U.S. Secretary of Education and meet standards comparable to similar Minnesota institutions.
- 14    **Notes.** This section makes technical changes by adding the names of the Office of Higher Education predecessor office.
- 15    **School.** This section clarifies that in addition to public institutions, private institutions outside Minnesota offering courses or programs to Minnesota residents must also register with the Office of Higher Education.
- 16    **School closure.** This section defines school closure as an unscheduled, nonemergency closing for more than 24 hours, an announcement that the school is closed, or the school files bankruptcy.

- 17 **Additional security.** This section adds a monetary deposit with Minnesota Management and Budget as an alternative to the bond required for schools with below minimum financial standards.
- 18 **Food products grown in state.** This section directs Minnesota State Colleges and Universities to make reasonable attempts to purchase food products grown within Minnesota.
- 19 **Refunds.** This section requires private schools to issue students a full refund of money it received from a student because the school is not licensed. The refund must be made within 30 days of a written demand from the Office of Higher Education.
- 20 **Minimum standards.** This section makes a technical change to the private career school licensure statute.
- 21 **Schools licensed by another state agency or board.** This section adds a cross-reference to the Office of Higher Education's licensing of private institutions for participation in state financial aid programs.
- 22 **Conditions.** This section makes technical changes to the private career school license renewal statute.
- 23 **Unlawful designation.** This section eliminates an exception to the prohibition against licensed schools using "college" or "university" in their name. Schools operating prior to November 15, 1969, are the only remaining exception.
- 24 **Entitlement transfers.** This section authorizes three state agencies; Minnesota Housing Finance, Office of Higher Education, and the Rural Finance Authority, as entitlement issuers of bonds through the bond allocation to transfer their individual allocated authority to each other prior to December 1 of each year.
- 25 **Allocation procedure.** This section increases the total amount of the allocations for student loan bonds from the unified pool from \$10 million per year to \$25 million per year.
- 26 **Teacher education report.** This section changes the due date for the Office of Higher Education teacher education report to the Legislature from June 15, 2010, to August 15, 2010.
- 27 **Operations and maintenance.** This section corrects the Minnesota State Colleges and Universities base for operations and maintenance for fiscal years 2012 and 2013 from \$592,792,000 to \$580,802,000 each year.
- 28 **Effective date.** This section modifies the effective date changing the

semesters of eligibility for the state grant program in 2010 Session Laws Chapter 215. The change clarifies that the eight semester limit applies to grants awarded on or after July 1, 2010.

- 29     **Study of certificates and diplomas; educational career path.** This section requires the Minnesota State Colleges and Universities, along with the Minnesota Chamber of Commerce, industry groups and labor unions to study options for lower credit credentials recognized by employers that could be combined into an educational career path leading to a diploma or degree. The study must recognize the need for workers in other fields and take into account other job training programs provided by labor unions and business. A report regarding the findings is due to the Legislature by February 15, 2011.
  
- 30     **Streamlined Minnesota State Colleges and Universities system office.** This section requires the Minnesota State Colleges and Universities Board of Trustees to streamline the system's central office services to reduce expenditures, better target the use of state resources, and provide services at the most appropriate and efficient level so as not to duplicate any services provided at the campus level.
  
- 31     **Postretirement health insurance premium reimbursement.** This section requires the Minnesota State Colleges and Universities to waive certain reimbursement payments on overdue health insurance premiums when a retiree has not been appropriately billed. This provision applies only to certain retirees who became system employees on July 1, 1995.
  
- 32     **Surgical technologists pilot project.** This section directs the Minnesota State Colleges and Universities system to establish a pilot project with participating health care facilities for the training, education, and employment of certified surgical technologist through partnerships between system institutions with accredited surgical technologist programs and health care facilities within 25 miles of the institution. Language requires a report to the Legislature by January 1, 2013.
  
- 33     **Pilot project; local deposit of reserves of Minnesota State Colleges and Universities.** This section requires the Minnesota State Colleges and Universities Board of Trustees to implement a project for up to eight campuses to locally deposit reserves that are currently held in the state treasury. The Board is directed to establish a process for selecting campuses and financial institutions. Reports are required to be submitted to the Legislature by the Board and the commissioner of Minnesota Management and Budget.
  
- 34     **Nanotechnology report.** This section requires the University of Minnesota and the Minnesota State Colleges and Universities to report to the Legislature by February 1, 2011, on nanotechnology research and education, including

ethical issues and principles for the responsible use to protect health, environment, and workers safety.

