

STATE OF MINNESOTA

Journal of the House

NINETY-THIRD SESSION — 2024

ONE HUNDRED EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 30, 2024

The House of Representatives convened at 11:00 a.m. and was called to order by Hodan Hassan, Speaker pro tempore.

Prayer was offered by Pastor TJ Anderson, North Heights Church, Arden Hills, Minnesota.

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

The roll was called and the following members were present:

Acomb	Demuth	Heintzeman	Kotzya-Witthuhn	Newton	Schultz
Agbaje	Dotseth	Hemmingsen-Jaeger	Koznick	Niska	Scott
Altendorf	Edelson	Her	Kraft	Noor	Skraba
Anderson, P. E.	Elkins	Hicks	Kresha	Norris	Smith
Anderson, P. H.	Engen	Hill	Lawrence	Novotny	Stephenson
Backer	Feist	Hollins	Lee, F.	O'Driscoll	Swedzinski
Bahner	Finke	Hornstein	Lee, K.	Olson, B.	Tabke
Bakeberg	Fischer	Howard	Liebling	Olson, L.	Torkelson
Baker	Fogelman	Hudella	Lillie	Pelowski	Urdahl
Becker-Finn	Franson	Hudson	Lislegard	Pérez-Vega	Vang
Bennett	Frazier	Huot	Long	Perryman	Virnig
Berg	Frederick	Hussein	McDonald	Petersburg	West
Bierman	Freiberg	Igo	Mekeland	Pfarr	Wiener
Brand	Garofalo	Jacob	Moller	Pinto	Wiens
Burkel	Gillman	Johnson	Mueller	Pryor	Witte
Carroll	Gomez	Jordan	Murphy	Pursell	Wolgamott
Cha	Greenman	Joy	Myers	Quam	Xiong
Clardy	Grossell	Keeler	Nadeau	Rarick	Youakim
Coulter	Hansen, R.	Kiel	Nash	Rehm	Zeleznikar
Curran	Hanson, J.	Klevorn	Nelson, M.	Reyer	Spk. Hortman
Davids	Harder	Knudsen	Nelson, N.	Robbins	
Davis	Hassan	Koegel	Neu Brindley	Schomacker	

A quorum was present.

Bliss, Daniels and Kozlowski were excused.

Sencer-Mura was excused until 1:40 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

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PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 26, 2024

The Honorable Melissa Hortman
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Hortman:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 3631, relating to capital investment; amending previous appropriations for capital projects; changing the date of submission of a report.

H. F. No. 3925, relating to real property; providing for property insurance for grantee beneficiaries of transfer on death deeds; making technical, clarifying, and conforming changes to transfer on death deeds.

Sincerely,

TIM WALZ
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Melissa Hortman
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2024 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2024</i>	<i>Date Filed 2024</i>
	3631	88	3:40 p.m. April 26	April 26

2904		90	3:41 p.m. April 26	April 26
	3925	91	3:42 p.m. April 26	April 26

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 4411, A bill for an act relating to elections; providing funding and modifying policy for elections, campaign finance, and the secretary of state; establishing local ranked choice voting provisions; establishing the voting rights act cost sharing account; modifying transfers and appropriations; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 10A.01, subdivisions 7, 10d; 204B.35, subdivision 1; 204C.21, by adding a subdivision; 204D.07, subdivision 3; 205.13, subdivision 2; 206.57, by adding a subdivision; 211A.01, subdivisions 3, 7, 8, by adding a subdivision; 211A.02, subdivision 2; 211A.05, subdivision 1; 211A.06; 211A.07; 211A.12; 211A.14; Minnesota Statutes 2023 Supplement, sections 10A.20, subdivision 2a; 206.83; 211A.02, subdivision 1; Laws 2021, First Special Session chapter 12, article 1, section 6; Laws 2023, chapter 62, article 1, sections 6; 43; proposing coding for new law in Minnesota Statutes, chapters 200; 206; proposing coding for new law as Minnesota Statutes, chapter 204E; repealing Minnesota Statutes 2022, sections 211A.01, subdivisions 2, 4; 211A.02, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 31, delete "\$3,127,000" and insert "\$3,336,000"

Page 3, line 2, delete "\$3,000,000" and insert "\$3,075,000"

Pages 4 to 19, delete sections 2 to 19

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete "voting provisions;"

Page 1, line 5, delete "authorizing rulemaking;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 5205, A bill for an act relating to economic development; making supplemental appropriations for workforce development; modifying workforce development policy provisions; appropriating money; amending Minnesota Statutes 2022, sections 116J.8748, subdivision 1; 268.035, subdivision 20; Minnesota Statutes 2023 Supplement, sections 116J.8748, subdivisions 3, 4, 6; 116L.17, subdivision 1; 116L.43, subdivision 1; Laws 2023, chapter 53, article 20, section 2, subdivisions 3, 4, 6; article 21, section 6; repealing Minnesota Statutes 2022, section 116L.17, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
ECONOMIC DEVELOPMENT APPROPRIATIONS

Section 1. Laws 2023, chapter 53, article 20, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation	\$382,802,000	\$ 310,131,000 <u>306,306,000</u>
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Appropriations by Fund

	2024	2025
General	352,525,000	279,854,000 <u>276,029,000</u>
Remediation	700,000	700,000
Workforce Development	30,277,000	30,277,000

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

Sec. 2. Laws 2023, chapter 53, article 20, section 2, subdivision 2, is amended to read:

Subd. 2. Business and Community Development	195,061,000	139,929,000 <u>136,104,000</u>
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Appropriations by Fund

General	193,011,000	137,879,000 <u>134,054,000</u>
Remediation	700,000	700,000
Workforce Development	1,350,000	1,350,000

(a) \$2,287,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2027.

(b) \$500,000 each year is for grants to small business development centers under Minnesota Statutes, section 116J.68. Money made available under this paragraph may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code, title 15, section 648, to provide consulting and technical services or to build additional SBDC network capacity to serve entrepreneurs and small businesses.

(c) \$2,500,000 ~~each the first year~~ is for Launch Minnesota. ~~These are~~ This is a onetime ~~appropriations~~ appropriation. Of this amount:

(1) \$1,500,000 ~~each year~~ is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) \$500,000 ~~each year~~ is for administration of Launch Minnesota; and

(3) \$500,000 ~~each year~~ is for grantee activities at Launch Minnesota.

(d)(1) \$500,000 each year is for grants to MNSBIR, Inc., to support moving scientific excellence and technological innovation from the lab to the market for start-ups and small businesses by securing federal research and development funding. The purpose of the grant is to build a strong Minnesota economy and stimulate the creation of novel products, services, and solutions in the private sector; strengthen the role of small business in meeting federal research and development needs; increase the commercial application of federally supported research results; and develop and increase the Minnesota workforce, especially by fostering and encouraging participation by small businesses owned by women and people who are Black, Indigenous, or people of color. This is a onetime appropriation.

(2) MNSBIR, Inc., shall use the grant money to be the dedicated resource for federal research and development for small businesses of up to 500 employees statewide to support research and commercialization of novel ideas, concepts, and projects into cutting-edge products and services for worldwide economic impact. MNSBIR, Inc., shall use grant money to:

(i) assist small businesses in securing federal research and development funding, including the Small Business Innovation Research and Small Business Technology Transfer programs and other federal research and development funding opportunities;

(ii) support technology transfer and commercialization from the University of Minnesota, Mayo Clinic, and federal laboratories;

(iii) partner with large businesses;

(iv) conduct statewide outreach, education, and training on federal rules, regulations, and requirements;

(v) assist with scientific and technical writing;

(vi) help manage federal grants and contracts; and

(vii) support cost accounting and sole-source procurement opportunities.

(e) \$10,000,000 the first year is for the Minnesota Expanding Opportunity Fund Program under Minnesota Statutes, section 116J.8733. This is a onetime appropriation and is available until June 30, 2025.

(f) \$6,425,000 each year is for the small business assistance partnerships program under Minnesota Statutes, section 116J.682. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The department may use up to five percent of the appropriation for administrative purposes. The base for this appropriation is \$2,725,000 in fiscal year 2026 and each year thereafter.

(g) \$350,000 each year is for administration of the community energy transition office.

(h) \$5,000,000 each year is transferred from the general fund to the community energy transition account for grants under Minnesota Statutes, section 116J.55. This is a onetime transfer.

(i) \$1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(j) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(k) \$389,000 each year is for the Center for Rural Policy and Development. The base for this appropriation is \$139,000 in fiscal year 2026 and each year thereafter.

(l) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

(m) \$875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(n) \$6,500,000 each year is for grants to local communities to increase the number of quality child care providers to support economic development. Fifty percent of grant money must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. The base for this appropriation is \$1,500,000 in fiscal year 2026 and each year thereafter.

Grant recipients must obtain a 50 percent nonstate match to grant money in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant money available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

Within one year of receiving grant money, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care openings, and the amount of cash and in-kind local money invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(o) \$500,000 each year is for the Office of Child Care Community Partnerships. Of this amount:

(1) \$450,000 each year is for administration of the Office of Child Care Community Partnerships; and

(2) \$50,000 each year is for the Labor Market Information Office to conduct research and analysis related to the child care industry.

(p) \$3,500,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations. This appropriation is available until June 30, 2027. The base for this appropriation is \$1,000,000 in fiscal year 2026 and each year thereafter. The Minnesota Initiative Foundations must use grant money under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

(4) recruit child care programs to participate in quality rating and improvement measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through measurement programs.

(q) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8748, money appropriated for the job creation fund may be used for redevelopment under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner.

(r) \$12,370,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(s) \$4,246,000 each year is for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761. The base for this appropriation is \$2,246,000 in fiscal year 2026 and each year thereafter. This appropriation is available until expended.

(t) \$1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Money available under this paragraph is for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(u) \$325,000 ~~each~~ the first year is for the Minnesota Film and TV Board. The appropriation ~~each year~~ is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that ~~each year~~ up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date. This is a onetime appropriation.

(v) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(w) \$500,000 ~~each~~ the first year is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2027. This is a onetime appropriation.

(x) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(y) \$1,350,000 each year from the workforce development fund is for jobs training grants under Minnesota Statutes, section 116L.41.

(z) \$47,475,000 each year is for the PROMISE grant program. This is a onetime appropriation and is available until June 30, 2027. Of this amount:

(1) \$475,000 each year is for administration of the PROMISE grant program;

(2) \$7,500,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve businesses in greater Minnesota. Of this amount, \$600,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year; and

(3) \$39,500,000 each year is for grants to the Neighborhood Development Center. Of this amount, the following amounts are designated for the following areas:

(i) \$16,000,000 each year is for North Minneapolis' West Broadway, Camden, or other Northside neighborhoods. Of this amount, \$1,000,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year;

(ii) \$13,500,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors. Of this amount, \$750,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year; and

(iii) \$10,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods. Of this amount, \$750,000 each year is for grants to businesses with less than \$100,000 in revenue in the prior year.

(aa) \$15,150,000 each year is for the PROMISE loan program. This is a onetime appropriation and is available until June 30, 2027. Of this amount:

(1) \$150,000 each year is for administration of the PROMISE loan program;

(2) \$3,000,000 each year is for grants in equal amounts to each of the Minnesota Initiative Foundations to serve businesses in greater Minnesota; and

(3) \$12,000,000 each year is for grants to the Metropolitan Economic Development Association (MEDA). Of this amount, the following amounts are designated for the following areas:

(i) \$4,500,000 each year is for North Minneapolis' West Broadway, Camden, or other Northside neighborhoods;

(ii) \$4,500,000 each year is for South Minneapolis' Lake Street, 38th and Chicago, Franklin, Nicollet, and Riverside corridors; and

(iii) \$3,000,000 each year is for St. Paul's University Avenue, Midway, Eastside, or other St. Paul neighborhoods.

(bb) \$1,500,000 each year is for a grant to the Metropolitan Consortium of Community Developers for the community wealth-building grant program pilot project. Of this amount, up to two percent is for administration and monitoring of the community wealth-building grant program pilot project. This is a onetime appropriation.

(cc) \$250,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

(dd) \$5,000,000 the first year is for a grant to the Bloomington Port Authority to provide funding for the Expo 2027 host organization. The Bloomington Port Authority must enter into an agreement with the host organization over the use of money, which may be used for activities, including but not limited to finalizing the community dossier and staffing the host organization and for infrastructure design and planning, financial modeling, development planning and coordination of both real estate and public private partnerships, and reimbursement of costs the Bloomington Port Authority incurred. In selecting vendors and exhibitors for Expo 2027, the host organization shall prioritize outreach to, collaboration with, and inclusion of businesses that are majority owned by people of color, women, and people with disabilities. The host organization and Bloomington Port Authority may be reimbursed for expenses 90 days prior to encumbrance. This appropriation is contingent on approval of the project by the Bureau International des Expositions. If the project is not approved by the Bureau International des Expositions, the money shall transfer to the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(ee) \$5,000,000 the first year is for a grant to the Neighborhood Development Center for small business programs, including training, lending, business services, and real estate programming; small business incubator development in the Twin Cities and outside the seven-county metropolitan area; and technical assistance activities for partners outside the seven-county metropolitan area; and for high-risk, character-based loan capital for nonrecourse loans. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(ff) \$5,000,000 the first year is for transfer to the emerging developer fund account in the special revenue fund. Of this amount, up to five percent is for administration and monitoring of the emerging developer fund program under Minnesota Statutes, section 116J.9926, and the remainder is for a grant to the Local Initiatives Support Corporation - Twin Cities to serve as a partner organization under the program. This is a onetime appropriation.

(gg) \$5,000,000 the first year is for the Canadian border counties economic relief program under article 5. Of this amount, up to \$1,000,000 is for Tribal economic development and \$2,100,000 is for a grant to Lake of the Woods County for the forgivable loan program for remote recreational businesses. This is a onetime appropriation and is available until June 30, 2026.

(hh) \$1,000,000 each year is for a grant to African Economic Development Solutions. This is a onetime appropriation and is available until June 30, 2026. Of this amount:

(1) \$500,000 each year is for a loan fund that must address pervasive economic inequities by supporting business ventures of entrepreneurs in the African immigrant community; and

(2) \$250,000 each year is for workforce development and technical assistance, including but not limited to business development, entrepreneur training, business technical assistance, loan packing, and community development services.

(ii) \$1,500,000 each year is for a grant to the Latino Economic Development Center. This is a onetime appropriation and is available until June 30, 2025. Of this amount:

(1) \$750,000 each year is to assist, support, finance, and launch microentrepreneurs by delivering training, workshops, and one-on-one consultations to businesses; and

(2) \$750,000 each year is to guide prospective entrepreneurs in their start-up process by introducing them to key business concepts, including business start-up readiness. Grant proceeds must be used to offer workshops on a variety of topics throughout the year, including finance, customer service, food-handler training, and food-safety certification. Grant proceeds may also be used to provide lending to business startups.

(jj) \$627,000 the first year is for a grant to Community and Economic Development Associates (CEDA) to provide funding for economic development technical assistance and economic development project grants to small communities across rural Minnesota and for CEDA to design, implement, market, and administer specific types of basic community and economic development programs tailored to individual community needs. Technical assistance grants shall be based on need and given to communities that are otherwise unable to afford these services. Of the amount appropriated, up to \$270,000 may be used for economic development project implementation in conjunction with the technical assistance received. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year.

(kk) \$2,000,000 the first year is for a grant to WomenVenture to:

(1) support child care providers through business training and shared services programs and to create materials that could be used, free of charge, for start-up, expansion, and operation of child care businesses statewide, with the goal of helping new and existing child care businesses in underserved areas of the state become profitable and sustainable; and

(2) support business expansion for women food entrepreneurs throughout Minnesota's food supply chain to help stabilize and strengthen their business operations, create distribution networks, offer technical assistance and support to beginning women food entrepreneurs, develop business plans, develop a workforce, research expansion strategies, and for other related activities.

Eligible uses of the money include but are not limited to:

- (i) leasehold improvements;
- (ii) additions, alterations, remodeling, or renovations to rented space;
- (iii) inventory or supplies;
- (iv) machinery or equipment purchases;
- (v) working capital; and
- (vi) debt refinancing.

Money distributed to entrepreneurs may be loans, forgivable loans, and grants. Of this amount, up to five percent may be used for the WomenVenture's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026.

By December 15, 2026, WomenVenture must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and employment and economic development. The report must include a summary of the uses of the appropriation, including the amount of the appropriation used for administration. The report must also provide a breakdown of the amount of funding used for loans, forgivable loans, and grants; information about the terms of the loans issued; a discussion of how money from repaid loans will be used; the number of entrepreneurs assisted; and a breakdown of how many entrepreneurs received assistance in each county.

(ll) \$2,000,000 the first year is for a grant to African Career, Education, and Resource, Inc., for operational infrastructure and technical assistance to small businesses. This appropriation is available until June 30, 2025.

(mm) \$5,000,000 the first year is for a grant to the African Development Center to provide loans to purchase commercial real estate and to expand organizational infrastructure. This appropriation is available until June 30, 2025. Of this amount:

(1) \$2,800,000 is for loans to purchase commercial real estate targeted at African immigrant small business owners;

(2) \$364,000 is for loan loss reserves to support loan volume growth and attract additional capital;

(3) \$836,000 is for increasing organizational capacity;

(4) \$300,000 is for the safe 2 eat project of inclusive assistance with required restaurant licensing examinations; and

(5) \$700,000 is for a center for community resources for language and technology assistance for small businesses.

(nn) \$7,000,000 the first year is for grants to the Minnesota Initiative Foundations to capitalize their revolving loan funds, which address unmet financing needs of for-profit business start-ups, expansions, and ownership transitions; nonprofit organizations; and developers of housing to support the construction, rehabilitation, and conversion of housing units. Of the amount appropriated:

(1) \$1,000,000 is for a grant to the Southwest Initiative Foundation;

(2) \$1,000,000 is for a grant to the West Central Initiative Foundation;

(3) \$1,000,000 is for a grant to the Southern Minnesota Initiative Foundation;

(4) \$1,000,000 is for a grant to the Northwest Minnesota Foundation;

(5) \$2,000,000 is for a grant to the Initiative Foundation of which \$1,000,000 is for redevelopment of the St. Cloud Youth and Family Center; and

(6) \$1,000,000 is for a grant to the Northland Foundation.

(oo) \$500,000 each year is for a grant to Enterprise Minnesota, Inc., to reach and deliver talent, leadership, employee retention, continuous improvement, strategy, quality management systems, revenue growth, and manufacturing peer-to-peer advisory services to small manufacturing companies employing 35 or fewer full-time equivalent employees. This is a onetime appropriation. No later than February 1, 2025, and February 1, 2026, Enterprise Minnesota, Inc., must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development that includes:

(1) the grants awarded during the past 12 months;

(2) the estimated financial impact of the grants awarded to each company receiving services under the program;

(3) the actual financial impact of grants awarded during the past 24 months; and

(4) the total amount of federal funds leveraged from the Manufacturing Extension Partnership at the United States Department of Commerce.

(pp) \$375,000 each year is for a grant to PFund Foundation to provide grants to LGBTQ+-owned small businesses and entrepreneurs. Of this amount, up to five percent may be used for PFund Foundation's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026. To the extent practicable, money must be distributed by PFund Foundation as follows:

(1) at least 33.3 percent to businesses owned by members of racial minority communities; and

(2) at least 33.3 percent to businesses outside of the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(qq) \$125,000 each year is for a grant to Quorum to provide business support, training, development, technical assistance, and related activities for LGBTQ+-owned small businesses that are recipients of a PFund Foundation grant. Of this amount, up to five percent may be used for Quorum's technical assistance and administrative costs. This is a onetime appropriation and is available until June 30, 2026.

(rr) \$5,000,000 the first year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services to minority-owned businesses. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available the second year. Of this amount:

(1) \$3,000,000 is for a revolving loan fund to provide additional minority-owned businesses with access to capital; and

(2) \$2,000,000 is for operating support activities related to business development and assistance services for minority business enterprises.

By February 1, 2025, MEDA shall report to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over economic development policy and finance on the loans and operating support activities, including outcomes and expenditures, supported by the appropriation under this paragraph.

(ss) \$2,500,000 each year is for a grant to a Minnesota-based automotive component manufacturer and distributor specializing in electric vehicles and sensor technology that manufactures all of their parts onshore to expand their manufacturing. The grant recipient under this paragraph shall submit reports on the uses of the money appropriated, the number of jobs created due to the appropriation, wage information, and the city and state in which the additional manufacturing activity was located to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development. An initial report shall be submitted by December 15, 2023, and a final report is due by December 15, 2025. This is a onetime appropriation.

(tt)(1) \$125,000 each year is for grants to the Latino Chamber of Commerce Minnesota to support the growth and expansion of small businesses statewide. Funds may be used for the cost of programming, outreach, staffing, and supplies. This is a onetime appropriation.

(2) By January 15, 2026, the Latino Chamber of Commerce Minnesota must submit a report to the legislative committees with jurisdiction over economic development that details the use of grant funds and the grant's economic impact.

(uu) \$175,000 the first year is for a grant to the city of South St. Paul to study options for repurposing the 1927 American Legion Memorial Library after the property is no longer used as a library. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(vv) \$250,000 the first year is for a grant to LatinoLEAD for organizational capacity-building.

(ww) \$80,000 the first year is for a grant to the Neighborhood Development Center for small business competitive grants to software companies working to improve employee engagement and workplace culture and to reduce turnover.

(xx)(1) \$3,000,000 in the first year is for a grant to the Center for Economic Inclusion for strategic, data-informed investments in job creation strategies that respond to the needs of underserved populations statewide. This may include forgivable loans, revenue-based financing, and equity investments for entrepreneurs with barriers to growth. Of this amount, up to five percent may be used for the center's technical assistance and administrative costs. This appropriation is available until June 30, 2025.

(2) By January 15, 2026, the Center for Economic Inclusion shall submit a report on the use of grant funds, including any loans made, to the legislative committees with jurisdiction over economic development.

(yy) \$500,000 ~~each~~ the first year is for a grant to the Asian Economic Development Association for asset building and financial empowerment for entrepreneurs and small business owners, small business development and technical assistance, and cultural placemaking. This is a onetime appropriation.

(zz) \$500,000 each year is for a grant to Isuroon to support primarily African immigrant women with entrepreneurial training to start, manage, and grow self-sustaining microbusinesses, develop incubator space for these businesses, and provide support with financial and language literacy, systems navigation to eliminate capital access disparities, marketing, and other technical assistance. This is a onetime appropriation.

Sec. 3. Laws 2023, chapter 53, article 20, section 3, is amended to read:

Sec. 3. **EXPLORE MINNESOTA TOURISM**

\$ 40,954,000
40,554,000

\$21,369,000

(a) \$500,000 each year must be matched from nonstate sources to develop maximum private sector involvement in tourism. Each \$1 of state incentive must be matched with \$6 of private sector money. "Matched" means revenue to the state or documented in-kind, soft match, or cash expenditures directly expended to support Explore Minnesota Tourism under Minnesota Statutes, section 116U.05. The incentive in fiscal year 2024 is based on fiscal year 2023 private sector contributions. The incentive in fiscal year 2025 is based on fiscal year 2024 private sector contributions. This incentive is ongoing.

(b) \$11,000,000 the first year is for the development of Explore Minnesota for Business under Minnesota Statutes, section 116U.07, to market the overall livability and economic opportunities of Minnesota. This is a onetime appropriation.

(c) \$5,500,000 each year is for the development of new initiatives for Explore Minnesota Tourism. If the amount in the first year is insufficient, the amount in the second year is available in the first year. This is a onetime appropriation.

(d) ~~\$6,047,000~~ \$5,647,000 the first year and \$600,000 the second year is for grants for infrastructure and associated costs for cultural festivals and events, including but not limited to buildout, permits, sanitation and maintenance services, transportation, staffing, event

programming, public safety, facilities and equipment rentals, signage, and insurance. This is a onetime appropriation. Of this amount:

(1) \$1,847,000 the first year is for a grant to the Minneapolis Downtown Council for the Taste of Minnesota event;

(2) \$1,200,000 the first year is for a grant to the Stairstep Foundation for African American cultural festivals and events;

(3) ~~\$1,200,000~~ \$800,000 the first year is for grants for Somali community and cultural festivals and events, including festivals and events in greater Minnesota, as follows:

(i) \$400,000 is for a grant to Ka Joog; and

(ii) \$400,000 is for a grant to the Somali Museum of Minnesota; ~~and~~

~~(iii) \$400,000 is for a grant to ESHARA;~~

(4) \$1,200,000 the first year is for a grant to West Side Boosters for Latino cultural festivals and events; and

(5) \$600,000 the first year and \$600,000 the second year are for grants to the United Hmong Family, Inc. for the Hmong International Freedom Festival event.

(e) Money for marketing grants is available either year of the biennium. Unexpended grant money from the first year is available in the second year.

(f) The base for Explore Minnesota is \$17,023,000 from the general fund in fiscal year 2026 and each year thereafter.

Sec. 4. **APPROPRIATIONS.**

Subdivision 1. Department of Employment and Economic Development. \$6,797,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of employment and economic development. This appropriation is onetime and in addition to the amounts appropriated in Laws 2023, chapter 53. Of this amount:

(1) \$500,000 is for a grant to the Asian Economic Development Association for asset building and financial empowerment for entrepreneurs and small business owners, small business development and technical assistance, and cultural placemaking. This amount is available until June 30, 2027;

(2) \$497,000 is for a grant to Propel Nonprofits for a microloan capital program to provide assistance to organizations that primarily serve historically underserved communities, including loans, forgivable loans, grants for working capital or regrating, and real estate and technical assistance. Up to five percent of this amount may be used by the grantee for administrative costs;

(3) \$1,000,000 is for a grant to the New American Development Center to provide small businesses and entrepreneurs with technical assistance, financial education, training, and lending and to build the grantee's capacity;

(4) \$1,000,000 is for a grant to the Entrepreneur Fund to capitalize their revolving loan funds to address unmet financing needs in northeast Minnesota of for-profit business startups, expansions, and ownership transitions;

(5) \$500,000 is for a grant to the Coalition of Asian American Leaders to support outreach, training, technical assistance, peer network development, and direct financial assistance for Asian Minnesotan women entrepreneurs. This amount is available until June 30, 2026;

(6) \$300,000 is for a grant to Fortis Capital for a revolving loan fund to provide risk-mitigating capital for commercial development activities in underserved communities and to entrepreneurs from disadvantaged groups statewide. This amount is available until expended and up to ten percent of the amount may be used for administrative costs;

(7) \$500,000 is for a grant to Arrowhead Economic Opportunity Agency to develop a new service center; and

(8) \$2,500,000 is for Launch Minnesota and is available until June 30, 2027. Of this amount:

(i) \$1,500,000 is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(ii) \$500,000 is for administration of Launch Minnesota; and

(iii) \$500,000 is for grantee activities at Launch Minnesota.

Subd. 2. **Explore Minnesota.** \$3,425,000 in fiscal year 2025 is appropriated from the general fund to Explore Minnesota. This appropriation is in addition to the amounts appropriated in Laws 2023, chapter 53, and, except as otherwise specified, is onetime. Of this amount:

(1) \$725,000 is for Explore Minnesota Film. The base for this appropriation is \$525,000 in fiscal year 2026 and \$525,000 in fiscal year 2027;

(2) \$300,000 is for Explore Minnesota Film for the film production jobs program under Minnesota Statutes, section 116U.26. The base for this appropriation is \$300,000 in fiscal year 2026 and \$300,000 in fiscal year 2027;

(3) \$400,000 is for a grant to Ka Joog for Somali community and cultural festivals and events, including festivals and events in greater Minnesota;

(4) \$1,000,000 is for a grant to Minnesota Sports and Events for the World Junior Hockey Championships; and

(5) \$1,000,000 is for a grant to 2026 Special Olympics USA Games. This amount is available until June 30, 2027.

Sec. 5. **CANCELLATIONS OF PRIOR APPROPRIATIONS.**

The \$5,000,000 fiscal year 2024 appropriation from the general fund in Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (dd), is canceled.

ARTICLE 2
ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2022, section 116J.435, subdivision 3, is amended to read:

Subd. 3. **Grant program established.** (a) The commissioner shall make ~~competitive~~ grants to local governmental units to acquire and prepare land on which public infrastructure required to support an eligible project will be located, ~~including demolition of structures and remediation of any hazardous conditions on the land, or to pre-design, design, acquire, and to~~ construct, furnish, and equip public infrastructure required to support an eligible project. The local governmental unit receiving a grant must provide for the remainder of the public infrastructure costs from other sources. ~~The commissioner may waive the requirements related to an eligible project under subdivision 2 if a project would be eligible under this section but for the fact that its location requires infrastructure improvements to residential development.~~

(b) The amount of a grant may not exceed ~~the lesser of the cost of the public infrastructure or~~ 50 percent of the sum of the cost of the public infrastructure ~~plus the cost of the completed eligible~~ project.

(c) The purpose of the program is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development through the growth of new innovative businesses and organizations.

Sec. 2. Minnesota Statutes 2022, section 116J.435, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a local governmental unit must include ~~the following information~~ in its application a resolution certifying that the money required to be supplied by the local governmental unit to complete the public infrastructure project is available and committed. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) ~~a resolution of its governing body certifying that the money required to be supplied by the local governmental unit to complete the public infrastructure is available and committed~~ the project is an eligible project as defined under subdivision 2;

(2) ~~a detailed estimate, along with necessary supporting evidence, of the total development costs for the public infrastructure and eligible project~~ the project is expected to result in or will attract substantial public and private capital investment and provide substantial economic benefit to the county or city in which the project would be located;

(3) ~~an assessment of the potential or likely use of the site for innovative business activities after completion of the public infrastructure and eligible project~~ the project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the project cannot be reasonably accommodated within the county or city in which the business is currently located, or the business would otherwise relocate to another state; and

(4) ~~a timeline indicating the major milestones of the public infrastructure and eligible project and their anticipated completion dates;~~ the project is expected to create or retain full-time jobs.

(5) ~~a commitment from the governing body to repay the grant if the milestones are not realized by the completion date identified in clause (4); and~~

(6) ~~any additional information or material the commissioner prescribes.~~

(b) The determination of whether to make a grant ~~under subdivision 3~~ for a site is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the ~~priority~~ criteria are not subject to judicial review, except for abuse of discretion.

Sec. 3. Minnesota Statutes 2022, section 116J.5492, subdivision 2, is amended to read:

Subd. 2. **Membership.** (a) The advisory committee consists of 18 voting members and eight ex officio nonvoting members.

(b) The voting members of the advisory committee are appointed by the commissioner of employment and economic development, except as specified below:

(1) two members of the senate, one appointed by the majority leader of the senate and one appointed by the minority leader of the senate;

(2) two members of the house of representatives, one appointed by the speaker of the house of representatives and one appointed by the minority leader of the house of representatives;

(3) one representative of the Prairie Island Indian community;

(4) four representatives of impacted communities, of which two must represent counties and two must represent municipalities, and, to the extent possible, of the impacted facilities in those communities, at least one must be a coal plant, at least one must be a nuclear plant, and at least one must be a natural gas plant;

(5) three representatives of impacted workers at impacted facilities;

(6) one representative of impacted workers employed by companies that, under contract, regularly perform construction, maintenance, or repair work at an impacted facility;

(7) one representative with professional economic development or workforce retraining experience;

(8) two representatives of utilities that operate an impacted facility;

(9) one representative from a nonprofit organization with expertise and experience delivering energy efficiency and conservation programs; ~~and~~

(10) one representative of a school district facing revenue loss due to energy transition; and

~~(4)~~ (11) one representative from the Coalition of Utility Cities.

(c) The ex officio nonvoting members of the advisory committee consist of:

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

(2) the commissioner of employment and economic development or the commissioner's designee;

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

(4) the commissioner of labor and industry or the commissioner's designee;

(5) the commissioner of revenue or the commissioner's designee;

- (6) the executive secretary of the Public Utilities Commission or the secretary's designee;
- (7) the commissioner of the Pollution Control Agency or the commissioner's designee; and
- (8) the chancellor of the Minnesota State Colleges and Universities or the chancellor's designee.

Sec. 4. Minnesota Statutes 2023 Supplement, section 116J.682, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms in this subdivision have the meanings given.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Partner organizations" or "partners" means:

(1) nonprofit organizations or public entities, including higher education institutions, engaged in business development or economic development;

(2) community development financial institutions; ~~or~~

(3) community development corporations; and

(4) Tribal economic development entities.

(d) "Small business" has the meaning given in section 3 of the Small Business Act, United States Code, title 15, section 632.

(e) "Underserved populations and geographies" means individuals who are Black, Indigenous, people of color, veterans, people with disabilities, people who are LGBTQ+, and low-income individuals and includes people from rural Minnesota.

Sec. 5. Minnesota Statutes 2023 Supplement, section 116J.682, subdivision 3, is amended to read:

Subd. 3. **Small business assistance partnerships grants.** (a) The commissioner shall make small business assistance partnerships grants to local and regional community-based organizations to provide small business development and technical assistance services to entrepreneurs and small business owners. The commissioner must prioritize applications that provide services to underserved populations and geographies.

(b) Grantees shall use the grant funds to provide high-quality, free ~~or low-cost~~ professional business development and technical assistance services that support the start-up, growth, and success of Minnesota's entrepreneurs and small business owners.

(c) Grantees may use up to 15 percent of grant funds for expenses incurred while administering the grant, including but not limited to expenses related to technology, utilities, legal services, training, accounting, insurance, financial management, benefits, reporting, servicing of loans, and audits.

Sec. 6. Minnesota Statutes 2023 Supplement, section 116J.8733, is amended to read:

116J.8733 MINNESOTA EXPANDING OPPORTUNITY FUND PROGRAM.

Subdivision 1. **Establishment.** The Minnesota Expanding Opportunity Fund Program is established to capitalize Minnesota nonprofit corporations, Tribal economic development entities, and community development financial institutions to increase lending activities with Minnesota small businesses.

Subd. 2. **Long-term loans.** The department may make long-term loans of ten to 12 years at 0.5 percent or lower interest rates to nonprofit corporations, Tribal economic development entities, and community development financial institutions to enable nonprofit corporations, Tribal economic development entities, and community development financial institutions to make more loans to Minnesota small businesses. The department may use the interest received to offset the cost of administering small business lending programs.

Subd. 3. **Loan eligibility; ~~nonprofit corporation.~~** (a) The eligible nonprofit corporation, Tribal economic development entity, or community development financial institution must not meet the definition of recipient under section 116J.993, subdivision 6.

(b) The commissioner may enter into loan agreements with Minnesota nonprofit corporations, Tribal economic development entities, and community development financial institutions that apply to participate in the Minnesota Expanding Opportunity Fund Program. The commissioner shall evaluate applications from applicant nonprofit corporations, Tribal economic development entities, and community development financial institutions. In evaluating applications, the department must consider, among other things, whether the nonprofit corporation, Tribal economic development entity, or community development financial institution:

(1) meets the statutory definition of a community development financial institution as defined in section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994, United States Code, title 12, section 4702;

(2) has a board of directors or loan or credit committee that includes citizens experienced in small business services and community development;

(3) has the technical skills to analyze small business loan requests;

(4) is familiar with other available public and private funding sources and economic development programs;

(5) is enrolled in one or more eligible federally funded state programs; and

(6) has the administrative capacity to manage a loan portfolio.

Subd. 4. **Revolving loan fund.** (a) The commissioner shall establish a revolving loan fund to make loans to nonprofit corporations, Tribal economic development entities, and community development financial institutions for the purpose of increasing nonprofit corporation, Tribal economic development entity, and community development financial institution capital and lending activities with Minnesota small businesses.

(b) Nonprofit corporations, Tribal economic development entities, and community development financial institutions that receive loans from the commissioner under the program must establish appropriate accounting practices for the purpose of tracking eligible loans.

Subd. 5. **Loan portfolio administration.** (a) The fee or interest rate charged by a nonprofit corporation, Tribal economic development entity, or community development financial institution for a loan under this subdivision must not exceed ~~the Wall Street Journal prime rate plus two~~ ten percent. A nonprofit corporation, Tribal economic development entity, or community development financial institution participating in the Minnesota Expanding Opportunity Fund Program may charge a loan closing fee equal to or less than ~~two~~ one percent of the loan value.

(b) The nonprofit corporation, Tribal economic development entity, or community development financial institution may retain all earnings from fees and interest from loans to small businesses.

(c) The department must provide the nonprofit corporation, Tribal economic development entity, or community development financial institution making the loan with a fee equal to one percent of the loan value for every loan closed to offset related expenses for loan processing, loan servicing, legal filings, and reporting.

Subd. 6. **Cooperation.** A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program loan shall cooperate with other organizations, including but not limited to community development corporations, community action agencies, and the Minnesota small business development centers.

Subd. 7. **Reporting requirements.** (a) A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program loan must submit an annual report to the commissioner by February 15 of each year that includes:

- (1) the number of businesses to which a loan was made;
- (2) a description of businesses supported by the program;
- (3) demographic information, as specified by the commissioner, regarding each borrower;
- (4) an account of loans made during the calendar year;
- (5) the program's impact on job creation and retention;
- (6) the source and amount of money collected and distributed by the program;
- (7) the program's assets and liabilities; and
- (8) an explanation of administrative expenses.

(b) A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program loan must provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the commissioner.

Sec. 7. Minnesota Statutes 2023 Supplement, section 116J.8751, is amended by adding a subdivision to read:

Subd. 10. **Expiration.** This section expires June 30, 2027.

Sec. 8. Minnesota Statutes 2022, section 116M.18, is amended to read:

116M.18 MINNESOTA EMERGING ENTREPRENEUR PROGRAM.

Subdivision 1. **Establishment.** The Minnesota emerging entrepreneur program is established to award grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions to fund loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities.

Subd. 1a. **Statewide loans.** To the extent there is sufficient eligible demand, loans shall be made so that an approximately equal dollar amount of loans are made to businesses in the metropolitan area as in the nonmetropolitan area. After March 31 of each fiscal year, the department may allow loans to be made anywhere in the state without regard to geographic area.

Subd. 1b. **Grants.** The department shall make grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions to fund loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities to encourage private investment, to provide jobs for minority and low-income persons, to create and strengthen minority business enterprises, and to promote economic development in a low-income area.

Subd. 2. **Grant eligibility; ~~nonprofit corporation.~~** (a) The department may enter into agreements with nonprofit corporations, Tribal economic development entities, and community development financial institutions to fund loans the nonprofit corporation, Tribal economic development entity, or community development financial institution makes to businesses owned by minority or low-income persons, women, veterans, or people with disabilities. The department shall evaluate applications from nonprofit corporations, Tribal economic development entities, and community development financial institutions. In evaluating applications, the department must consider, among other things, whether the nonprofit corporation, Tribal economic development entity, or community development financial institution:

(1) has a board of directors that includes citizens experienced in business and community development, minority business enterprises, addressing racial income disparities, and creating jobs for low-income and minority persons;

(2) has the technical skills to analyze projects;

(3) is familiar with other available public and private funding sources and economic development programs;

(4) can initiate and implement economic development projects;

(5) can establish and administer a revolving loan account or has operated a revolving loan account;

(6) can work with job referral networks which assist minority and low-income persons; and

(7) has established relationships with minority communities.

(b) The department shall review existing agreements with nonprofit corporations, Tribal economic development entities, and community development financial institutions every five years and may renew or terminate the agreement based on the review. In making its review, the department shall consider, among other criteria, the criteria in paragraph (a). The department shall open the program to new applicants every two years.

Subd. 3. **Revolving loan fund.** (a) The department shall establish a revolving loan fund to make grants to nonprofit corporations, Tribal economic development entities, and community development financial institutions for the purpose of making loans to businesses owned by minority or low-income persons, women, veterans, or people with disabilities, and to support minority business enterprises and job creation for minority and low-income persons.

(b) Nonprofit corporations, Tribal economic development entities, and community development financial institutions that receive grants from the department under the program must establish a commissioner-certified revolving loan fund for the purpose of making eligible loans.

(c) Eligible business enterprises include, but are not limited to, technologically innovative industries, value-added manufacturing, and information industries.

(d) Loan applications given preliminary approval by the nonprofit corporation, Tribal economic development entity, or community development financial institution must be forwarded to the department ~~for approval. The commissioner must give final approval for each loan made by the nonprofit corporation.~~ Nonprofit corporations, Tribal economic development entities, and community development financial institutions designated as preferred partners do not need final approval by the commissioner. All other loans must be approved by the commissioner and the commissioner must make approval decisions within 20 days of receiving a loan application unless the application contains insufficient information to make an approval decision. The amount of the state funds contributed to any loan may not exceed 50 percent of each loan. The commissioner must develop the criteria necessary to receive loan forgiveness.

Subd. 4. **Business loan criteria.** (a) The criteria in this subdivision apply to loans made by nonprofit corporations, Tribal economic development entities, and community development financial institutions under the program.

(b) Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the program.

(c) A loan must be used to support a business owned by a minority or a low-income person, woman, veteran, or a person with disabilities. Priority must be given for loans to the lowest income areas.

(d) The minimum state contribution to a loan is \$5,000 and the maximum is \$150,000.

(e) The state contribution must be matched by at least an equal amount of new private investment.

(f) A loan may not be used for a retail development project.

(g) The business must agree to work with job referral networks that focus on minority and low-income applicants.

(h) Up to ten percent of a loan's principal amount may be forgiven if ~~the department approves and~~ the borrower has met lender and agency criteria, including being current with all payments, for at least two years. The commissioner must develop the criteria for receiving loan forgiveness.