- 35 Federal health care reform.** This section requests the University of Minnesota to offer education on the 2010 federal health care reform legislation through the Area Health Education Centers explaining the potential impacts for Minnesota citizens, employers, and health care providers.
- 36 Monitoring of federal postsecondary textbook disclosure law.** This section directs the Office of Higher Education to monitor the implementation of federal requirements for disclosure of information to students on textbooks, including pricing and other information, and report to the Legislature by February 1, 2011.
- 37 Reduction in grants for insufficient appropriations.** This section clarifies the process for prorating state grant awards for fiscal year 2011 by authorizing approximately equal dollar amount reductions on two factors used to calculate the award (family responsibility and student share). Language permits the Office of Higher Education to reserve up to five percent of the projected grant demand to manage uncertainty of enrollment or income changes of applicants. This section also requires the distribution of any remaining funds for additional living and miscellaneous expense awards to students under current law, unless the amount is less than \$1.5 million. Instead, the smaller amount may be transferred to the work study program.
- 38 Credit transfer; Minnesota State Colleges and Universities.** This section requires the Minnesota State Colleges and Universities Board of Trustees to develop and implement a plan to improve credit transfer. Language requires working groups of faculty, staff, students and administrators to develop actions to remove barriers to credit transfer, and requires system wide and institutional level transfer information be provided on the Web. An annual progress report is required to be submitted to the Legislature beginning January 15, 2011, through 2014 and goals are to be met by the 2015-2016 academic year.

**DATA PRACTICES BILL**

**S.F. 863 (Chapter 365)**

*SUMMARY:* The government data practices bill regulates data. The changes made to the data practice laws in the 2010 legislative session are summarized below, including modifying provisions governing temporary classifications and personnel data.

**ARTICLE 1**  
***General Provisions***

**Section**

- 1**     **Limitations on collection and use of data.** This section strikes language related to informed consent for release of data for insurance purposes and re-codifies the language in Section 2. This section also eliminates a reference to charging a person requesting data the cost of “compiling” copies of the data.
- 2**     **Informed consent for insurance purposes.** This section re-codifies the language related to informed consent for insurance purposes that is stricken in Section 1.
- 3**     **Definition.** This section modifies the definition of “personnel data” to mean data maintained by a government entity, rather than the narrower current definition, which covers only data collected by a government entity.
- 4**     **Public data.** This section adds the terms and conditions of an employment relationship and work-related continuing education to the list of personnel data that are public. This section also provides that a disciplinary action does not become public data if an arbitrator sustains a grievance and reverses all aspects of a disciplinary action, and specifies when a final disposition occurs in certain circumstances.
- 5**     **Administration; management and budget data.** This section classifies security features, building specifications, and building drawings of state-owned or leased facilities as nonpublic data within the Department of Administration.
- 6**     **Private donor gift data.** This section adds the Regional Parks Foundation of the Twin Cities and the State Services for the Blind to the section of law classifying certain private donor data as private or nonpublic (which currently includes the Minnesota State Colleges Universities).
- 8**     **What meetings may be closed.** This section clarifies the statute related to the closing of a public meeting to discuss appraisal data. A reference to “nonpublic” appraisal data is changed to “protected nonpublic” data,



which is the defined term for this section.

- 9 **Data classification.** This section classifies the identity of a person providing comments to the commissioner of administration related to grant governance policies in an executive branch agency as private or nonpublic. The data may be shared with the executive agency that is the subject of the comments.

## *ARTICLE 2*

### *Temporary Classifications*

- 1 **Application to commissioner.** This section provides that data in a temporary classification application are classified in the manner requested in the application upon its receipt by the commissioner, rather than upon the filing of the application. Current law provides that data is classified in this manner only until the commissioner has disapproved, rejected, or granted the application, or 45 days have passed, whichever is earlier.
- 2 **Contents of application.** This section modifies the requirements for an application to classify temporary data as other than public.
- 3 **Procedure when classification affects others.** This section modifies the applicable procedures when an application for a temporary classification affects other government entities. Notice of an application must be published in the state register within 15 days of receipt, rather than the current 10 day requirement.
- 4 **Withdrawal of application.** This section permits a government entity requesting a temporary classification to withdraw the application prior to action by the commissioner. A withdrawal request must be made in writing, and describe why the temporary classification is no longer necessary.
- 5 **Determination.** This section modifies certain timelines related to the processing of a temporary classification application, specifying that the time requirements apply as of the date an application is received by the commissioner, and as of the date a rejection of an application is received by the responsible authority.
- 6 **Data use and dissemination.** This section permits a reasonable authority to request a new or different use or dissemination of data subject to a temporary classification.

**REVISOR'S BILL**

**S.F. 2642 (Chapter 382)**

*SUMMARY:* The Revisor's bill is intended to correct miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors. The 2010 Revisor's bill corrects a statute reference in the Minnesota State Colleges and Universities statute 136F regarding the state building code.

**Section**

***Revisor's Bill***

- 34 State building code.** This section corrects a statute reference in the Minnesota State Colleges and Universities state building code statute.