Subd. 4a. **Microenterprise loan.** (a) Program grants may be used to make microenterprise loans to small, beginning businesses, including a sole proprietorship. Microenterprise loans are subject to this section except that:

(1) they may also be made to qualified retail businesses;

(2) they may be made for a minimum of \$5,000 and a maximum of ~~\$35,000~~ \$40,000;

(3) in a low-income area, they may be made for a minimum of \$5,000 and a maximum of ~~\$50,000~~ \$55,000; and

(4) they do not require a match.

(b) Up to ten percent of a loan's principal amount may be forgiven if ~~the department approves and~~ the borrower has met lender criteria, including being current with all payments, for at least two years.

Subd. 5. **Revolving fund administration.** (a) The department shall establish a minimum interest rate or fee for loans or guarantees to ensure that necessary loan administration costs are covered. The interest rate charged by a nonprofit corporation, Tribal economic development entity, or community development financial institution for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus ~~four~~ two percent, with a maximum rate of ten percent. For a loan under this subdivision, the nonprofit corporation, Tribal economic development entity, or community development financial institution may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation, Tribal economic development entity, or community development financial institution may retain the amount of the origination fee.

(b) Loan repayment of principal must be paid to the department for deposit in the revolving loan fund. Loan interest payments must be deposited in a revolving loan fund created by the nonprofit corporation, Tribal economic development entity, or community development financial institution originating the loan being repaid for further distribution or use, consistent with the criteria of this section.

(c) Administrative expenses of the nonprofit corporations, Tribal economic development entities, and community development financial institutions with whom the department enters into agreements, including expenses incurred by a nonprofit corporation, Tribal economic development entity, or community development financial institution in providing financial, technical, managerial, and marketing assistance to a business enterprise receiving a loan under subdivision 4, may be paid out of the interest earned on loans and out of interest earned on money invested by the state Board of Investment under section 116M.16, subdivision 2, as may be provided by the department.

(d) The department must provide the nonprofit corporation, Tribal economic development entity, or community development financial institution making the loan with a fee equal to one percent of the loan value for every loan closed to offset related expenses for loan processing, loan servicing, legal filings, and reporting.

Subd. 7. **Cooperation.** A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program grant shall cooperate with other organizations, including but not limited to, community development corporations, community action agencies, and the Minnesota small business development centers.

Subd. 8. **Reporting requirements.** A nonprofit corporation, Tribal economic development entity, or community development financial institution that receives a program grant shall:

(1) submit an annual report to the department by February 15 of each year that includes a description of businesses supported by the grant program, an account of loans made during the calendar year, the program's impact on minority business enterprises and job creation for minority persons and low-income persons, the source and amount of money collected and distributed by the program, the program's assets and liabilities, and an explanation of administrative expenses; and

(2) provide for an independent annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the department.

Subd. 9. **Small business emergency loan account.** The small business emergency loan account is created as an account in the special revenue fund.

Sec. 9. **[116U.255] EXPLORE MINNESOTA FILM.**

Subdivision 1. **Office established; director.** (a) Explore Minnesota Film is established as an office within Explore Minnesota.

(b) The director of Explore Minnesota shall appoint the director of Explore Minnesota Film. The director of Explore Minnesota Film must be qualified by experience with issues related to film and television production and economic development.

(c) The office may employ staff necessary to carry out the duties required in this section.

Subd. 2. **Duties.** The director of Explore Minnesota Film is authorized to:

(1) administer the film production jobs program and the film production credit program;

(2) promote Minnesota as a location for film and television production;

(3) assist in the establishment and implementation of programs related to film and television production, including but not limited to permitting and workforce development;

(4) improve communication among local, state, federal, and private entities regarding film and television production logistics and best practices;

(5) coordinate the development of statewide policies addressing film and television production; and

(6) act as a liaison to production entities, workers, and state agencies.

Sec. 10. Minnesota Statutes 2022, section 116U.26, is amended to read:

116U.26 FILM PRODUCTION JOBS PROGRAM.

(a) The film production jobs program is created. The program shall be operated by ~~the Minnesota Film and TV Board~~ Explore Minnesota Film with administrative oversight and control by the ~~commissioner of employment and economic development~~ director of Explore Minnesota. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to ~~the Minnesota Film and TV Board~~ Explore Minnesota Film of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

~~The Minnesota Film and TV Board~~ Explore Minnesota Film shall make recommendations to the ~~commissioner of employment and economic development~~ director of Explore Minnesota about program payment, but the ~~commissioner~~ director has the authority to make the final determination on payments. The ~~commissioner's~~ director's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration, including costs for independent audits and financial reviews of projects.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

(i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment;

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice;

(viii) above-the-line talent fees for nonresident talent; or

(ix) costs incurred during postproduction; and

(2) "film" means a feature film, television or Internet pilot, program, series, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, ~~the Minnesota Film and TV Board~~ Explore Minnesota Film may make reimbursements of: (1) up to 25 percent of production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur a minimum Minnesota expenditure of \$1,000,000 in the metropolitan area within a 12-month period; or (2) up to 20 percent of production costs for films that incur less than \$1,000,000 in Minnesota production costs in the metropolitan area within a 12-month period.

Sec. 11. Minnesota Statutes 2023 Supplement, section 116U.27, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Allocation certificate" means a certificate issued by the commissioner to a taxpayer upon receipt and approval of an initial application for a credit for a project that has not yet been completed.

(c) "Application" means the application for a credit under subdivision 4.

~~(d) "Commissioner" means the commissioner of employment and economic development.~~

~~(e)~~ (d) "Credit certificate" means a certificate issued by the commissioner upon receipt and approval of the cost verification report in subdivision 4, paragraph (e).

(e) "Director" means the director of Explore Minnesota.

(f) "Eligible production costs" means eligible production costs as defined in section 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to the production of a film project in Minnesota.

(g) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

(h) "Project" means a film:

(1) that includes the promotion of Minnesota;

(2) for which the taxpayer has expended at least \$1,000,000 in any consecutive 12-month period beginning after expenditures are first paid in Minnesota for eligible production costs; and

(3) to the extent practicable, that employs Minnesota residents.

Television commercials are exempt from the requirement under clause (1).

(i) "Promotion of Minnesota" or "promotion" means visible display of a static or animated logo, approved by the ~~commissioner~~ director, that promotes Minnesota within its presentation in the end credits ~~before the below the line crew crawl~~ for the life of the project.

Sec. 12. Minnesota Statutes 2023 Supplement, section 116U.27, subdivision 4, is amended to read:

Subd. 4. **Applications; allocations.** (a) To qualify for a credit under this section, a taxpayer must submit to the ~~commissioner~~ director an application for a credit in the form prescribed by the ~~commissioner~~ director, in consultation with the commissioner of revenue.

(b) Upon approving an application for a credit that meets the requirements of this section, the ~~commissioner~~ director shall issue allocation certificates that:

(1) verify eligibility for the credit;

(2) state the amount of credit anticipated for the eligible project, with the credit amount up to 25 percent of eligible project costs; and

(3) state the taxable year in which the credit is allocated.

~~The commissioner must consult with the Minnesota Film and TV Board prior to issuing an allocation certificate.~~

(c) The ~~commissioner~~ director must not issue allocation certificates for more than \$24,950,000 of credits each year. If the entire amount is not allocated in that taxable year, any remaining amount is available for allocation for the four following taxable years until the entire allocation has been made. The ~~commissioner~~ director must not award any credits for taxable years beginning after December 31, 2030, and any unallocated amounts cancel on that date.

(d) The ~~commissioner~~ director must allocate credits on a first-come, first-served basis.

(e) Upon completion of a project, the taxpayer shall submit to the ~~commissioner~~ director a report prepared by an independent certified public accountant licensed in the state of Minnesota to verify the amount of eligible production costs related to the project. The report must be prepared in accordance with generally accepted accounting principles. Upon receipt and approval of the cost verification report and other documents required by the ~~commissioner~~ director, the ~~commissioner~~ director shall determine the final amount of eligible production costs and issue a credit certificate to the taxpayer. The credit may not exceed the anticipated credit amount on the allocation certificate. If the credit is less than the anticipated amount on the allocation credit, the difference is returned to the amount available for allocation under paragraph (c). To claim the credit under section 290.06, subdivision 39, or 297I.20, subdivision 4, a taxpayer must include a copy of the credit certificate as part of the taxpayer's return.

Sec. 13. Minnesota Statutes 2022, section 116U.27, subdivision 5, is amended to read:

Subd. 5. **Report required.** By January 15, 2025, the commissioner of revenue, in consultation with the ~~commissioner~~ director, must provide a report to the chairs and ranking minority members of the legislative committees with jurisdiction over economic development and taxes. The report must comply with sections 3.195 and 3.197, and must detail the following:

(1) the amount of credit certifications issued annually;

(2) the number of applications submitted, the number of allocation certificates issued, the amount of allocation certificates issued, the number of reports submitted upon completion of a project, and the number of credit certificates issued;

(3) the types of projects eligible for the credit;

(4) the total economic impact of the credit in Minnesota, including the calendar year over calendar year percentage changes in the number of jobs held by Minnesota residents in businesses having a primary North American Industry Classification System code of 512110 as reported to the commissioner, for calendar years 2019 through 2023;

(5) the number of taxpayers per tax type which are assignees of credit certificates under subdivision 3;

(6) annual Minnesota taxes paid by businesses having a primary North American Industry Classification System code of 512110, for taxable years beginning after December 31, 2018, and before January 1, 2024; and

(7) any other information the commissioner of revenue, in consultation with the ~~commissioner~~ director, deems necessary for purposes of claiming and administering the credit.

Sec. 14. Laws 2023, chapter 53, article 15, section 32, subdivision 6, is amended to read:

Subd. 6. **Administrative costs.** The commissioner of employment and economic development may use up to one percent of the appropriation made for this section for administrative expenses of the department. Of this amount, the Northland Foundation may use up to five percent for administrative expenses.

Sec. 15. Laws 2023, chapter 53, article 15, section 33, subdivision 4, is amended to read:

Subd. 4. **Loans to community businesses.** (a) A partner organization that receives a grant under subdivision 3 shall establish a plan for making low-interest loans to community businesses. The plan requires approval by the commissioner.

(b) Under the plan:

(1) the state contribution to each loan shall be no less than \$50,000 and no more than \$500,000;

(2) loans shall be made for projects that are unlikely to be undertaken unless a loan is received under the program;

(3) priority shall be given to loans to businesses in the lowest income areas;

(4) the fee or interest rate on a loan shall not be higher than ~~the Wall Street Journal prime rate~~ ten percent;

(5) 50 percent of all repayments of principal on a loan under the program shall be used to fund additional related lending. The partner organization may retain the remainder of loan repayments to service loans and provide further technical assistance;

(6) the partner organization may charge a loan origination fee of no more than one percent of the loan value and may retain that origination fee; ~~and~~

(7) a partner organization may not make a loan to a project in which it has an ownership interest; and

(8) up to 15 percent of a loan's principal amount may be forgiven by the partner organization if the borrower has met all lending criteria developed by the partner organization and the commissioner, including creating or retaining jobs and being current with all loan payments, for at least two years.

Sec. 16. Laws 2023, chapter 53, article 15, section 33, subdivision 5, is amended to read:

Subd. 5. **Reports.** (a) The partner organization shall submit a report to the commissioner by ~~January~~ December 31 of 2024, 2025, and 2026. The report shall include:

(1) an account of all loans made through the program the preceding calendar year and the impact of those loans on community businesses and job creation for targeted groups;

(2) information on the source and amount of money collected and distributed under the program, its assets and liabilities, and an explanation of administrative expenses; and

(3) an independent audit of grant funds performed in accordance with generally accepted accounting practices and auditing standards.

(b) By February 15 of ~~2024, 2025, and 2026, and 2027,~~ the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over workforce and economic development on program outcomes, including copies of all reports received under paragraph (a).

Sec. 17. **BROOKLYN PARK BIOTECH INNOVATION DISTRICT.**

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given.

(b) "Authority" means the Brooklyn Park Economic Development Authority.

(c) "Biotech innovation district" means a geographic area in the city identified in the development plan.

(d) "City" means the city of Brooklyn Park.

(e) "Development plan" means the plan adopted under subdivision 2.

(f) "Project" means a project to implement the development plan.

(g) "Public infrastructure project" means a project financed at least partially with public money to:

(1) acquire or remediate real property, including site improvement;

(2) demolish, repair, or rehabilitate buildings;

(3) install, construct, or reconstruct public infrastructure necessary for the biotech innovation district;

(4) acquire, construct, reconstruct, develop, or equip parking facilities and other transit-related facilities; and

(5) acquire, install, construct, reconstruct, develop, or equip recreational, social, cultural, or tourism facilities.

Subd. 2. **Development plan.** (a) The authority must prepare a plan for the development of a biotech innovation district within the city. At least 60 days prior to a hearing on adopting the proposed development plan, the economic development authority must provide copies of the proposed development plan to the city, which the city must make available to the public in its offices and on the city's website. At least ten days before the hearing, the authority must publish notice of the hearing in a newspaper selected by the city for publication of the notice. At the hearing, the authority may only adopt the plan if it finds that:

(1) the plan provides an outline for the development of the city as a site of biotech innovation;

(2) the plan identifies the location of the proposed biotech innovation district;

(3) the plan is sufficiently complete, including the identification of planned and anticipated projects, to indicate its relationship to definite state and local objectives;

(4) the proposed development affords maximum opportunity, consistent with the needs of the city, county, and state, for the development of the city by private enterprise as a biotech innovation district;

(5) the plan conforms to the general plan for the development of the city; and

(6) the plan includes:

(i) strategic planning consistent with a biotech innovation district;

(ii) a framework to identify and prioritize short- and long-term public investment and public infrastructure project development and to facilitate private investment and development;

(iii) land use planning;

(iv) multimodal transportation planning;

(v) goals, objectives, and strategies to increase racial equity and to create community wealth for city residents, local businesses, and businesses owned by women and people of color, guided by the city's racial equity principles; and

(vi) ongoing market research plans.

(b) In identifying planned and anticipated projects under paragraph (a), clause (2), the authority must prioritize projects that will pay a wage covering the cost of living for Hennepin County, calculated using the most recent report completed pursuant to Minnesota Statutes, section 116J.013.

(c) The city must adopt the development plan within 60 days following its adoption by the authority and may incorporate the development plan into the city's comprehensive plan. Minnesota Statutes, section 15.99, does not apply to review and approval of the development plan.

(d) The authority may modify the development plan at any time and must modify the plan at least once every five years. To modify the development plan, the authority must follow the same procedures set out in paragraph (a) for the development plan.

(e) When preparing the proposed development plan, the authority must seek input from the community and other partners such as biotech trade associations, the City of Brooklyn Park Planning Commission, the City of Brooklyn Park Community Long-Range Improvement Committee, skilled trades, and other regional partners.

Subd. 3. Special powers; requirements; limitations. (a) In implementing the development plan, the city may exercise the powers of a port authority under Minnesota Statutes, sections 469.048 to 469.068.

(b) The city must provide financial and administrative support to the authority and may appropriate city funds to the authority for its work in developing and implementing the development plan.

(c) The city may issue general obligation bonds, revenue bonds, or other obligations to finance the development and implementation of the development project. Debt undertaken pursuant to this paragraph is not subject to the net debt limit in Minnesota Statutes, section 475.53. Approval of the electors is not necessary to issue bonds or other obligations under this paragraph. The city may pledge any of its revenues, including property taxes and state aid issued pursuant to Minnesota Statutes, section 469.47, to the obligations issued pursuant to this paragraph. The city must not issue obligations that are only payable from or secured by state aid issued pursuant to Minnesota Statutes, section 469.47.

(d) Notwithstanding Minnesota Statutes, section 469.068, the city and its authority need not require competitive bidding on a parking facility or other public improvement constructed to implement the development plan.

(e) Except as otherwise specified, all activities to develop and implement the development plan must comply with applicable state law and regulations and city ordinances, zoning, and planning requirements.

Subd. 4. Report. Beginning in 2025, by February 15 of each year, the city and authority must submit a joint report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over jobs and economic development. The report must include:

(1) the development plan and any proposed changes to the development plan;

(2) information on the progress of projects identified in the development plan;

(3) costs and financing sources for the costs, including the amount paid with state aid and local contributions of projects completed in the previous two years;

(4) estimated costs and financing sources for projects anticipated to start in the next two years; and

(5) debt service schedules for all outstanding obligations of the city and authority for debt issued for projects identified in the plan.

Sec. 18. PROMISE ACT GRANTS; 2023 APPROPRIATION.

The appropriation for the PROMISE grant program in Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (z), clause (3), item (ii), includes, in addition to the corridors listed in item (ii), the following designated areas in South Minneapolis:

(1) Hennepin Avenue Commercial corridor;

(2) South Hennepin Community corridor; and

(3) Uptown Special Service District.

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

Sec. 19. **PROMISE ACT LOANS; 2023 APPROPRIATION.**

The appropriation for the PROMISE loan program in Laws 2023, chapter 53, article 20, section 2, subdivision 2, paragraph (aa), clause (3), item (ii), includes, in addition to the corridors listed in item (ii), the following designated areas in South Minneapolis:

(1) Hennepin Avenue Commercial corridor;

(2) South Hennepin Community corridor; and

(3) Uptown Special Service District.

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

Sec. 20. **REPEALER.**

Minnesota Statutes 2022, section 116J.435, subdivision 5, is repealed.

ARTICLE 3
WORKFORCE DEVELOPMENT APPROPRIATIONS

Section 1. Laws 2023, chapter 53, article 20, section 2, subdivision 4, is amended to read:

Subd. 4. General Support Services	18,045,000	8,045,000
Appropriations by Fund		
	2024	2025
General Fund	17,950,000	7,950,000
Workforce Development	95,000	95,000

The base for the general support services division in fiscal year 2026 is \$5,950,000 for the general fund and \$95,000 for the workforce development fund.

(a) \$1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.

(b) \$10,000,000 the first year is for the workforce digital transformation projects. This appropriation is onetime and is available until June 30, 2027.

Sec. 2. Laws 2023, chapter 53, article 20, section 2, subdivision 6, is amended to read:

Subd. 6. Vocational Rehabilitation	45,691,000	45,691,000 <u>40,636,000</u>
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Appropriations by Fund

	2024	2025
General	37,861,000	37,861,000 <u>32,806,000</u>
Workforce Development	7,830,000	7,830,000

(a) \$14,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) \$11,495,000 each year from the general fund and \$6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. Of the amounts appropriated from the general fund, \$4,500,000 each year is for maintaining prior rate increases to providers of extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(c) \$5,055,000 ~~each year~~ in the first year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14, and is available until June 30, 2025. The base for this appropriation is \$2,555,000 in fiscal year 2026 and each year thereafter.

(d) \$7,011,000 each year is for grants to centers for independent living under Minnesota Statutes, section 268A.11. This appropriation is available until June 30, 2027. The base for this appropriation is \$3,011,000 in fiscal year 2026 and each year thereafter.

(e) \$1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-age youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

Sec. 3. **APPROPRIATIONS; DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT.**

\$16,750,000 in fiscal year 2025 is appropriated from the workforce development fund to the commissioner of employment and economic development. This is a onetime appropriation and is in addition to the amounts appropriated in Laws 2023, chapter 53. Of this amount:

(1) \$550,000 is for a grant to Sabathani Community Center for specialized community outreach and engagement, a marketing and communication plan, program evaluation, personal empowerment training for men, empowerment and truancy curriculum for youth, wellness training for seniors, a workforce strategies mentorship and jobs training program, a 15-passenger van, and service kiosks for the Sabathani Community Center, including a onetime paid internship to support these programs;

(2) \$700,000 is for a grant to the Shakopee Chamber Foundation for the Shakopee area workforce development scholarship pilot program;

(3) \$2,000,000 is for a grant to PFund Foundation for: (i) workforce development and job skills training for LGBTQIA2S+ individuals; and (ii) medical, mental health, social, and other service providers who serve those individuals. Up to five percent of this amount may be used for the grantee's administrative costs;

(4) \$200,000 is for a grant to Bolder Options Youth Mentoring Program for disadvantaged youth ages 12 to 22 in the Bolder Options program in the Twin Cities and Rochester for providing mentorship, programming, and educational, job placement, and job training services;

(5) \$200,000 is for a grant to the Greater Minneapolis Council of Churches for a STEM training and career preparation program targeted at the needs of BIPOC youth who are at least 11 years of age and less than 24 years of age. This amount is available until June 30, 2027;

(6) \$255,000 is for a grant to the International Institute of Minnesota to expand their business career pathways for new Americans by paying the costs of adding a new employment counselor, a digital literacy instructor, and a professional leadership training instructor, and associated program costs including entrepreneurship training and work readiness training;

(7) \$350,000 is for a grant to the city of Austin to develop and implement training programs offered by Riverland Community College for water operators and for wastewater operators. This amount is available until June 30, 2027. Of this amount: \$100,000 is to develop training programs for water supply system operators and wastewater treatment facility operators; \$100,000 is for personnel to staff the programs within the Riverland Customized Training and Education division of Riverland Community College; \$65,000 is for marketing the programs; \$35,000 is for the costs of Riverland Community College for administering the programs; \$35,000 is for equipment for the programs; and \$15,000 is for the costs of the city of Austin for administering the programs;

(8) \$200,000 is for a grant to the Jobs Foundation for direct training, support services, safety enhancements, and economic support for formerly incarcerated individuals participating in the Repowered work readiness program;

(9) \$280,000 is for a grant to Hired to create services for low-income Minnesotans designed to increase job retention by offering a continuum of employment coaching, navigation, and support services to economically disadvantaged employees leading to a more stable workforce for employers;

(10) \$100,000 is for a grant to Equaspace for work space, IT support, human resources assistance, accounting, fundraising, and executive director support to be used to provide work space and wrap-around services to small and startup nonprofit organizations;

(11) \$1,000,000 is for a grant to Lakeview Methodist Health Care Center to expand child care program capacity;

(12) \$500,000 is for a grant to Change Starts With Community for the Change Starts With Community Violence Prevention Program;

(13) \$1,000,000 is for a grant to African Immigrants Community Services for workforce development for new Americans;

(14) \$1,000,000 is for a grant to WomenVenture for supporting child care providers by providing business training, mentorship, services, and educational materials, by facilitating shared administrative staff and pooled management of services such as banking and payroll, by providing child care management software and software training, and by distributing subgrants and loans, which may be forgivable at WomenVenture's discretion. This amount is available until June 30, 2027;

(15) \$1,000,000 is for a grant to the Black Chamber of Commerce for technical support to Black-owned small businesses, for implementing initiatives to address barriers facing the Black business community, and for networking, mentorship, and training programs. This amount is available until June 30, 2027;

(16) \$375,000 is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery, including the costs of faculty training and of obtaining necessary equipment and facilities. The commissioner of employment and economic development may prioritize funding to applicants that are coordinating with Minnesota State Colleges and Universities institutions or with local industry partners and may enter into an interagency agreement with the Department of Agriculture for operation of the program, including agreements to transfer funds. By November 1, 2025, the commissioner of employment and economic development must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance, education finance, and workforce development finance regarding all grants issued under this clause by county and the number and amount of grant requests not fulfilled;

(17) \$75,000 is for a grant to InspireMSP to develop programming to assist middle-school-aged children in Minneapolis and St. Paul to develop an interest in and connect with the creative industry in Minnesota;

(18) \$150,000 is for a grant to Summit Academy OIC to start and enroll students in a dental assistant program and to work with employers to place students in the field upon successful completion of the program;

(19) \$250,000 is for a grant to the Karen Organization of Minnesota for job training and financial support and incentives for job training participants;

(20) \$100,000 is for a grant to Indigenous Roots for soft skills training and career readiness training for youth and dance instructors of the Cypher Side Dance School;

(21) \$100,000 is for a grant to Ramsey County for a subgrant with Milestone Community Development to provide competitive grants for culturally specific East African-led youth workforce development programs, which must be awarded through at least two requests for proposals, and this amount is available until June 30, 2026;

(22) \$100,000 is for a grant to Ramsey County for a subgrant with People in Action to provide workforce development programming. This amount is available until June 30, 2026, and 40 percent of the amount must be expended within the city of St. Paul. Grants provided by People in Action must be awarded through at least two requests for proposals;

(23) \$700,000 is for a grant to the Metro Youth Diversion Center to support its Youth-Care Assessment and Readiness Education program to enhance workforce development opportunities for youth with a focus on underrepresented East African students;

(24) \$174,000 is for a grant to Independent School District No. 709, Duluth, for a software subscription to facilitate the career planning of students;

(25) \$171,000 is for a grant to Independent School District No. 704, Proctor, to develop a regional career and technical education program to serve Independent School District No. 704, Proctor, Independent School District No. 700, Hermantown, and Independent School District No. 99, Esko;

(26) \$100,000 is for a grant to Lake County Ambulance Service to establish a training program for Cook County and Lake County high school students interested in pursuing careers as emergency medical technicians;

(27) \$2,000,000 is for a grant to the city of Brooklyn Park for the Brooklyn Park Small Business Center and for the city to expand the workforce development programming of Brooklyn Park and Brooklyn Center through workforce development programs serving primarily underrepresented populations, including such programs as Brooklynk, Career Pathways, Youth Entrepreneurship, and Community Partnership. This appropriation is available until June 30, 2027;

(28) \$750,000 is for a grant to Riverside Plaza Tenant Association to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals through training in health care, technology, and construction or skilled trades industries;

(29) \$150,000 is for a grant to African Career, Education, and Resources, Inc., to develop a program for health care skills training and computer skills training in collaboration with the Organization of Liberians in Minnesota;

(30) \$150,000 is for a grant to the Organization of Liberians in Minnesota to develop a program for health care skills training and computer skills training in collaboration with the African Career, Education, and Resources, Inc.;

(31) \$180,000 is for a grant to Equitable Development Action for it to fund programs and provide technical assistance to underserved businesses;

(32) \$50,000 is to for a grant to Ka Joog to operate a workforce technology training center to provide job readiness, skills training, entrepreneurship training, digital literacy, and ongoing career learning;

(33) \$50,000 is for a grant to HIRPHA International for use on youth apprenticeships, entrepreneurship training, computer skills, and work readiness training;

(34) \$300,000 is for a grant to Theater Mu for planning and to design, redesign, renovate, construct, furnish, and equip a building located in the city of St. Paul that will house a workforce development program for working and aspiring BIPOC artists, administrative offices, and a public gathering space for theater art;

(35) \$100,000 is for a grant to Higher Works Collaborative to act as the fiscal agent for the Center for African Immigrants and Refugees Organization to provide workforce training by enhancing their youth programs that help students gain work experience, earn experience in high-demand fields, and transition into family-sustaining careers;

(36) \$450,000 is for a grant to YWCA St. Paul for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living wage employment;

(37) \$50,000 is for a grant to United Senior Lao American Association to provide job and skills training for an underserved population;

(38) \$100,000 is for a grant to Hmong American Farmers Association for workforce readiness, employment exploration, and skills development;

(39) \$240,000 is for a grant to MN Zej Zog for workforce readiness, employment exploration, and skills development;

(40) \$250,000 is for the Minnesota Family Resiliency Partnership under Minnesota Statutes, section 116L.96;

(41) \$150,000 is for a grant to Ramsey County for a Justice Impact Navigator to support Ramsey County residents who have a justice impact or who are reentering the community after incarceration to connect to resources with a focus on employment and training supports. Funds will be used for a navigator pilot and other administrative expenses such as outreach, marketing, and resources for residents; and

(42) \$150,000 is for a grant to Ramsey County for a Digital Equity Specialist to support Ramsey County residents with digital literacy resources and skills to connect to employment and training supports. Funds must be used for a digital navigator pilot serving in Ramsey County Career Labs and community-based locations and other administrative expenses, such as outreach, marketing, and resources for residents.

Sec. 4. APPROPRIATION; UNIVERSITY OF MINNESOTA; THE CENTER FOR NURSING EQUITY AND EXCELLENCE.

\$250,000 in fiscal year 2025 is appropriated from the workforce development fund to the Board of Regents of the University of Minnesota to perform the duties required to establish and carry out the duties of the Center for Nursing Equity and Excellence. This is a onetime appropriation.

Sec. 5. APPROPRIATIONS.

\$5,055,000 in fiscal year 2025 is appropriated from the general fund to the commissioner of employment and economic development for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. This is a onetime appropriation and available until June 30, 2027.

**ARTICLE 4
WORKFORCE DEVELOPMENT**

Section 1. Minnesota Statutes 2022, section 116J.8748, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Agreement" or "business subsidy agreement" means a business subsidy agreement under section 116J.994 that must include, but is not limited to: specification of the duration of the agreement, job goals and a timeline for achieving those goals over the duration of the agreement, construction and other investment goals and a timeline for achieving those goals over the duration of the agreement, and the value of benefits the firm may receive following achievement of capital investment and employment goals. The local government and business must report to the commissioner on the business performance using the forms developed by the commissioner.

(c) "Business" means an individual, corporation, partnership, limited liability company, association, or other entity.

(d) "Capital investment" means money that is expended for the purpose of building or improving real fixed property where employees under paragraphs (g) and (h) are or will be employed and also includes construction materials, services, and supplies, and the purchase and installation of equipment and machinery as provided under subdivision 4, paragraph (b), clause (5).

(e) "Commissioner" means the commissioner of employment and economic development.

(f) "Minnesota job creation fund business" means a business that is designated by the commissioner under subdivision 3.

(g) "Minority person" means a person belonging to a racial or ethnic minority as defined in Code of Federal Regulations, title 49, section 23.5.

(h) "New full-time equivalent employee" means an employee who:

(1) begins work at a Minnesota job creation fund business facility noted in a business subsidy agreement and following the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually or the equivalent of annualized expected hours of work equal to 2,080 hours of one or more employees.

(i) "Persons with disabilities" means an individual with a disability, as defined under the Americans with Disabilities Act, United States Code, title 42, section 12102.

(j) "Retained job equivalent" means a full-time equivalent position:

(1) that existed at the facility prior to the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually or the equivalent of annualized expected hours of work equal to 2,080 hours of one or more employees.

(k) "Veteran" means a veteran as defined in section 197.447.

(l) "Wages" has the meaning given in section 290.92, subdivision 1, clause (1).

Sec. 2. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 3, is amended to read:

Subd. 3. **Minnesota job creation fund business designation; requirements.** (a) To receive designation as a Minnesota job creation fund business, a business must satisfy all of the following conditions:

(1) the business is or will be engaged in, within Minnesota, one of the following as its primary business activity:

(i) manufacturing;

(ii) warehousing;

(iii) distribution;

(iv) information technology;

(v) finance;

(vi) insurance; or

(vii) professional or technical services;

(2) the business must not be primarily engaged in lobbying; gambling; entertainment; professional sports; political consulting; leisure; hospitality; or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, or primarily engaged in making retail sales to purchasers who are physically present at the business's location;

(3) the business must enter into a binding construction and job creation business subsidy agreement with the commissioner to expend directly, or ensure expenditure by or in partnership with a third party constructing or managing the project, at least \$500,000 in capital investment in a capital investment project that includes a new, expanded, or remodeled facility within one year following designation as a Minnesota job creation fund business or \$250,000 if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; and:

(i) create at least ten new full-time equivalent employee positions within two years of the benefit date following the designation as a Minnesota job creation fund business or five new full-time equivalent employee positions within two years of the benefit date if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; or

(ii) expend at least \$25,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 100 full-time equivalent employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, or expend at least \$10,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 50 full-time equivalent employees for projects located outside the metropolitan area;

(4) positions or employees moved or relocated from another Minnesota location of the Minnesota job creation fund business must not be included in any calculation or determination of job creation or new positions under this paragraph; and

(5) a Minnesota job creation fund business must not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual to satisfy job creation goals under this subdivision.

(b) Prior to approving the proposed designation of a business under this subdivision, the commissioner shall consider the following:

(1) the economic outlook of the industry in which the business engages;

(2) the projected sales of the business that will be generated from outside the state of Minnesota;

(3) how the business will build on existing regional, national, and international strengths to diversify the state's economy;

(4) whether the business activity would occur without financial assistance;

(5) whether the business is unable to expand at an existing Minnesota operation due to facility or land limitations;

(6) whether the business has viable location options outside Minnesota;

- (7) the effect of financial assistance on industry competitors in Minnesota;
- (8) financial contributions to the project made by local governments; and
- (9) any other criteria the commissioner deems necessary.

(c) Upon receiving notification of local approval under subdivision 2, the commissioner shall review the determination by the local government and consider the conditions listed in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local area to designate a business as a Minnesota job creation fund business.

(d) If the commissioner designates a business as a Minnesota job creation fund business, the business subsidy agreement shall include the performance outcome commitments and the expected financial value of any Minnesota job creation fund benefits.

(e) The commissioner may amend an agreement once, upon request of a local government on behalf of a business, only if the performance is expected to exceed thresholds stated in the original agreement.

(f) A business may apply to be designated as a Minnesota job creation fund business at the same location more than once only if all goals under a previous Minnesota job creation fund agreement have been met and the agreement is completed.

Sec. 3. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 4, is amended to read:

Subd. 4. **Certification; benefits.** (a) The commissioner may certify a Minnesota job creation fund business as eligible to receive a specific value of benefit under paragraphs (b) and (c) when the business has achieved its job creation and capital investment goals noted in its agreement under subdivision 3.

(b) A qualified Minnesota job creation fund business may be certified eligible for the benefits in this paragraph for up to five years for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and seven years for projects located outside the metropolitan area, as determined by the commissioner when considering the best interests of the state and local area. Notwithstanding section 16B.98, subdivision 5, paragraph (a), clause (3), or 16B.98, subdivision 5, paragraph (b), grant agreements for projects located outside the metropolitan area may be for up to seven years in length. The eligibility for the following benefits begins the date the commissioner certifies the business as a qualified Minnesota job creation fund business under this subdivision:

(1) up to five percent rebate for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan area, on capital investment on qualifying purchases as provided in subdivision 5 with the total rebate for a project not to exceed \$500,000;

(2) an award of up to \$500,000 based on full-time job creation and wages paid as provided in subdivision 6 with the total award not to exceed \$500,000;

(3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment and 100 new full-time equivalent employees in the metropolitan area as defined in section 200.02, subdivision 24, or at least \$10,000,000 in capital investment and 50 new full-time equivalent employees for projects located outside the metropolitan area;

(4) up to \$1,000,000 in capital investment rebates and up to \$1,000,000 in job creation awards are allowable for projects that have at least \$25,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and 100 retained full-time equivalent employees for projects located in the metropolitan

area as defined in section 200.02, subdivision 24, or at least \$10,000,000 in capital investment, which may include the installation and purchase of machinery and equipment, and 50 retained full-time equivalent employees for projects located outside the metropolitan area; and

(5) for clauses (3) and (4) only, the capital investment expenditure requirements may include the installation and purchases of machinery and equipment. These expenditures are not eligible for the capital investment rebate provided under subdivision 5.

(c) The job creation award may be provided in multiple years as long as the qualified Minnesota job creation fund business continues to meet the job creation goals provided for in its agreement under subdivision 3 and the total award does not exceed \$500,000 except as provided under paragraph (b), clauses (3) and (4). Under paragraph (b), clause (4), a job creation award of \$2,000 per full-time equivalent job retained ~~job~~ may be provided one time if the qualified Minnesota job creation fund business meets the minimum capital investment and retained employee requirement as provided in paragraph (b), clause (4), for at least two years.

(d) No rebates or award may be provided until the Minnesota job creation fund business or a third party constructing or managing the project has at least \$500,000 in capital investment in the project and at least ten full-time equivalent jobs have been created and maintained for at least one year or the retained employees, as provided in paragraph (b), clause (4), remain for at least one year. The agreement may require additional performance outcomes that need to be achieved before rebates and awards are provided. If fewer retained jobs are maintained, but still above the minimum under this subdivision, the capital investment award shall be reduced on a proportionate basis.

(e) The forms needed to be submitted to document performance by the Minnesota job creation fund business must be in the form and be made under the procedures specified by the commissioner. The forms shall include documentation and certification by the business that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66, and other provisions as specified by the commissioner.

(f) Minnesota job creation fund businesses must pay each new full-time equivalent employee added pursuant to the agreement total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

(g) A Minnesota job creation fund business must demonstrate reasonable progress on capital investment expenditures within six months following designation as a Minnesota job creation fund business to ensure that the capital investment goal in the agreement under subdivision 1 will be met. Businesses not making reasonable progress will not be eligible for benefits under the submitted application and will need to work with the local government unit to resubmit a new application and request to be a Minnesota job creation fund business. Notwithstanding the goals noted in its agreement under subdivision 1, this action shall not be considered a default of the business subsidy agreement.

Sec. 4. Minnesota Statutes 2023 Supplement, section 116J.8748, subdivision 6, is amended to read:

Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is eligible for an annual award for each new full-time equivalent job created and maintained under subdivision 4, paragraph (b), clauses (2) and (3), by the business using the following schedule: \$1,000 for each job position paying annual wages at least \$26,000 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than \$45,000; \$3,000 for each job position paying at least \$45,000 but less than \$55,000; and \$4,000 for each job position paying at least \$55,000; and as noted in the goals under the agreement provided under subdivision 1. These awards are increased by \$1,000 if the business is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability.

(b) A qualified Minnesota job creation fund business is eligible for a onetime \$2,000 award for each full-time equivalent job retained and maintained under subdivision 4, paragraph (b), clause (4), provided that each retained job pays total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 150 percent of the federal poverty level for a family of four.

(c) The job creation award schedule must be adjusted annually using the percentage increase in the federal poverty level for a family of four.

(d) Minnesota job creation fund businesses seeking an award credit provided under subdivision 4 must submit forms and applications to the Department of Employment and Economic Development as prescribed by the commissioner.

Sec. 5. Minnesota Statutes 2023 Supplement, section 116L.17, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them in this subdivision.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been permanently separated or has received a notice of permanent separation from public or private sector employment and is eligible for or has exhausted entitlement to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

(3) has been terminated or has received a notice of termination of employment as a result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

(5) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job verified to be below the skill level and earning capacity of the veteran;

(6) is an individual determined by the United States Department of Labor to be covered by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331, as amended; ~~or~~

(7) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and due to divorce, separation, death, or disability of that person, must now find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support. To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

(8) is the spouse of a member of the United States armed forces who is on active duty and who meets at least one of the following: (i) has lost employment as a direct result of relocation to accommodate a permanent change in the service member's duty station; or (ii) is unemployed or underemployed and facing barriers to obtaining or upgrading employment;

(9) is an individual with non-work-related injuries or illnesses who does not have a workers' compensation case but needs support to re-enter or remain in the workforce; or

(10) is an adult with a low income, is a recipient of public assistance, or is deficient in basic skills.

For the purposes of this section, "dislocated worker" does not include an individual who was an employee, at the time employment ceased, of a political committee, political fund, principal campaign committee, or party unit, as those terms are used in chapter 10A, or an organization required to file with the federal elections commission.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

Sec. 6. Minnesota Statutes 2023 Supplement, section 116L.43, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Community-based organization" means a nonprofit organization that:

(1) provides workforce development programming or services;

~~(2) has an annual organizational budget of no more than \$1,000,000;~~

~~(3)~~ (2) has its primary office located in a historically underserved community of color or low-income community; and

~~(4)~~ (3) serves a population that generally reflects the demographics of that local community.

(c) "Entry level jobs" means part-time or full-time jobs that an individual can perform without any prior education or experience.

(d) "High wage" means the income needed for a family to cover minimum necessary expenses in a given geographic area, including food, child care, health care, housing, and transportation.

(e) "Industry specific certification" means a credential an individual can earn to show proficiency in a particular area or skill.

(f) "Remedial training" means additional training provided to staff following the identification of a need and intended to increase proficiency in performing job tasks.

(g) "Small business" has the same meaning as section 645.445.

Sec. 7. Minnesota Statutes 2022, section 268.035, subdivision 20, is amended to read:

Subd. 20. **Noncovered employment.** "Noncovered employment" means:

- (1) employment for the United States government or an instrumentality thereof, including military service;
- (2) employment for a state, other than Minnesota, or a political subdivision or instrumentality thereof;
- (3) employment for a foreign government;
- (4) employment covered under the federal Railroad Unemployment Insurance Act;
- (5) employment for a church or convention or association of churches, or a nonprofit organization operated primarily for religious purposes that is operated, supervised, controlled, or principally supported by a church or convention or association of churches;
- (6) employment for an elementary or secondary school with a curriculum that includes religious education that is operated by a church, a convention or association of churches, or a nonprofit organization that is operated, supervised, controlled, or principally supported by a church or convention or association of churches;
- (7) employment for Minnesota or a political subdivision, or a nonprofit organization, of a duly ordained or licensed minister of a church in the exercise of a ministry or by a member of a religious order in the exercise of duties required by the order;
- (8) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving rehabilitation of "sheltered" work in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or a program providing "sheltered" work for individuals who because of an impaired physical or mental capacity cannot be readily absorbed in the competitive labor market. This clause applies only to services performed in a facility certified by the Rehabilitation Services Branch of the department or in a day training or habilitation program licensed by the Department of Human Services;
- (9) employment for Minnesota or a political subdivision, or a nonprofit organization, of an individual receiving work relief or work training as part of an unemployment work relief or work training program financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof. This clause does not apply to programs that require unemployment benefit coverage for the participants;
- (10) employment for Minnesota or a political subdivision, as an elected official, a member of a legislative body, or a member of the judiciary;
- (11) employment as a member of the Minnesota National Guard or Air National Guard;
- (12) employment for Minnesota or a political subdivision, or instrumentality thereof, of an individual serving on a temporary basis in case of fire, flood, tornado, or similar emergency;
- (13) employment as an election official or election worker for Minnesota or a political subdivision, if the compensation for that employment was less than \$1,000 in a calendar year;
- (14) employment for Minnesota that is a major policy-making or advisory position in the unclassified service;
- (15) employment for Minnesota in an unclassified position established under section 43A.08, subdivision 1a;

(16) employment for a political subdivision of Minnesota that is a nontenured major policy making or advisory position;

(17) domestic employment in a private household, local college club, or local chapter of a college fraternity or sorority, if the wages paid in any calendar quarter in either the current or prior calendar year to all individuals in domestic employment totaled less than \$1,000.