**OMNIBUS STATE GOVERNMENT POLICY BILL**

**S.F. 3134 (Chapter 392)**

*SUMMARY:* The omnibus state government policy bill may affect a wide variety of state organizations and agencies, including the Minnesota State Colleges and Universities system. Changes to policy that affect the system, including the creation of a Commission on Service Innovation, are summarized below.

***ARTICLE 1***

***State Government***

**Section**

- 16 Government efficiency and transparency studies.** This section requires the state chief information officer, in consultation with the commissioner of management and budget, to study and report to the Legislature by January 15, 2011 on the feasibility and estimated costs of entering into a lease or lease-purchase agreement with a private non-profit organization to provide a centralized data center for state agencies, using state employees, or to upgrade current facilities for purposes of data center consolidation, using state employees. In conducting the study, the state chief information officer shall consult with representatives of higher education and others to determine the feasibility and desirability of creating a shared service contract for a data center.

***ARTICLE 2***

***Government Reform***

- 1 Commission on Service Innovation.** This section establishes the Commission on Service Innovation to provide the Legislature with a strategic plan to reengineer the delivery of state and local government services, including the realignment of service delivery by region and proximity, the use of new technologies, shared facilities, centralized information technologies and other means of improving efficiency. The commission consists of 19 members, including one representative from the Minnesota State Colleges and Universities.

The commission shall publish electronic monthly reports on its progress, including a description of the upcoming agenda items. The commission shall report to the Legislature by January 15 each year beginning in 2011 regarding its work. This section expires June 30, 2012.

**TECHNICAL BONDING BILL**

**H.F. 3492 (Chapter 399)**

*SUMMARY:* The technical bonding bill amends 2009 Session Laws, Chapter 93, that authorizes any portion of the appropriation for a new steam pipeline from the Olmsted Waste-to-Energy Facility to the Rochester Community and Technical College Campus that is remaining after the construction is completed, to be re-appropriated to the Minnesota State Colleges and Universities system to convert heating and cooling systems within existing Rochester Community and Technical College buildings from electrical energy to steam-derived energy.

**Section**

***Technical Bonding Bill***

- 6 Olmsted County – steam line extension.** This section clarifies that any portion of the appropriation of \$5 million to design and construct approximately 1.25 miles of a new steam pipeline from the Olmsted Waste-to-Energy Facility to the Rochester Community and Technical College Campus that is remaining after the construction is completed, is re-appropriated to the Minnesota State Colleges and Universities system to convert heating and cooling systems within existing Rochester Community and Technical College buildings from electrical energy to steam-derived energy.

## OMNIBUS STATE BUDGET BILL

### Special Session H.F. 1 (Chapter 1)

*SUMMARY:* After multiple negotiations between legislative leadership and the governor, a budget agreement was finally reached in the final hours of the 2010 regular legislative session. Without enough time to pass the budget bill that would resolve the remaining state budget deficit, lawmakers adjourned the regular session sine die at approximately five minutes to midnight Sunday, May 16 and reconvened for a special session at 12:01 a.m., Monday, May 17. The agreed-upon budget balancing bill became HF 1. Members passed the bill the morning of May 17 and adjourned the special session. The budget-balancing bill was the only bill passed during the 2010 special session.

The 2009 \$50 million unallotment for the Minnesota State Colleges and Universities system was included in the bill. The reduction was divided between the Office of the Chancellor and the campuses with a cut of \$2.079 to the Office of the Chancellor and \$47.9 million to the campuses. There is also rider language that states none of the reductions made in the Office of the Chancellor may be charged back or allocated to the campuses.

### *ARTICLE 1*

#### *Summary*

#### Section

- 2 Allotment reductions void.** This section voids any reductions in appropriation allotments from July 1, 2009 to the effective date of this section.

### *ARTICLE 5*

#### *Higher Education*

- 3 Minnesota Office of Higher Education.** This section reduces the Office of Higher Education budget by \$77,000 in fiscal years 2010 and 2011.
- 4 Board of Trustees of the Minnesota State Colleges and Universities.** This section reenacts Gov. Pawlenty's 2009 unallotments for the system at \$50 million in fiscal year 2011, which were made void in Article 1. Of this reduction, \$2.079 is to be reduced from the central office and shared services appropriation. Language directs that none of these reductions may be charged back or allocated to the campuses. The remaining \$47.921 million of the reduction is to be cut from the campuses. Language states that for fiscal years 2012 and 2013, the base for the campuses is \$580.802 million each year.

**ARTICLE 9**

***Economic Development***

- 3      Employment and Economic Development**  
**Subd. 3. Workforce Development.** This section cuts \$15,000 in fiscal years 2010 and 2011 from the appropriation for the Minnesota Job Skills Partnership program.

**ARTICLE 14**

***Special Revenue Fund***

- 1      Postsecondary Education Board.** This section directs payments by the Minnesota State Colleges and Universities system to the legislative auditor to be deposited in the special revenue fund and pay audit expenses for audits requested by the Board of Trustees.