"Domestic employment" includes all service in the operation and maintenance of a private household, for a local college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade or business;

(18) employment of an individual by a son, daughter, or spouse, and employment of a child under the age of 18 by the child's father or mother;

(19) employment of an inmate of a custodial or penal institution;

(20) employment for a school, college, or university, by a student who is enrolled and whose primary relation to the school, college, or university is as a student. This does not include an individual whose primary relation to the school, college, or university is as an employee who also takes courses;

(21) employment of an individual who is enrolled as a student in a full-time program at a nonprofit or public educational institution that maintains a regular faculty and curriculum and has a regularly organized body of students in attendance at the place where its educational activities are carried on, taken for credit at the institution, that combines academic instruction with work experience, if the employment is an integral part of the program, and the institution has so certified to the employer, except that this clause does not apply to employment in a program established for or on behalf of an employer or group of employers;

(22) employment of a foreign college or university student who works on a seasonal or temporary basis under the J-1 visa summer work travel program described in Code of Federal Regulations, title 22, section 62.32;

(23) employment of university, college, or professional school students in an internship or other training program with the city of St. Paul or the city of Minneapolis under Laws 1990, chapter 570, article 6, section 3;

(24) employment for a hospital by a patient of the hospital. "Hospital" means an institution that has been licensed by the Department of Health as a hospital;

(25) employment as a student nurse for a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in an accredited nurses' training school;

(26) employment as an intern for a hospital by an individual who has completed a four-year course in an accredited medical school;

(27) employment as an insurance salesperson, by other than a corporate officer, if all the wages from the employment is solely by way of commission. The word "insurance" includes an annuity and an optional annuity;

(28) employment as an officer of a township mutual insurance company or farmer's mutual insurance company under chapter 67A;

(29) employment of a corporate officer, if the officer directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer corporation, and employment of a member of a limited liability company, if the member directly or indirectly, including through a subsidiary or holding company, owns 25 percent or more of the employer limited liability company;

(30) employment as a real estate salesperson, other than a corporate officer, if all the wages from the employment is solely by way of commission;

(31) employment as a direct seller as defined in United States Code, title 26, section 3508;

(32) employment of an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

(33) casual employment performed for an individual, other than domestic employment under clause (17), that does not promote or advance that employer's trade or business;

(34) employment in "agricultural employment" unless it is "covered agricultural employment" under subdivision 11; ~~or~~

(35) if employment during one-half or more of any pay period was covered employment, all the employment for the pay period is covered employment; but if during more than one-half of any pay period the employment was noncovered employment, then all of the employment for the pay period is noncovered employment. "Pay period" means a period of not more than a calendar month for which a payment or compensation is ordinarily made to the employee by the employer; or

(36) employment of a foreign agricultural worker who works on a seasonal or temporary basis under the H-2A visa temporary agricultural employment program described in Code of Federal Regulations, title 20, part 655.

Sec. 8. Laws 2023, chapter 53, article 20, section 2, subdivision 3, is amended to read:

Subd. 3. Employment and Training Programs	112,038,000	104,499,000
Appropriations by Fund		
	2024	2025
General	91,036,000	83,497,000
Workforce Development	21,002,000	21,002,000

(a) \$500,000 each year from the general fund and \$500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(b) \$25,000,000 each year is for the targeted population workforce grants under Minnesota Statutes, section 116L.43. The department may use up to five percent of this appropriation for administration, monitoring, and oversight of the program. Of this amount:

(1) \$18,500,000 each year is for job and entrepreneurial skills training grants under Minnesota Statutes, section 116L.43, subdivision 2;

(2) \$1,500,000 each year is for diversity and inclusion training for small employers under Minnesota Statutes, section 116L.43, subdivision 3; and

(3) \$5,000,000 each year is for capacity building grants under Minnesota Statutes, section 116L.43, subdivision 4.

The base for this appropriation is \$1,275,000 in fiscal year 2026 and each year thereafter.

(c) \$750,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program.

(d) \$10,000,000 each year is for the Drive for Five Initiative to conduct outreach and provide job skills training, career counseling, case management, and supportive services for careers in (1) technology, (2) labor, (3) the caring professions, (4) manufacturing, and (5) educational and professional services. This is a onetime appropriation.

(e) Of the amounts appropriated in paragraph (d), the commissioner must make \$7,000,000 each year available through a competitive request for proposal process. The grant awards must be used to provide education and training in the five industries identified in paragraph (d). Education and training may include:

- (1) student tutoring and testing support services;
- (2) training and employment placement in high wage and high growth employment;
- (3) assistance in obtaining industry-specific certifications;
- (4) remedial training leading to enrollment in employment training programs or services;
- (5) real-time work experience;
- (6) career and educational counseling;
- (7) work experience and internships; and
- (8) supportive services.

(f) Of the amount appropriated in paragraph (d), \$2,000,000 each year must be awarded through competitive grants made to trade associations or chambers of commerce for job placement services. Grant awards must be used to encourage workforce training efforts to ensure that efforts are aligned with employer demands and that graduates are connected with employers that are currently hiring. Trade associations or chambers must partner with employers with current or anticipated employment opportunities and nonprofit workforce training partners participating in this program. The trade associations or chambers must work closely with the industry sector training providers in the five industries identified in paragraph (d). Grant awards may be used for:

(1) employer engagement strategies to align employment opportunities for individuals exiting workforce development training programs. These strategies may include business recruitment, job opening development, employee recruitment, and job matching. Trade associations must utilize the state's labor exchange system;

(2) diversity, inclusion, and retention training of their members to increase the business' understanding of welcoming and retaining a diverse workforce; and

(3) industry-specific training.

(g) Of the amount appropriated in paragraph (d), \$1,000,000 each year is to hire, train, and deploy business services representatives in local workforce development areas throughout the state. Business services representatives must work with an assigned local workforce development area to address the hiring needs of Minnesota's businesses by connecting job seekers and program participants in the CareerForce system. Business services representatives serve in the classified service of the state and operate as part of the agency's Employment and Training Office. The commissioner shall develop and implement training materials and reporting and evaluation procedures for the activities of the business services representatives. The business services representatives must:

(1) serve as the primary contact for businesses in that area;

(2) actively engage employers by assisting with matching employers to job seekers by referring candidates, convening job fairs, and assisting with job announcements; and

(3) work with the local area board and its partners to identify candidates for openings in small and midsize companies in the local area.

(h) \$2,546,000 each year from the general fund and \$4,604,000 each year from the workforce development fund are for the pathways to prosperity competitive grant program. Of this amount, up to five percent is for administration and monitoring of the program.

(i) \$500,000 each year is from the workforce development fund for current Minnesota affiliates of OIC of America, Inc. This appropriation shall be divided equally among the eligible centers.

(j) \$1,000,000 each year is for competitive grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program.

(k) \$1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to five percent is for administration and monitoring of the program.

(l) \$750,000 each year from the general fund and \$6,698,000 each year from the workforce development fund are for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year. The base for this appropriation is \$750,000 from the general fund and \$3,348,000 from the workforce development fund beginning in fiscal year 2026 and each year thereafter.

(m) \$1,093,000 each year is from the general fund and \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366. The base for this appropriation is \$1,000,000 from the workforce development fund in fiscal year 2026 and each year thereafter.

(n) \$4,511,000 each year from the general fund and \$4,050,000 each year from the workforce development fund are for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561. The base for this appropriation is \$0 from the general fund and \$4,050,000 from the workforce development fund in fiscal year 2026 and each year thereafter.

(o) \$750,000 each year is for the Office of New Americans under Minnesota Statutes, section 116J.4231.

(p) \$1,000,000 each year from the workforce development fund is for a grant to the Minnesota Technology Association to support the SciTech internship program, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their fields of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least 325 students must be matched each year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at \$3,000 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

(q) \$750,000 each year is for grants to the Minneapolis Park and Recreation Board's Teen Teamworks youth employment and training programs. This is a onetime appropriation and available until June 30, 2027. Any unencumbered balance remaining at the end of the first year does not cancel but is available in the second year.

(r) \$900,000 each year is for a grant to Avivo to provide low-income individuals with career education and job skills training that is fully integrated with chemical and mental health services. Of this amount, up to \$250,000 each year is for a grant to Avivo to provide resources and support services to survivors of sex trafficking and domestic abuse in the greater St. Cloud area as they search for employment. Program resources include but are not limited to costs for day care, transportation, housing, legal advice, procuring documents required for employment, interview clothing, technology, and Internet access. The program shall also include public outreach and corporate training components to communicate to the public and potential employers about the specific struggles faced by survivors as they re-enter the workforce. This is a onetime appropriation.

(s) \$1,000,000 each year is for the getting to work grant program under Minnesota Statutes, section 116J.545. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation.

(t) \$400,000 each year is for a grant to the nonprofit 30,000 Feet to fund youth apprenticeship jobs, wraparound services, after-school programming, and summer learning loss prevention efforts targeted at African American youth. This is a onetime appropriation.

(u) \$463,000 the first year is for a grant to the Boys and Girls Club of Central Minnesota. This is a onetime appropriation. Of this amount:

(1) \$313,000 is to fund one year of free full-service programming for a new program in Waite Park that will employ part-time youth development staff and provide community volunteer opportunities for people of all ages. Career exploration and life skills programming will be a significant dimension of programming at this new site; and

(2) \$150,000 is for planning and design for a new multiuse facility for the Boys and Girls Club of Waite Park and other community partners, including the Waite Park Police Department and the Whitney Senior Center.

(v) \$1,000,000 each year is for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills and career development. This project, which may have career guidance components including health and life skills, must be designed to encourage, train, and assist youth in early access to education and job-seeking skills, work-based learning experience, including career pathways in STEM learning, career exploration and matching, and first job placement through local community partnerships and on-site job opportunities. This grant requires a 25 percent match from nonstate resources. This is a onetime appropriation.

(w) \$1,000,000 the first year is for a grant to the Owatonna Area Chamber of Commerce Foundation for the Learn and Earn Initiative to help the Owatonna and Steele County region grow and retain a talented workforce. This is a onetime appropriation and is available until June 30, 2025. Of this amount:

(1) \$900,000 is to develop an advanced manufacturing career pathway program for youth and adult learners with shared learning spaces, state-of-the-art equipment, and instructional support to grow and retain talent in Owatonna; and

(2) \$100,000 is to create the Owatonna Opportunity scholarship model for the Learn and Earn Initiative for students and employers.

(x) \$250,000 each year from the workforce development fund is for a grant to the White Bear Center for the Arts for establishing a paid internship program for high school students to learn professional development skills through an arts perspective. This is a onetime appropriation.

(y) \$250,000 each year is for the Minnesota Family Resiliency Partnership under Minnesota Statutes, section 116L.96. The commissioner, through the adult career pathways program, shall distribute the money to existing nonprofit and state displaced homemaker programs. This is a onetime appropriation.

(z) \$600,000 each year is for a grant to East Side Neighborhood Services. This is a onetime appropriation of which:

(1) \$300,000 each year is for the senior community service employment program, which provides work readiness training to low-income adults ages 55 and older to provide ongoing support and mentoring services to the program participants as well as the transition period from subsidized wages to unsubsidized wages; and

(2) \$300,000 each year is for the nursing assistant plus program to serve the increased need for growth of medical talent pipelines through expansion of the existing program and development of in-house training.

The amounts specified in clauses (1) and (2) may also be used to enhance employment programming for youth and young adults, ages 14 to 24, to introduce them to work culture, develop essential work readiness skills, and make career plans through paid internship experiences and work readiness training.

(aa) \$1,500,000 each year from the workforce development fund is for a grant to Ujamaa Place to assist primarily African American men with job training, employment preparation, internships, education, vocational housing, and organizational capacity building. This is a onetime appropriation.

(bb) \$500,000 each year is for a grant to Comunidades Organizando el Poder y la Acción Latina (COPAL) for worker center programming that supports primarily low-income, migrant, and Latinx workers with career planning, workforce training and education, workers' rights advocacy, health resources and navigation, and wealth creation resources. This is a onetime appropriation.

(cc) \$2,000,000 each year is for a grant to Propel Nonprofits to provide capacity-building grants and related technical assistance to small, culturally specific organizations that primarily serve historically underserved cultural communities. Propel Nonprofits may only award grants to nonprofit organizations that have an annual organizational budget of less than \$1,000,000. These grants may be used for:

(1) organizational infrastructure improvements, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creating or expanding partnerships with existing organizations that have specialized expertise in order to increase capacity of the grantee organization to improve services to the community.

Of this amount, up to five percent may be used by Propel Nonprofits for administrative costs. This is a onetime appropriation.

(dd) \$1,000,000 each year is for a grant to Goodwill Easter Seals Minnesota and its partners. The grant must be used to continue the FATHER Project in Rochester, St. Cloud, St. Paul, Minneapolis, and the surrounding areas to assist fathers in overcoming barriers that prevent fathers from supporting their children economically and emotionally, including with community re-entry following confinement. This is a onetime appropriation.

(ee) \$250,000 the first year is for a grant to the ProStart and Hospitality Tourism Management Program for a well-established, proven, and successful education program that helps young people advance careers in the hospitality industry and addresses critical long-term workforce shortages in that industry.

(ff) \$450,000 each year is for grants to Minnesota Diversified Industries to provide inclusive employment opportunities and services for people with disabilities. This is a onetime appropriation.

(gg) \$1,000,000 the first year is for a grant to Minnesota Diversified Industries to assist individuals with disabilities through the unified work model by offering virtual and in-person career skills classes augmented with virtual reality tools. Minnesota Diversified Industries shall submit a report on the number and demographics of individuals served, hours of career skills programming delivered, outreach to employers, and recommendations for future career skills delivery methods to the chairs and ranking minority members of the legislative committees with jurisdiction over labor and workforce development policy and finance by January 15, 2026. This is a onetime appropriation and is available until June 30, 2025.

(hh) \$1,264,000 each year is for a grant to Summit Academy OIC to expand employment placement, GED preparation and administration, and STEM programming in the Twin Cities, Saint Cloud, and Bemidji. This is a onetime appropriation.

(ii) \$500,000 each year is for a grant to Minnesota Independence College and Community to provide employment preparation, job placement, job retention, and service coordination services to adults with autism and learning differences. This is a onetime appropriation.

(jj) \$1,000,000 the first year and \$2,000,000 the second year are for a clean economy equitable workforce grant program. Money must be used for grants to support partnership development, planning, and implementation of workforce readiness programs aimed at workers who are Black, Indigenous, and People of Color. Programs must include workforce training, career development, workers' rights training, employment placement, and culturally appropriate job readiness and must prepare workers for careers in the high-demand fields of construction, clean energy, and energy efficiency. Grants must be given to nonprofit organizations that serve historically disenfranchised communities, including new Americans, with preference for organizations that are new providers of workforce programming or which have partnership agreements with registered apprenticeship programs. This is a onetime appropriation.

(kk) \$350,000 the first year and \$25,000 the second year are for a grant to the University of Minnesota Tourism Center for the creation and operation of an online hospitality training program in partnership with Explore Minnesota Tourism. This training program must be made available at no cost to Minnesota residents in an effort to address critical workforce shortages in the hospitality and tourism industries and assist in career development. The base for this appropriation is \$25,000 in fiscal year 2026 and each year thereafter for ongoing system maintenance, management, and content updates.

(ll) \$3,000,000 the first year is for competitive grants to support high school robotics teams and prepare youth for careers in STEM fields. Of this amount, \$2,000,000 is for creating internships for high school students to work at private companies in STEM fields, including the payment of student stipends. This is a onetime appropriation and is available until June 30, 2028.

(mm) \$750,000 each year is for grants to the nonprofit Sanneh Foundation to fund out-of-school and summer programs focused on mentoring and behavioral, social, and emotional learning interventions and enrichment activities directed toward low-income students of color. This is a onetime appropriation and available until June 30, ~~2026~~ 2027.

(nn) \$1,000,000 each year is for a grant to the Hmong American Partnership to expand job training and placement programs primarily serving the Southeast Asian community. This is a onetime appropriation.

(oo) \$1,000,000 each year is for a grant to Comunidades Latinas Unidas En Servicio (CLUES) to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals. Grant money must support short-term certifications and transferable skills in high-demand fields,

workforce readiness, customized financial capability, and employment supports. At least 50 percent of this amount must be used for programming targeted at greater Minnesota. This is a onetime appropriation.

(pp) \$300,000 each year is for a grant to All Square. The grant must be used to support the operations of All Square's Fellowship and Prison to Law Pipeline programs which operate in Minneapolis, St. Paul, and surrounding correctional facilities to assist incarcerated and formerly incarcerated Minnesotans in overcoming employment barriers that prevent economic and emotional freedom. This is a onetime appropriation.

(qq) \$1,000,000 each year is for a grant to the Redemption Project to provide employment services to adults leaving incarceration, including recruiting, educating, training, and retaining employment mentors and partners. This is a onetime appropriation.

(rr) \$500,000 each year is for a grant to Greater Twin Cities United Way to make grants to partner organizations to provide workforce training using the career pathways model that helps students gain work experience, earn experience in high-demand fields, and transition into family-sustaining careers. This is a onetime appropriation.

(ss) \$3,000,000 each year is for a grant to Community Action Partnership of Hennepin County. This is a onetime appropriation. Of this amount:

(1) \$1,500,000 each year is for grants to 21 Days of Peace for social equity building and community engagement activities; and

(2) \$1,500,000 each year is for grants to A Mother's Love for community outreach, empowerment training, and employment and career exploration services.

(tt) \$750,000 each year is for a grant to Mind the G. A. P. P. (Gaining Assistance to Prosperity Program) to improve the quality of life of unemployed and underemployed individuals by improving their employment outcomes and developing individual earnings potential. This is a onetime appropriation. Any unencumbered balance remaining at the end of the first year does not cancel but is available in the second year.

(uu) \$550,000 each year is for a grant to the International Institute of Minnesota. Grant money must be used for workforce training for new Americans in industries in need of a trained workforce. This is a onetime appropriation.

(vv) \$400,000 each year from the workforce development fund is for a grant to Hired to expand their career pathway job training and placement program that connects lower-skilled job seekers to entry-level and gateway jobs in high-growth sectors. This is a onetime appropriation.

(ww) \$500,000 each year is for a grant to the American Indian Opportunities and Industrialization Center for workforce development programming, including reducing academic disparities for American Indian students and adults. This is a onetime appropriation.

(xx) \$500,000 each year from the workforce development fund is for a grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and operators in better business practices. Of this amount, up to \$5,000 may be used for administrative costs. This is a onetime appropriation.

(yy) \$275,000 each year is for a grant to Southeast Minnesota Workforce Development Area 8 and Workforce Development, Inc., to provide career planning, career pathway training and education, wraparound support services, and job skills advancement in high-demand careers to individuals with barriers to employment in Steele County, and to help families build secure pathways out of poverty and address worker shortages in the Owatonna and Steele County area, as well as supporting Employer Outreach Services that provide solutions to workforce challenges and direct connections to workforce programming. Money may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. Up to five percent of grant money may be used for Workforce Development, Inc.'s administrative costs. This is a onetime appropriation and is available until June 30, 2027.

(zz) \$589,000 the first year and \$588,000 the second year are for grants to the Black Women's Wealth Alliance to provide low-income individuals with job skills training, career counseling, and job placement assistance. This is a onetime appropriation.

(aaa) \$250,000 each year is for a grant to Abijahs on the Backside to provide equine experiential mental health therapy to first responders suffering from job-related trauma and post-traumatic stress disorder. For purposes of this paragraph, a "first responder" is a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c); a full-time firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 5; or a volunteer firefighter as defined in Minnesota Statutes, section 299N.03, subdivision 7.

Abijahs on the Backside must report to the commissioner of employment and economic development and the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development policy and finance on the equine experiential mental health therapy provided to first responders under this paragraph. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of first responders served by the program, and a list and explanation of the services provided to and benefits received by program participants. An initial report is due by January 15, 2024, and a final report is due by January 15, 2026. This is a onetime appropriation.

(bbb) \$500,000 each year is for a grant to Ramsey County to provide job training and workforce development for underserved communities. Grant money may be subgranted to Milestone Community Development for the Milestone Tech program. This is a onetime appropriation.

(ccc) \$500,000 each year is for a grant to Ramsey County for a technology training pathway program focused on intergenerational community tech work for residents who are at least 18 years old and no more than 24 years old and ~~who live in a census tract that has a poverty rate of at least 20 percent as reported in the most recently completed decennial census published by the United States Bureau of the Census~~ whose household income is at or below 200 percent of the federal poverty level. Grant money may be used for program administration, training, training stipends, wages, and support services. This is a onetime appropriation.

(ddd) \$200,000 each year is for a grant to Project Restore Minnesota for the Social Kitchen project, a pathway program for careers in the culinary arts. This is a onetime appropriation and is available until June 30, 2027.

(eee) \$100,000 each year is for grants to the Minnesota Grocers Association Foundation for Carts to Careers, a statewide initiative to promote careers, conduct outreach, provide job skills training, and award scholarships for students pursuing careers in the food industry. This is a onetime appropriation.

(fff) \$1,200,000 each year is for a grant to Twin Cities R!SE. Of this amount, \$700,000 each year is for performance grants under Minnesota Statutes, section 116J.8747, to Twin Cities R!SE to provide training to individuals facing barriers to employment; and \$500,000 each year is to increase the capacity of the Empowerment Institute through employer partnerships across Minnesota and expansion of the youth personal empowerment curriculum. This is a onetime appropriation and available until June 30, 2026.

(ggg) \$750,000 each year is for a grant to Bridges to Healthcare to provide career education, wraparound support services, and job skills training in high-demand health care fields to low-income parents, nonnative speakers of English, and other hard-to-train individuals, helping families build secure pathways out of poverty while also addressing worker shortages in one of Minnesota's most innovative industries. Grants may be used for program expenses, including but not limited to hiring instructors and navigators; space rental; and supportive services to help participants attend classes, including assistance with course fees, child care, transportation, and safe and stable housing. In addition, up to five percent of grant money may be used for Bridges to Healthcare's administrative costs. This is a onetime appropriation.

(hhh) \$500,000 each year is for a grant to Big Brothers Big Sisters of the Greater Twin Cities to provide disadvantaged youth ages 12 to 21 with job-seeking skills, connections to job training and education opportunities, and mentorship while exploring careers. The grant shall serve youth in the Big Brothers Big Sisters chapters in the Twin Cities, central Minnesota, and southern Minnesota. This is a onetime appropriation.

(iii) \$3,000,000 each year is for a grant to Youthprise to provide economic development services designed to enhance long-term economic self-sufficiency in communities with concentrated African populations statewide. Of these amounts, 50 percent is for subgrants to Ka Joog and 50 percent is for competitive subgrants to community organizations. This is a onetime appropriation.

(jjj) \$350,000 each year is for a grant to the YWCA Minneapolis to provide training to eligible individuals, including job skills training, career counseling, and job placement assistance necessary to secure a child development associate credential and to have a career path in early education. This is a onetime appropriation.

(kkk) \$500,000 each year is for a grant to Emerge Community Development to support and reinforce critical workforce training at the Emerge Career and Technical Center, Cedar Riverside Opportunity Center, and Emerge Second Chance programs in the city of Minneapolis. This is a onetime appropriation.

(lll) \$425,000 each year is for a grant to Better Futures Minnesota to provide job skills training to individuals who have been released from incarceration for a felony-level offense and are no more than 12 months from the date of release. This is a onetime appropriation.

Better Futures Minnesota shall annually report to the commissioner on how the money was spent and what results were achieved. The report must include, at a minimum, information and data about the number of participants; participant homelessness, employment, recidivism, and child support compliance; and job skills training provided to program participants.

(mmm) \$500,000 each year is for a grant to Pillsbury United Communities to provide job training and workforce development services for underserved communities. This is a onetime appropriation.

(nnn) \$500,000 each year is for a grant to Project for Pride in Living for job training and workforce development services for underserved communities. This is a onetime appropriation.

(ooo) \$300,000 each year is for a grant to YMCA of the North to provide career exploration, job training, and workforce development services for underserved youth and young adults. This is a onetime appropriation.

(ppp) \$500,000 each year is for a grant to Al Maa'uun, formerly the North at Work program, for a strategic intervention program designed to target and connect program participants to meaningful, sustainable living wage employment. This is a onetime appropriation.

(qqq) \$500,000 each year is for a grant to CAIRO to provide workforce development services in health care, technology, and transportation (CDL) industries. This is a onetime appropriation.

(rrr) \$500,000 each year is for a grant to the Central Minnesota Community Empowerment Organization for providing services to relieve economic disparities in the African immigrant community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program. This is a onetime appropriation.

(sss) \$270,000 each year is for a grant to the Stairstep Foundation for community-based workforce development efforts. This is a onetime appropriation.

(ttt) \$400,000 each year is for a grant to Building Strong Communities, Inc, for a statewide apprenticeship readiness program to prepare women, BIPOC community members, and veterans to enter the building and construction trades. This is a onetime appropriation.

(uuu) \$150,000 each year is for prevailing wage staff under Minnesota Statutes, section 116J.871, subdivision 2.

(vvv) \$250,000 each year is for the purpose of awarding a grant to Minnesota Community of African People with Disabilities (MNCAPD), Roots Connect, and Fortune Relief and Youth Empowerment Organization (FRAYEO). This is a onetime appropriation. MNCAPD, Roots Connect, and FRAYEO must use

grant proceeds to provide funding for workforce development activities for at-risk youth from low-income families and unengaged young adults experiencing disabilities, including:

- (1) job readiness training for at-risk youth, including resume building, interview skills, and job search strategies;
- (2) on-the-job training opportunities with local businesses;
- (3) support services such as transportation assistance and child care to help youth attend job training programs; and
- (4) mentorship and networking opportunities to connect youth with professionals in the youth's desired fields.

(www)(1) \$250,000 each year is for a grant to Greater Rochester Advocates for Universities and Colleges (GRAUC), a collaborative organization representing health care, business, workforce development, and higher education institutions, for expenses relating to starting up a state-of-the-art simulation center for training health care workers in southeast Minnesota. Once established, this center must be self-sustaining through user fees. Eligible expenses include leasing costs, developing and providing training, and operational costs. This is a onetime appropriation.

(2) By January 15, 2025, GRAUC must submit a report, including an independent financial audit of the use of grant money, to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education and economic development. This report must include details on the training provided at the simulation center, including the names of all organizations that use the center for training, the number of individuals each organization trained, and the type of training provided.

(xxx)(1) \$350,000 each year is for a grant to the Minnesota Association of Black Lawyers for a pilot program supporting black undergraduate students pursuing admission to law school. This is a onetime appropriation.

(2) The program must:

- (i) enroll an initial cohort of ten to 20 black Minnesota resident students attending a baccalaureate degree-granting postsecondary institution in Minnesota full time;
- (ii) support each of the program's students with an academic scholarship in the amount of \$4,000 per academic year;

(iii) organize events and programming, including but not limited to one-on-one mentoring, to familiarize enrolled students with law school and legal careers; and

(iv) provide the program's students free test preparation materials, academic support, and registration for the Law School Admission Test (LSAT) examination.

(3) The Minnesota Association of Black Lawyers may use grant funds under clause (1) for costs related to:

(i) student scholarships;

(ii) academic events and programming, including food and transportation costs for students;

(iii) LSAT preparation materials, courses, and registrations; and

(iv) hiring staff for the program.

(4) By January 30, 2024, and again by January 30, 2025, the Minnesota Association of Black Lawyers must submit a report to the commissioner and to the chairs and ranking minority members of legislative committees with jurisdiction over workforce development finance and policy and higher education finance and policy. The report must include an accurate and detailed account of the pilot program, its outcomes, and its revenues and expenses, including the use of all state funds appropriated in clause (1).

(yyy) \$2,000,000 the first year is for a grant to the Power of People Leadership Institute (POPLI) to expand pre- and post-release personal development and leadership training and community reintegration services, to reduce recidivism, and increase access to employment. This is a onetime appropriation and is available until June 30, 2025.

(zzz) \$500,000 the first year is to the Legislative Coordinating Commission for the Working Group on Youth Interventions. This is a onetime appropriation.

Sec. 9. Laws 2023, chapter 53, article 21, section 6, is amended to read:

Sec. 6. **TRANSFERS.**

(a) In the biennium ending on June 30, 2025, the commissioner of management and budget must transfer \$400,000,000 from the general fund to the Minnesota forward fund account established in Minnesota Statutes, section 116J.8752, subdivision 2. The base for this transfer is \$0.

(b) In the biennium ending on June 30, 2025, the commissioner of management and budget shall transfer \$25,000,000 from the general fund to the Minnesota climate innovation authority account established in Minnesota Statutes, section 216C.441, subdivision 11. The base for this transfer is \$0.

(c) In the biennium ending on June 30, 2025, the commissioner of management and budget must transfer \$75,000,000 from the general fund to the state competitiveness fund account established in Minnesota Statutes, section 216C.391, subdivision 2. Notwithstanding Minnesota Statutes, section 216C.391, subdivision 2, the commissioner of commerce must use this transfer for grants to eligible entities for projects receiving federal loans or tax credits where the benefits are in disadvantaged communities. The base for this transfer is \$0. Up to three percent of money transferred under this paragraph is for administrative costs.

(d) ~~In the biennium ending on June 30, 2027,~~ The commissioners of management and budget, in consultation with the commissioners of employment and economic development and commerce, may transfer money between the Minnesota forward fund account, the Minnesota climate innovation authority account, and the state competitiveness fund account. The commissioner of management and budget must notify the Legislative Advisory Commission within 15 days of making transfers under this paragraph.

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

Sec. 10. **CHANGE STARTS WITH COMMUNITY VIOLENCE PREVENTION PROGRAM.**

Subdivision 1. **Objectives.** Change Starts With Community must:

(1) develop and implement year-round job training programs for at-risk youth and adults and provide trusted adult mentorship for at-risk BIPOC youth, providing them with the skills needed for gainful employment and career opportunities; and

(2) create on-site job opportunities at Shiloh Cares Food Shelf, promoting community engagement and economic development.

Subd. 2. **Partnerships.** (a) Change Starts With Community shall partner with the Cargill Foundation to support at-risk youth educational career field trips and mental health check-ins, exposing participants to multiple career paths and preventing further trauma through mental health check-ins for youth.

(b) Change Starts With Community shall partner with Hennepin County juvenile corrections and the Minneapolis Police Department to receive referrals for at-risk youth who would benefit from enrollment in the program to prevent risky behaviors and community violence.

Subd. 3. **At-risk youth and adult job program positions.** Change Starts With Community must use grant proceeds to add positions to the program's complement, including but not limited to youth mentorships, food service workers, an executive director, a director, and a program director.

Subd. 4. **Report.** Change Starts With Community shall report to the commissioner of employment and economic development, outlining the utilization of grant money, program outcomes, and the impact on the targeted population. The report shall be submitted no later than six months after the end of fiscal year 2025.

Sec. 11. **CENTER FOR NURSING EQUITY AND EXCELLENCE.**

Subdivision 1. **Establishment.** The Center for Nursing Equity and Excellence is established within the University of Minnesota, in collaboration with Minnesota State Colleges and Universities, to address nursing workforce needs, including issues of health equity, recruitment, retention, and utilization of nursing workforce resources that are within the current scope of the practice of nurses.

Subd. 2. **Duties.** The center shall:

(1) develop a strategic statewide plan for nursing workforce supply based on a detailed analysis of workforce needs by conducting a statistically valid biennial data-driven gap analysis of the supply and demand of the health care workforce. The center shall:

(i) establish and maintain a database on nursing supply and demand in the state, including current supply and demand; and

(ii) analyze the current and future supply and demand in the state;

(2) establish and maintain a database on nursing workforce needs, including current data and future projections;

(3) develop recommendations to increase nurse faculty and clinical preceptors, support nurse faculty development, and promote advanced nurse education;

(4) develop best practices in the academic preparation and continuing education needs of qualified nurse educators, nurse faculty, and clinical preceptors;

(5) collect data on nurse faculty, employment, distribution, and retention;

(6) pilot innovative projects to support the recruitment, development, and retention of qualified nurse faculty and clinical preceptors;

(7) encourage and coordinate the development of academic practice partnerships, including partnerships with hospitals that provide opportunities for nursing students to obtain clinical experience to support nurse faculty employment and advancement;

(8) develop distance learning infrastructure for advancing faculty competencies in the pedagogy of teaching and the evidence-based use of technology, simulation, and distance learning techniques;

(9) enhance and promote recognition, reward, and renewal activities for nurses in the state by:

(i) promoting nursing excellence programs such as magnet recognition by the American Nurses Credentialing Center;

(ii) proposing and creating additional reward, recognition, and renewal activities for nurses; and

(iii) promoting media and positive image-building efforts for nursing; and

(10) routinely convene various groups representative of nurses, health care professionals, business and industry consumers, lawmakers, and educators to:

(i) review and comment on data analysis prepared for the center;

(ii) recommend systemic changes, including strategies for implementation of recommended changes; and

(iii) evaluate and report the results of these efforts to the legislature and other entities.

Subd. 3. **Report.** Beginning in 2025, by no later than January 15 of each year, the center shall submit a report to the governor and the chairs and ranking minority members of the legislative committees having jurisdiction over higher education, health care, and workforce development, providing details of the center's activities during the preceding calendar year in pursuit of its goals and in the execution of its duties.

Sec. 12. **SHAKOPEE AREA WORKFORCE DEVELOPMENT SCHOLARSHIPS PILOT.**

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given.

(b) "Employer-sponsored applicant" means a student applicant with a local employer scholarship equal to or greater than 25 percent of the workforce development scholarship.

(c) "Local employer" means an employer with a physical location in a county within the service area of the foundation as listed in paragraph (d).

(d) "Shakopee Chamber Foundation" or "foundation" means a nonprofit organization which provides workforce and charitable services to Scott County as well as the Shakopee Mdewakanton Sioux Community.

Subd. 2. Grants and administration. (a) The commissioner of employment and economic development must award appropriated grant funds to the foundation to administer the Shakopee area workforce development scholarship pilot program. The foundation may use up to ten percent of grant funds for administrative costs.

(b) The foundation and participating college or university from the Minnesota State Colleges and Universities system must establish an application process and other guidelines for implementing this program.

Subd. 3. Scholarship recipient requirements. (a) To be eligible for a scholarship from the foundation, a student must:

(1) be enrolling or enrolled at least half-time in a program at a college or university from the Minnesota State Colleges and Universities system approved by the Dakota-Scott Workforce Development Board under subdivision 4; and

(2) complete the Free Application for Federal Student Aid (FAFSA), if applicable to the program for which they are enrolling or enrolled.

(b) A recipient of a scholarship awarded under this section must:

(1) adhere to any applicable participating local employer program requirements; and

(2) sign a contract agreeing to fulfill the employment obligation under paragraph (c).

(c) A scholarship recipient must fulfill a three-year full-time employment commitment within the service area of the foundation as listed in subdivision 1, paragraph (d). The employment may be with the local employer sponsoring the student or any qualified local employer in a high-demand occupation as defined by the Dakota-Scott Workforce Development Board. If a recipient of a scholarship fails to fulfill the requirements of this paragraph, the foundation may convert the scholarship to a loan. Amounts repaid from a loan must be used to fund scholarship awards under this section.

Subd. 4. Program eligibility. (a) The Dakota-Scott Workforce Development Board must annually identify eligible undergraduate degree, diploma, or certificate or industry-recognized credential programs in advanced manufacturing, health care, law enforcement, hospitality, or other high-demand occupations. The Dakota-Scott Workforce Development Board must consider data based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in the region is higher than the state average vacancy rate for that same occupation.

(b) By December 1, 2024, and annually through December 1, 2029, the Dakota-Scott Workforce Development Board must provide a list of eligible programs administered by each Minnesota state college and university that are eligible for scholarships in the subsequent year.

Subd. 5. **Employer partnerships.** The foundation and Minnesota State Colleges and Universities must establish partnerships with qualified local employers to ensure that 25 percent of the Shakopee area workforce development scholarship is matched with employer or foundation funds.

Subd. 6. **Scholarship awards.** (a) The foundation must coordinate available funds and award scholarships to Minnesota state colleges and universities with programs approved by the Dakota-Scott Workforce Development Board. Scholarships must be coordinated by the individual colleges approved by the Dakota-Scott Workforce Development Board and applied only after all other available tuition waivers and grant and scholarship funding through a last-dollar-in model. Scholarships are intended to supplement all other tuition waivers and grant and scholarship opportunities and to cover the full cost of attendance to the eligible students.

(b) If the appropriated grant is insufficient to award scholarships to all eligible applicants, priority must first be given to applicants that are program continuing applicants. Priority must then be given to employer-sponsored applicants.

Subd. 7. **Renewal; cap.** A student who has been awarded a scholarship may apply in subsequent academic years until the student completes a qualifying program. A student who successfully completes an eligible program and the subsequent work period requirement is eligible for a scholarship for a second program, but total lifetime awards must not exceed scholarships for two programs.

Subd. 8. **Report required.** The foundation must submit an annual report by December 31 of each year regarding the scholarship program to the chairs and ranking minority members of the legislative committees with jurisdiction over employment and economic development policy. The first report is due no later than December 31, 2025. The annual report must describe the following:

(1) the number of students receiving a scholarship at each participating college during the previous calendar year;

(2) the number of scholarships awarded for each program and the type of each program during the previous calendar year;

(3) the number of scholarship recipients who completed a program of study or certification;

(4) the number of scholarship recipients who secured employment by their graduation date and those who secured employment within three months of their graduation date;

(5) a list of the colleges that received funding, the amount of funding each institution received, and whether all withheld funds were distributed;

(6) a list of occupations scholarship recipients are entering;

(7) the number of students who were denied a scholarship;

(8) a list of participating local employers and amounts of any applicable employer contributions; and

(9) a list of recommendations to the legislature regarding potential program improvements.

Sec. 13. **REVISOR INSTRUCTION.**

The revisor of statutes shall codify Laws 2023, chapter 53, article 21, section 6, paragraph (d), as Minnesota Statutes, section 116J.8752, subdivision 4a. The revisor may make any technical, grammatical, or cross-reference changes necessary to effectuate this recodification.

Sec. 14. **REPEALER.**

Minnesota Statutes 2022, section 116L.17, subdivision 5, is repealed."

Delete the title and insert:

"A bill for an act relating to economic development; making supplemental appropriations for economic development and workforce development; establishing Explore Minnesota Film; making various policy changes relating to economic development and workforce development; appropriating money; amending Minnesota Statutes 2022, sections 116J.435, subdivisions 3, 4; 116J.5492, subdivision 2; 116J.8748, subdivision 1; 116M.18; 116U.26; 116U.27, subdivision 5; 268.035, subdivision 20; Minnesota Statutes 2023 Supplement, sections 116J.682, subdivisions 1, 3; 116J.8733; 116J.8748, subdivisions 3, 4, 6; 116J.8751, by adding a subdivision; 116L.17, subdivision 1; 116L.43, subdivision 1; 116U.27, subdivisions 1, 4; Laws 2023, chapter 53, article 15, sections 32, subdivision 6; 33, subdivisions 4, 5; article 20, sections 2, subdivisions 1, 2, 3, 4, 6; 3; article 21, section 6; proposing coding for new law in Minnesota Statutes, chapter 116U; repealing Minnesota Statutes 2022, sections 116J.435, subdivision 5; 116L.17, subdivision 5."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Olson, L., from the Committee on Ways and Means to which was referred:

H. F. No. 5247, A bill for an act relating to taxation; modifying individual income taxes, corporate franchise taxes, property taxes, local government aids, minerals taxes, sales and use taxes, gross receipts taxes, excise taxes, and other tax-related provisions; modifying income tax credits and subtractions; expanding the child tax credit and providing for a minimum credit; providing for nonconformity to certain worker classification rules; providing for disclosure of certain corporate franchise tax information; providing for direct free filing; requiring a corporate tax base erosion study; modifying property tax exemptions, credits, classifications, and abatements; adjusting local government aid calculations and payments and forgiving local government aid penalties; providing for an advance homestead credit for seniors; providing for transfers and distributions of proceeds of minerals taxes; providing for issuance of revenue bonds; providing for an amusement device gross receipts tax in lieu of the sales and use tax; providing sales and use tax construction exemptions; repealing the tax on illegal marijuana and controlled substances; providing special tax increment financing authority; authorizing cities and counties to impose local sales and use taxes for certain projects; establishing a local sales tax equalization distribution; providing for state auditor oversight of local sales and use taxes; modifying certain special local taxes; providing for taxpayer assistance and outreach grants; providing aid for various uses; providing for the establishment of land valuation districts; making technical changes; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 10A.02, subdivision 11b; 10A.322, subdivision 4; 116U.27, subdivision 2; 123B.53, subdivision 1; 123B.71, subdivision 8; 270C.21; 270C.445, subdivision 6; 272.02, subdivisions 7, 19, by adding subdivisions; 273.13, subdivision 22; 273.135, subdivision 2; 273.1393; 273.38; 273.41; 275.065, by adding a subdivision; 276.04, subdivision 2, as amended, by adding a subdivision; 276A.01, subdivision 17; 276A.06, subdivision 8; 289A.08, subdivision 1; 289A.12, subdivision 18; 290.0132, by adding a subdivision; 290.0683, subdivision 3;

290.92, by adding a subdivision; 290A.03, by adding subdivisions; 295.53, subdivision 4a; 297A.66, subdivision 3, by adding a subdivision; 297A.68, subdivisions 3a, 45; 297A.99, subdivision 3, by adding a subdivision; 297I.20, subdivision 4; 298.17; 298.28, subdivision 8; 298.282, subdivision 1; 298.292, subdivision 2; 375.192, subdivision 2; 446A.086, subdivision 1; 469.104; 469.1812, by adding a subdivision; 469.1813, subdivisions 1, 6, by adding a subdivision; 469.190, subdivisions 1, 7; 474A.091, subdivisions 2, 2a; 609.902, subdivision 4; Minnesota Statutes 2023 Supplement, sections 41B.0391, subdivision 4; 123B.71, subdivision 12; 126C.40, subdivision 6; 273.13, subdivision 25; 273.1392; 275.065, subdivision 3; 290.01, subdivision 19; 290.0132, subdivision 34; 290.0134, subdivision 20; 290.06, subdivision 23; 290.0661, subdivisions 1, 8, by adding a subdivision; 290.0671, subdivision 1a; 290.0693, subdivisions 1, 6, 8; 290.0695, subdivision 2; 290A.03, subdivisions 3, 13; 297A.61, subdivision 3; 297A.99, subdivision 1; 297E.06, subdivision 4; 297H.13, subdivision 2; 298.018, subdivision 1; 298.28, subdivisions 7a, 16; 477A.30, subdivisions 4, 5, 6, 7; 477A.35, subdivision 6; Laws 1986, chapter 396, section 5, as amended; Laws 1986, chapter 400, section 44, as amended; Laws 2010, chapter 389, article 7, section 22, as amended; Laws 2014, chapter 308, article 6, section 9, as amended; Laws 2017, First Special Session chapter 1, article 6, section 22; Laws 2023, chapter 1, sections 22; 28; proposing coding for new law in Minnesota Statutes, chapters 270B; 273; 289A; 290A; 295; 297A; 428A; repealing Minnesota Statutes 2022, sections 13.4967, subdivision 5; 297D.02; 297D.03; 297D.05; 297D.09, subdivisions 1, 2; 297D.12; 297D.13; Minnesota Statutes 2023 Supplement, sections 297A.99, subdivision 3a; 297D.01; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 477A.30, subdivision 8; Laws 2023, chapter 64, article 15, section 24.

Reported the same back with the following amendments:

Page 18, after line 18, insert:

"(c) Rental housing property does not qualify for an exemption under this subdivision unless: (1) its use is in furtherance of the tax-exempt charitable purpose of the organization; and (2) its use does not further the tax-exempt charitable purpose of the organization solely by providing rental housing to persons or families on the basis of the income characteristics of those persons or families."

Page 18, line 19, strike "(c)" and insert "(d)"

Page 18, delete lines 25 to 29

Page 19, line 9, before "Property" insert "(a)"

Page 19, after line 17, insert:

"(b) The exemption under this subdivision does not apply if the use of the property receiving the exemption changes from the use of the property in assessment year 2024."

Page 46, line 24, delete everything after the period

Page 46, delete lines 25 to 28 and insert "An amount necessary to make a payment to the county for the property taxes that would be payable but for the exemption is appropriated from the general fund to the commissioner of revenue in fiscal year 2025. All prior year penalties, interest, and costs are canceled."

Page 47, line 1, delete everything after the period

Page 47, delete line 2

Page 91, after line 2, insert:

"(g) A political subdivision that receives special law authority to impose a tax must file a certificate of local approval with the secretary of state in accordance with section 645.021, subdivisions 2 and 3. If the tax is approved by the voters, the political subdivision must impose the tax within 15 months of receiving such voter approval. If the tax is not imposed within 15 months, the special law authority to impose the tax expires."

Reletter the paragraphs in sequence

Page 91, line 11, after the period, insert "The political subdivision must use any other source of revenue available to pay any outstanding debt on the bonds that were issued for the canceled project."

Page 92, delete line 9

Reletter the paragraphs in sequence

Page 92, line 29, after "costs" insert "and interest"

Page 95, line 1, before the period, insert ", including interest"

Page 98, delete subdivision 14 and insert:

"Subd. 14. **Filing and imposition requirements.** A political subdivision with approval to impose a tax from the commissioner under this section must file a certificate of local approval with the secretary of state within 60 days after receiving voter approval for the tax to be lawfully imposed. If the tax is approved by the voters, the political subdivision must impose the tax within 15 months of receiving such voter approval. If the tax is not imposed within 15 months, the authority to impose the tax under this section expires."

Page 98, line 27, after the period, insert "The political subdivision must use any other source of revenue available to pay any outstanding debt on the bonds that were issued for the canceled project."

Page 100, delete lines 5 and 6 and insert:

"(c) All contracts for construction of specified capital projects under this section are subject to the requirements and enforcement provisions of sections 177.27, 177.30, 177.32, 177.41 to 177.435, 177.44, and 177.45. For purposes of complying with section 177.30, paragraph (a), clauses (6) and (7), and sections 177.41 to 177.435, the political subdivision imposing the tax is the contracting authority and contracting agency and the project is considered a public works project."

Page 101, line 7, delete everything after the period

Page 101, delete lines 8 and 9

Page 103, delete lines 9 to 11 and insert:

"\$150,000 in fiscal year 2025 is appropriated from the general fund to the state auditor to implement the requirements of Minnesota Statutes, section 297A.9902. The base for this appropriation is \$110,000 in fiscal year 2026 and \$116,000 in fiscal year 2027."

Page 118, line 3, delete "\$1,000,000" and insert "\$1,237,000"

Page 118, line 6, delete "\$1,044,000" and insert "\$1,277,000"

Page 118, line 7, delete "\$1,045,000" and insert "\$1,289,000"

Page 127, delete article 11

Page 136, delete section 3

Renumber the articles and sections in sequence and correct the internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 5363, A bill for an act relating to employees; modifying paid leave provisions; amending Minnesota Statutes 2023 Supplement, sections 268B.01, subdivisions 3, 5, 8, 15, 23, 44, by adding subdivisions; 268B.04; 268B.06, subdivisions 3, 4, 5, by adding a subdivision; 268B.07, subdivisions 1, 2, 3; 268B.085, subdivision 3; 268B.09, subdivisions 1, 6, 7; 268B.10, subdivisions 1, 2, 3, 6, 12, 16, 17, by adding subdivisions; 268B.14, subdivisions 3, 7, by adding subdivisions; 268B.15, subdivision 7; 268B.155, subdivision 2; 268B.185, subdivision 2; 268B.19; 268B.26; 268B.27, subdivision 2; 268B.29; proposing coding for new law in Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2023 Supplement, sections 268B.06, subdivision 7; 268B.08; 268B.10, subdivision 11; 268B.14, subdivision 5.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Commerce Finance and Policy.

The report was adopted.

Becker-Finn from the Committee on Judiciary Finance and Civil Law to which was referred:

H. F. No. 5381, A bill for an act relating to education; expanding authority of the Department of Education Office of the Inspector General; amending Minnesota Statutes 2023 Supplement, section 127A.21, subdivision 2, by adding subdivisions.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2022, section 13.321, is amended by adding a subdivision to read:

Subd. 12. Office of the Inspector General; access to data. Data sharing with the Department of Education's Office of the Inspector General is governed by section 127A.21."

Page 2, line 14, after "investigation" insert ", and regardless of the data's classification under chapter 13"

Page 2, lines 19 and 25, after "abuse" insert ", and regardless of the data's classification under chapter 13"

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Education Finance.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 5381 was re-referred to the Committee on Rules and Legislative Administration.

SECOND READING OF HOUSE BILLS

H. F. Nos. 4411, 5205 and 5247 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Skraba introduced:

H. F. No. 5433, A bill for an act relating to economic development; modifying the Canadian border counties economic relief program appropriation; amending Laws 2023, chapter 53, article 20, section 2, subdivision 2.

The bill was read for the first time and referred to the Committee on Economic Development Finance and Policy.

Howard introduced:

H. F. No. 5434, A bill for an act relating to housing; establishing the African American affordable homeownership development program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Becker-Finn and Scott introduced:

H. F. No. 5435, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Laws 2024, chapter 79, article 1, section 25, subdivision 3.

The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law.

Howard introduced:

H. F. No. 5436, A bill for an act relating to housing; establishing an Accessible Housing Task Force; requiring reports; appropriating money.

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

Bennett introduced:

H. F. No. 5437, A bill for an act relating to taxes; sales and use; providing a refundable exemption for construction materials for certain projects in the city of Albert Lea.

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

Lee, K., introduced:

H. F. No. 5438, A bill for an act relating to capital investment; appropriating money for a grant to Hnub Tshiab: Hmong Women Achieving Together.

The bill was read for the first time and referred to the Committee on Capital Investment.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 5289.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 5289, A bill for an act relating to economic development; making supplemental budget adjustments for the Department of Employment and Economic Development and Explore Minnesota; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 116U.26; 116U.27, subdivisions 5, 6; Minnesota Statutes 2023 Supplement, sections 116L.43, subdivision 1; 116U.27, subdivisions 1, 4; Laws 2023, chapter 53, article 20, section 2, subdivisions 1, 2, 3, 4, 6; article 21, sections 6; 7; Laws 2023, chapter 64, article 15, section 30; proposing coding for new law in Minnesota Statutes, chapter 116U; repealing Minnesota Statutes 2022, section 116J.439.

The bill was read for the first time.

Hassan moved that S. F. No. 5289 and H. F. No. 5205, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS**RECONVENED**

The House reconvened and was called to order by Speaker pro tempore Her.

**REPORT FROM THE COMMITTEE ON RULES
AND LEGISLATIVE ADMINISTRATION**

Long from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Thursday, May 2, 2024 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 4411 and 5247.

CALENDAR FOR THE DAY

H. F. No. 4124 was reported to the House.

Lillie moved to amend H. F. No. 4124, the second engrossment, as follows:

Page 16, line 25, after the period, insert "If the Arrowhead Regional Development Commission declines to serve as the fiscal agent for the project, an alternative fiscal agent must be identified in the accomplishment plan for the project."

Page 42, line 29, after the period, insert "This funding may also be used for site reclamation and improvements at the location of the removed work. Award of this grant is contingent on compliance and approvals in Minnesota Rules, part 2400.2703, subpart 7. This funding is available until June 30, 2027."

The motion prevailed and the amendment was adopted.

Torkelson moved to amend H. F. No. 4124, the second engrossment, as amended, as follows:

Page 41, line 4, delete "1,612,000" and insert "1,637,000"

Page 42, line 24, delete "and"

Page 42, line 29, delete the period and insert "; and"

Page 42, after line 29, insert:

"(7) \$25,000 is for the Minnesota Historical Society to research and prepare a report on the findings of the archeological findings related to the construction and excavation of the State Office Building."

Page 44, line 12, delete "4,409,000" and insert "4,384,000"

Page 48, line 16, delete "\$1,000,000" and insert "\$975,000"

The motion prevailed and the amendment was adopted.

Schultz moved to amend H. F. No. 4124, the second engrossment, as amended, as follows:

Page 41, line 4, delete "1,612,000" and insert "1,712,000"

Page 42, line 24, delete "and"

Page 42, line 29, delete the period and insert "; and"

Page 42, after line 29, insert:

"(7) \$100,000 to preserve historic features of the State Office Building, including but not limited to stone carvings on the interior and exterior and the main stairwell railings featuring gophers, and other historical markers from the original construction."

Page 44, line 12, delete "4,409,000" and insert "4,309,000"

Page 48, line 16, delete "\$1,000,000" and insert "\$900,000"

The motion prevailed and the amendment was adopted.

H. F. No. 4124, A bill for an act relating to state government; appropriating money from the outdoor heritage fund, clean water fund, parks and trails fund, and arts and cultural heritage fund; modifying and extending prior appropriations; amending Laws 2023, chapter 40, article 3, sections 2, subdivision 1; 3; 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 118 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Acomb	Demuth	Hemmingsen-Jaeger	Koznick	Novotny	Skraba
Agbaje	Dotseth	Her	Kraft	O'Driscoll	Smith
Anderson, P. E.	Edelson	Hicks	Kresha	Olson, B.	Stephenson
Anderson, P. H.	Elkins	Hill	Lee, F.	Olson, L.	Swedzinski
Backer	Engen	Hollins	Lee, K.	Pelowski	Tabke
Bahner	Feist	Hornstein	Liebling	Pérez-Vega	Torkelson
Bakeberg	Finke	Howard	Lillie	Perryman	Urdahl
Baker	Fischer	Hudella	Lislegard	Petersburg	Vang
Becker-Finn	Franson	Huot	Long	Pfarr	Virnig
Bennett	Frazier	Hussein	Moller	Pinto	West
Berg	Frederick	Igo	Mueller	Pryor	Wiener
Bierman	Freiberg	Johnson	Myers	Pursell	Wiens
Brand	Gillman	Jordan	Nadeau	Quam	Witte
Burkel	Gomez	Joy	Nash	Rehm	Wolgamott
Carroll	Greenman	Keeler	Nelson, M.	Reyer	Xiong
Cha	Hansen, R.	Kiel	Nelson, N.	Robbins	Youakim
Clardy	Hanson, J.	Klevorn	Neu Brindley	Schomacker	Zelevnikar
Coulter	Harder	Knudsen	Newton	Schultz	Spk. Hortman
Curran	Hassan	Koegel	Noor	Scott	
Davids	Heintzeman	Kotzya-Witthuhn	Norris	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Garfalo	Jacob	Mekeland	Rarick
Davis	Grossell	Lawrence	Murphy	
Fogelman	Hudson	McDonald	Niska	

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

H. F. No. 5237 was reported to the House.

Youakim moved to amend H. F. No. 5237, the second engrossment, as follows:

Page 84, after line 16, insert:

"Section 1. Minnesota Statutes 2022, section 13.321, is amended by adding a subdivision to read:

Subd. 12. Office of the Inspector General; access to data. Data involving the Department of Education's Office of the Inspector General is governed by section 127A.21.

Sec. 2. Minnesota Statutes 2023 Supplement, section 127A.21, is amended to read:

127A.21 OFFICE OF THE INSPECTOR GENERAL.

Subdivision 1. **Establishment of Office of the Inspector General; powers; duties.** The commissioner must establish within the department an Office of the Inspector General. The Office of the Inspector General is charged with protecting the integrity of the department and the state by detecting and preventing fraud, waste, and abuse in department programs. The Office of the Inspector General must conduct independent and objective investigations to promote the integrity of the department's programs and operations. When fraud or other misuse of public funds is detected, the Office of the Inspector General must report it to the appropriate law enforcement entity and collaborate and cooperate with law enforcement to assist in the investigation and any subsequent civil and criminal prosecution.

Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Abuse" means actions that may, directly or indirectly, result in unnecessary costs to department programs. Abuse may involve paying for items or services when there is no legal entitlement to that payment.

(c) "Department program" means a program funded by the Department of Education that involves the transfer or disbursement of public funds or other resources to a program participant.

(d) "Fraud" means an intentional or deliberate act to deprive another of property or money by deception or other unfair means. Fraud includes intentionally submitting false information to the department for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud also includes failure to correct errors in the maintenance of records in a timely manner after a request by the department.

(e) "Investigation" means an audit, investigation, proceeding, or inquiry by the Office of the Inspector General related to a program participant in a department program.

(f) "Program participant" means any person, including associated persons, that receives, disburses, or has custody of funds or other resources transferred or disbursed under a department program. Program participant does not include a charter school or government entity as defined by section 13.02.

(g) "Waste" means practices that, directly or indirectly, result in unnecessary costs to department programs, such as misusing resources.

Subd. 2. ~~**Data practices; Hiring; reporting.** The Office of the Inspector General has access to all program data, regardless of classification under chapter 13, held by the department, school districts or charter schools, grantees, and any other recipient of funds from the department.~~ The commissioner, or the commissioner's designee, must hire an inspector general to lead the Office of the Inspector General. The inspector general must hire a deputy inspector general and, at the discretion of the inspector general, sufficient assistant inspectors general to carry out the duties of the office. In a form and manner determined by the inspector general, the Office of the Inspector General must develop a public platform for the public to report instances of potential fraud, waste, or abuse of public funds administered by the department.

Subd. 3. **Subpoenas.** (a) For the purpose of an investigation, the inspector general or a designee may administer oaths and affirmations, subpoena witnesses, compel attendance, take evidence, and issue subpoenas duces tecum to require the production of books, papers, correspondence, memoranda, agreements, financial records, or other documents or records relevant to the investigation.

(b) A subpoena issued pursuant to this subdivision must state that the subpoena recipient may not disclose the fact that the subpoena was issued or the fact that the requested records have been given to the inspector general, or their staff, except:

(1) in so far as the disclosure is necessary to find and disclose the records; or

(2) pursuant to court order.

(c) The fees for service of a subpoena must be paid in the same manner as prescribed by law for a service of process issued by a district court.

(d) The subpoena issued under this subdivision shall be enforceable through the district court in the district where the subpoena is issued.

Subd. 4. **Access to records.** (a) For purposes of an investigation, and regardless of the data's classification under chapter 13, the Office of the Inspector General shall have access to all relevant books, accounts, documents, data, and property related to department programs that are maintained by a program participant, charter school, or government entity as defined by section 13.02.

(b) Notwithstanding paragraph (a), the Office of the Inspector General must issue a subpoena under subdivision 3 in order to access routing and account numbers to which Department of Education funds have been disbursed.

(c) Records requested by the Office of the Inspector General under this subdivision shall be provided in a format, place, and timeframe reasonably requested by the Office of the Inspector General.

(d) The department may enter into specific agreements with other state agencies related to records requests by the Office of the Inspector General.

Subd. 5. **Sanctions; appeal.** (a) The inspector general may recommend that the commissioner impose appropriate temporary sanctions, including withholding of payments under the program, on a program participant pending an investigation by the Office of the Inspector General if:

(1) during the course of an investigation, the Office of the Inspector General finds credible indicia of fraud, waste, or abuse by the program participant;

(2) there has been a criminal, civil, or administrative adjudication of fraud, waste, or abuse against the program participant in Minnesota or in another state or jurisdiction;

(3) the program participant was receiving funds under any contract or registered in any program administered by another Minnesota state agency, a government agency in another state, or a federal agency, and was excluded from that contract or program for reasons credibly indicating fraud, waste, or abuse by the program participant; or

(4) the program participant has a pattern of noncompliance with an investigation.

(b) If an investigation finds, by clear and convincing evidence, fraud, waste, or abuse by a program participant, the inspector general may recommend that the commissioner impose appropriate sanctions on the program participant.

(c) The commissioner has the authority to implement recommendations by the inspector general, including imposing appropriate sanctions, temporarily or otherwise, on a program participant. Sanctions may include ending program participation, stopping disbursement of funds or resources, and termination of department contracts with

the participant for any current or future department program or contract. A sanction may be imposed for up to the longest period permitted by state or federal law. Sanctions authorized under this subdivision are in addition to other remedies and penalties available under law.

(d) If the commissioner imposes sanctions on a program participant under this subdivision, the commissioner must notify the participant in writing within seven business days of imposing the sanction, unless requested in writing by a law enforcement agency to temporarily delay issuing the notice to prevent disruption of an ongoing law enforcement agency investigation. A notice of sanction must state:

(1) the sanction being imposed;

(2) the general allegations that form the basis for the sanction;

(3) the duration of the sanction;

(4) the department programs to which the sanction applies; and

(5) how the program participant's may appeal the sanction pursuant to paragraph (e).

(e) A program participant sanctioned under this subdivision may, within 30 days after the date the notice of sanction was mailed to the participant, appeal the determination by requesting in writing that the commissioner initiate a contested case proceeding under chapter 14. The scope of any contested case hearing is limited to the sanction imposed under this subdivision. An appeal request must specify with particularity each disputed item, the reason for the dispute, and must include the name and contact information of the person or entity that may be contacted regarding the appeal.

(f) The commissioner shall lift sanctions imposed under this subdivision if the Office of the Inspector General determines there is insufficient evidence of fraud, waste, or abuse by the program participant. The commissioner must notify the participant in writing within seven business days of lifting the sanction.

Subd. 6. **Data practices.** (a) It is not a violation of rights conferred by chapter 13 or any other statute related to the confidentiality of government data for a government entity as defined in section 13.02 to provide data or information under this section.

(b) The inspector general is subject to the Government Data Practices Act, chapter 13, and shall protect from unlawful disclosure data classified as not public. Data collected, created, received, or maintained by the inspector general relating to an audit, investigation, proceeding, or inquiry are subject to section 13.39."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

West moved to amend the Youakim amendment to H. F. No. 5237, the second engrossment, as follows:

Page 1, after line 6, insert:

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

Page 1, line 9, before "The" insert "(a)"

Page 1, line 10, after the period, insert "The inspector general shall report directly to the commissioner."

Page 1, after line 17, insert:

"(b) The inspector general may not be terminated, reprimanded, discharged, suspended without pay, or demoted except for just cause. For the purposes of this subdivision, just cause includes consistent failure to perform statutory duties, substandard performance, and serious violation of written policies and procedures, provided the policies and procedures are applied in a uniform, nondiscriminatory manner. No state employee may interfere with or obstruct an investigation authorized by this section."

Page 2, line 5, after "money" insert "or to acquire property or money"

Page 5, after line 7, insert:

"Subd. 7. **Retaliation prohibited.** An employee who discloses information to the Office of the Inspector General about fraud, waste, or abuse in department programs is protected under section 181.932, governing disclosure of information by employees.

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

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Youakim amendment, as amended, to H. F. No. 5237, the second engrossment. The motion prevailed and the amendment, as amended, was adopted.

Lee, K., moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 28, after line 7, insert:

"Sec. 13. Laws 2023, chapter 55, article 2, section 64, subdivision 9, is amended to read:

Subd. 9. **Computer science education advancement.** (a) For computer science advancement:

\$500,000	.....	2024
\$500,000	.....	2025

(b) Of this amount, \$150,000 is for the computer science supervisor.

(c) For fiscal year 2025 only, \$50,000 must be transferred to the Professional Educator Licensing and Standards Board for computer science teacher licensure activities.

(~~e~~) (d) Eligible uses of the appropriation include expenses related to the implementation of article 2, section 61, ~~and~~ or expenses related to the development, advancement, and promotion of kindergarten through grade 12 computer science education.

(~~d~~) (e) Any balance in the first year does not cancel and is available in the second year."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Edelson moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 31, after line 6, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 31, line 13, after "in" insert "good"

Page 31, after line 17, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 31, after line 25, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 32, after line 2, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 32, after line 32, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 34, after line 8, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 34, after line 23, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Page 35, after line 29, insert:

"(d) Starting in the 2026-2027 school year, to provide a Tier 2 literacy intervention, a paraprofessional or other unlicensed person, including a volunteer, must be supervised by a licensed teacher that has completed training in evidence-based reading instruction approved by the Department of Education, and have completed evidence-based

training developed under the Read Act by CAREI or the regional literacy networks under section 120B.124, subdivision 4, or a training that the department has determined meets or exceeds the requirements of section 120B.124, subdivision 4.

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 36, line 15, after "through" insert "approved"

Page 36, after line 30, insert:

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 39, after line 11, insert:

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 39, after line 15, insert:

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 41, line 3, after "department" insert "and CAREI"

Page 41, delete lines 11 to 26 and insert:

"(f) The department must partner with CAREI as required under section 120B.124 to approve literacy intervention models, subject to final determination by the department. The department must make a list of the 15 approved evidence-based intervention models available to districts as they are approved by CAREI, starting November 1, 2025. Upon approval of the evidence-based intervention models, the department must ensure the models are reviewed by a contracted third party for culturally responsive guidance and materials, and make those findings available to districts once the review process is complete. The department must notify districts of the two-step review process for all materials approved under the Read Act for effectiveness as evidence-based structured literacy, and for cultural responsiveness.

(g) The department and CAREI must provide ongoing coaching, mentoring, and support to certified trained facilitators.

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 42, line 15, strike ", to the extent practicable,"

Page 42, line 17, after the period, insert "A district that purchases approved curriculum before the cultural responsiveness review is completed is encouraged to work with the curriculum's publisher to obtain updated materials that are culturally and linguistically responsive and reflect diverse populations."

Page 42, line 18, strike everything after "curriculum"

Page 42, line 19, strike everything before the semicolon

Page 42, line 27, after "training" insert "and coaching" and after "trains" insert "and supports"

Page 42, line 29, after "subdivision 1" insert "Literacy lead training must include instruction on how to train paraprofessionals and volunteers that provide Tier 2 interventions on evidence-based literacy intervention"

Page 43, delete lines 8 to 16 and insert:

"(9) develop a coaching and mentorship program for certified trained facilitators based on the previously approved trainings; and

(10) identify at least 15 evidence-based literacy intervention models by November 1, 2025, and post a list of the interventions on the department website. A district is not required to use an approved intervention model.

(b) The department must contract with a third party to develop culturally and linguistically responsive supplemental materials and guidance for the approved literacy curricula to meet the culturally and linguistically responsive standards under paragraph (a), clause (1).

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 44, delete lines 1 to 7 and insert:

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 44, delete section 18 and insert:

"Sec. 18. Minnesota Statutes 2023 Supplement, section 120B.124, is amended by adding a subdivision to read:

Subd. 4. **Volunteer and paraprofessional training.** (a) The department and CAREI must develop and provide training on evidence-based literacy interventions for the following unlicensed persons that regularly provide Tier 2 interventions to students in Minnesota districts:

(1) paraprofessionals and other unlicensed school staff; and

(2) volunteers, contractors, and other persons not employed by Minnesota districts.

(b) The regional literacy networks must develop and provide training on evidence-based literacy interventions consistent with paragraph (a).

(c) CAREI and the regional literacy networks must collaborate to ensure training provided by CAREI and the regional literacy networks is consistent across providers. The trainings must not exceed eight hours. The trainings must be based on approved training developed for teachers, and must include a train the trainer component to enable literacy leads to provide the training to paraprofessionals and volunteers. CAREI and the regional literacy networks must provide the trainings at no cost to professionals and other unlicensed school staff who regularly provide Tier 2 interventions to students in Minnesota districts.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 19. Minnesota Statutes 2023 Supplement, section 120B.124, is amended by adding a subdivision to read:

Subd. 5. **Ongoing review of literacy materials.** The department may partner with one or more institutions of higher education to conduct independent and objective reviews of curriculum and intervention materials. The department must determine whether it will partner with an institution of higher education to conduct ongoing reviews of literacy materials by June 1, 2026. A publisher may submit curriculum or intervention materials for

review. The publisher is responsible for paying the cost of the review directly to the institution of higher education. The review must use the rubric used to approve curriculum under subdivision 1, paragraph (a). The department and institution of higher education may approve the curriculum or instructional materials if they determine that the curriculum or intervention materials are evidence-based, focused on structured literacy, and are culturally and linguistically responsive and reflect diverse populations. The department must add the approved curriculum or intervention materials to the list of curricula and materials approved under the Read Act.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 20. Minnesota Statutes 2023 Supplement, section 120B.124, is amended by adding a subdivision to read:

Subd. 6. **Comprehensive review of literacy materials.** Starting in 2033, the department and an institution of higher education may partner to do a comprehensive review of curriculum and intervention materials to identify literacy curriculum and supporting materials, and intervention materials that are evidence-based, focused on structured literacy, and are culturally and linguistically responsive and reflect diverse populations. The department must revise the list of approved curriculum and supporting materials and intervention materials based on the findings of the review.

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 44, delete lines 26 to 29 and insert:

"(c) Literacy programs under this subdivision must use evidence-based reading instruction and interventions focused on structured literacy. ServeMinnesota must demonstrate to the department that the training AmeriCorps members receive meets or exceeds the requirements of section 120B.124, subdivision 4, for volunteers. Minnesota Reading Corps AmeriCorps members are not required to complete the training under section 120B.24, subdivision 4."

Page 45, after line 19, insert:

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 48, after line 10, insert:

EFFECTIVE DATE. This section is effective July 1, 2024."

Page 49, delete lines 28 to 31

Page 50, delete lines 1 to 7 and insert:

"(c) Of this amount, \$1,000,000 is for the Department of Education to issue a request for proposals for a contract to develop supplemental culturally responsive materials for the approved evidence-based structured literacy curricula under Minnesota Statutes, section 120B.124, subdivision 1, clause (1). The contractor must review all approved instructional and intervention materials to ensure they are culturally responsive within 90 days of receiving the materials from the Department of Education. The contractor must work with publishers to ensure materials are culturally responsive and provide districts with supplementary materials and guidance as needed.

(d) Of this amount \$375,000 is for the regional literacy networks to develop training for paraprofessionals and volunteers that regularly provide Tier 2 literacy interventions to students in accordance with Minnesota Statutes, section 120B.124, subdivision 4.

(e) Of this amount, \$375,000 is for CAREI to develop training for paraprofessionals and volunteers that regularly provide Tier 2 literacy interventions to students in accordance with Minnesota Statutes, section 120B.124, subdivision 4."

Page 50, after line 18, insert:

"EFFECTIVE DATE. This section is effective July 1, 2024."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Speaker pro tempore Her called Tabke to the Chair.

The question was taken on the Edelson amendment and the roll was called. There were 69 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kraft	Olson, L.	Vang
Berg	Fischer	Hill	Lee, F.	Pelowski	Virnig
Bierman	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Liebling	Pinto	Xiong
Carroll	Freiberg	Howard	Lillie	Pryor	Youakim
Cha	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Torkelson
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	Urdahl
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	West
Backer	Franson	Joy	Nadeau	Quam	Wiener
Bakeberg	Garfalo	Kiel	Nash	Rarick	Wiens
Baker	Gillman	Knudsen	Nelson, N.	Robbins	Witte
Bennett	Grossell	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Harder	Kresha	Niska	Schultz	
Davids	Heintzeman	Lawrence	Novotny	Scott	
Davis	Hudella	McDonald	O'Driscoll	Skraba	
Demuth	Hudson	Mekeland	Olson, B.	Swedzinski	

The motion prevailed and the amendment was adopted.

Mueller moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 9, delete section 10

Page 11, delete section 13

Page 27, delete section 12

Page 31, line 2, after "THE" insert "RIGHT TO"

Page 31, line 4, after "THE" insert "RIGHT TO"

Page 31, line 5, before "Sections" insert "Subdivision 1. Title."

Page 31, line 6, before "Read" insert "Right to"

Page 31, after line 6, insert:

"Subd. 2. **Policy.** To promote every child's fundamental right to read, it is the intent of the legislature that public schools promote foundational literacy and grade-level reading proficiency through the use of curriculum, textbooks, instructional materials, instructional practices, interventions, and teacher development and training based solely on the science of reading."

Page 31, after line 17, insert:

"Sec. 3. Minnesota Statutes 2023 Supplement, section 120B.1118, subdivision 4, is amended to read:

Subd. 4. **Evidence-based.** "Evidence-based" or "science of reading" means the instruction or item described is based on reliable, trustworthy, and valid ~~evidence and has demonstrated a record of success in increasing students' reading competency in the areas of phonological and phonemic awareness, phonics, vocabulary development, reading fluency, and reading comprehension~~ science-based reading research. Evidence-based literacy instruction is explicit, systematic, and includes phonological and phonemic awareness, phonics and decoding, spelling, fluency, vocabulary, oral language, and comprehension that can be differentiated to meet the needs of individual students. Evidence-based instruction does not include the three-cueing system, as defined in subdivision 16."

Page 32, after line 2, insert:

"Sec. 5. Minnesota Statutes 2023 Supplement, section 120B.1118, is amended by adding a subdivision to read:

Subd. 14a. **Science-based reading research.** "Science-based reading research" means research that:

(1) applies rigorous, systematic, and objective observational or experimental procedures to obtain knowledge relevant to reading development, reading instruction, and reading and writing difficulties; and

(2) explains how proficient reading and writing develop, why some children have difficulties developing key literacy skills, and how schools can best assess and instruct early literacy, including the use of evidence-based literacy instruction practices to promote reading and writing achievement."

Page 44, after line 14, insert:

"Sec. 19. Minnesota Statutes 2023 Supplement, section 122A.091, subdivision 1, is amended to read:

Subdivision 1. **Teacher and administrator preparation and performance data; report.** (a) The Professional Educator Licensing and Standards Board and the Board of School Administrators, in cooperation with board-approved teacher or administrator preparation programs, annually must collect and report summary data on teacher and administrator preparation and performance outcomes, consistent with this subdivision. The Professional Educator Licensing and Standards Board and the Board of School Administrators annually by July 1 must update and post the reported summary preparation and performance data on teachers and administrators from the preceding school years on their respective websites.

(b) Publicly reported summary data on teacher preparation providers must include:

(1) summary data on teacher educator qualifications and their years of experience either as birth through grade 12 classroom teachers or school administrators;

(2) the current number and percentage of enrolled candidates who entered the program through a transfer pathway disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(3) the current number and percentage of program completers by program who received a Tier 3 or Tier 4 license disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(4) the current number and percentage of program completers who entered the program through a transfer pathway and received a Tier 3 or Tier 4 license disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(5) the current number and percentage of program completers who were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(6) the current number and percentage of program completers who entered the program through a transfer pathway and who were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(7) board-adopted survey results measuring initial licensure program quality and structure in the preceding school year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(8) board-adopted survey results from school principals or supervisors on initial licensure program quality and structure; and

(9) the number and percentage of program completers who met or exceeded the state threshold score on ~~the a~~ board-adopted teacher examination or performance assessment required under section 122A.185.

Program reporting must be consistent with subdivision 2.

(c) Publicly reported summary data on administrator preparation programs approved by the Board of School Administrators must include:

(1) summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and the years of experience either as kindergarten through grade 12 classroom teachers or school administrators;

(2) the average time program graduates in the preceding year needed to complete the program;

(3) the current number and percentage of students who graduated, received a standard Minnesota administrator license, and were employed as an administrator in a Minnesota school district or school in the preceding year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual;

(4) the number of credits by graduate program that students in the preceding school year needed to complete to graduate;

(5) survey results measuring student, graduate, and employer satisfaction with the program in the preceding school year disaggregated by race, except when disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual; and

(6) information under subdivision 3, paragraphs (c) and (d).

Program reporting must be consistent with section 122A.14, subdivision 10.

Sec. 20. Minnesota Statutes 2023 Supplement, section 122A.185, subdivision 1, is amended to read:

Subdivision 1. **Tests.** (a) The board must adopt rules requiring applicants for Tier 3 and Tier 4 licenses to pass an examination or performance assessment of general pedagogical knowledge and examinations or assessments of licensure field specific content. An applicant is exempt from the examination requirements if the applicant completed:

(1) a board-approved teacher preparation program;

(2) licensure via portfolio pursuant to section 122A.18, subdivision 10, and the portfolio has been approved; or

(3) a state-approved teacher preparation program in another state and passed licensure examinations in that state, if applicable. The content examination requirement does not apply if no relevant content exam exists.

(b) The board must adopt rules requiring applicants for Tier 3 and Tier 4 licenses in elementary education to pass an examination or performance assessment of knowledge, skill, and ability to teach the science of reading, as defined in section 120B.1118.

~~(b)~~ (c) All testing centers in the state must provide monthly opportunities for untimed content and pedagogy examinations. These opportunities must be advertised on the test registration website. The board must require the exam vendor to provide other equitable opportunities to pass exams, including: (1) waiving testing fees for test takers who qualify for federal grants; (2) providing free, multiple, full-length practice tests for each exam and free, comprehensive study guides on the test registration website; (3) making content and pedagogy exams available in languages other than English for teachers seeking licensure to teach in language immersion programs; and (4) providing free, detailed exam results analysis by test objective to assist applicants who do not pass an exam in identifying areas for improvement. Any applicant who has not passed a required exam after two attempts must be allowed to retake the exam, including new versions of the exam, without being charged an additional fee."

Page 45, after line 25, insert:

" \$37,996,000 2025"

Page 46, line 14, strike "This is a"

Page 46, line 15, strike "onetime appropriation" and before the period, insert "For fiscal year 2026 only, the budget base for this program for fiscal year 2026 only is \$4,128,000. The commissioner must prorate each district's aid amount for fiscal years 2025 and 2026 to match the available appropriation"

Page 49, after line 7, insert:

"Sec. 25. **TEACHER PREPARATION IN READING INSTRUCTION.**

A teacher preparation program approved by the Professional Educator Licensing and Standards Board for teachers of elementary education must require instruction in understanding and applying the science of reading. The board must complete audits of all approved teacher preparation programs by September 1, 2024, to determine whether the program provides students instruction in reading in accordance with section 122A.092, subdivision 5. The board must place a program not in compliance on immediate probation. A program placed on probation must develop and implement an action plan to comply with this section.

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

Page 58, delete section 11

Page 69, delete section 3

Page 74, delete section 4

Page 77, delete section 2

Page 79, delete section 5

Page 80, delete section 6

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Mueller moved to amend the Mueller amendment to H. F. No. 5237, the second engrossment, as amended, as follows:

Page 1, after line 1, insert:

"Page 6, delete section 6"

Page 6, line 6, delete "section" and insert "sections 1 and"

The motion prevailed and the amendment to the amendment was adopted.

Speaker pro tempore Tabke called Her to the Chair.

The question recurred on the Mueller amendment, as amended, and the roll was called. There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Torkelson
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	Urdahl
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	West
Backer	Franson	Joy	Nadeau	Quam	Wiener
Bakeberg	Garofalo	Kiel	Nash	Rarick	Wiens
Baker	Gillman	Knudsen	Nelson, N.	Robbins	Witte
Bennett	Grossell	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Harder	Kresha	Niska	Schultz	
Davids	Heintzeman	Lawrence	Novotny	Scott	
Davis	Hudella	McDonald	O'Driscoll	Skraba	
Demuth	Hudson	Mekeland	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotzya-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kraft	Olson, L.	Vang
Berg	Fischer	Hill	Lee, F.	Pelowski	Virmig
Bierman	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Liebling	Pinto	Xiong
Carroll	Freiberg	Howard	Lillie	Pryor	Youakim
Cha	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	

The motion did not prevail and the amendment, as amended, was not adopted.

Anderson, P.E., moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Pages 19 to 20, delete sections 1 and 2

Page 21, lines 19 and 22, delete "health."

Pages 22 to 25, delete sections 4 to 7

Page 30, delete subdivision 4 and insert:

"Subd. 4. Cannabis prevention education. (a) For cannabis prevention education under Minnesota Statutes, section 144.197, subdivision 1:

\$627,000

.....

2025

(b) This appropriations does not cancel but is available until June 30, 2027.

(c) This is a onetime appropriation."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Speaker pro tempore Her called Moller to the Chair.

Edelson was excused between the hours of 4:45 p.m. and 10:30 p.m.

The question was taken on the Anderson, P. E., amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Torkelson
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	Urdahl
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	West
Backer	Franson	Joy	Nadeau	Quam	Wiener
Bakeberg	Garofalo	Kiel	Nash	Rarick	Wiens
Baker	Gillman	Knudsen	Nelson, N.	Robbins	Witte
Bennett	Grossell	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Harder	Kresha	Niska	Schultz	
Davids	Heintzeman	Lawrence	Novotny	Scott	
Davis	Hudella	McDonald	O'Driscoll	Skraba	
Demuth	Hudson	Mekeland	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kraft	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Lee, F.	Pelowski	Virinig
Berg	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Liebling	Pinto	Xiong
Brand	Freiberg	Howard	Lillie	Pryor	Youakim
Carroll	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Cha	Greenman	Hussein	Long	Rehm	
Clardy	Hansen, R.	Jordan	Moller	Reyer	
Coulter	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	
Curran	Hassan	Klevorn	Newton	Smith	

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

Bennett moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 25, after line 29, insert:

"Subd. 4. **Local health standards allowed.** (a) Notwithstanding any law to the contrary, a school board continues to meet the academic standards for health education and is not subject to the statewide health education standards under subdivisions 1 to 3 if the school district or charter school has locally developed health standards as of June 30, 2024, and the locally developed academic standards include at least:

(1) cardiopulmonary resuscitation and automatic external defibrillator training requirements under section 120B.236;

(2) vaping awareness and prevention education under section 120B.238;

(3) programs to prevent and reduce the risks of sexually transmitted infections and diseases under section 121A.23; and

(4) mental health education standards required under section 120B.21.

(b) A school district that continues to operate under locally developed academic standards in health must adopt a board resolution at least once every three years affirming its local academic standards for health."

A roll call was requested and properly seconded.

The question was taken on the Bennett amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Torkelson
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	Urdahl
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	West
Backer	Franson	Joy	Nadeau	Quam	Wiener
Bakeberg	Garofalo	Kiel	Nash	Rarick	Wiens
Baker	Gillman	Knudsen	Nelson, N.	Robbins	Witte
Bennett	Grossell	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Harder	Kresha	Niska	Schultz	
Davids	Heintzeman	Lawrence	Novotny	Scott	
Davis	Hudella	McDonald	O'Driscoll	Skraba	
Demuth	Hudson	Mekeland	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Cha	Frazier	Hemmingsen-Jaeger	Hussein	Lee, K.
Agbaje	Clardy	Frederick	Her	Jordan	Liebling
Bahner	Coulter	Freiberg	Hicks	Keeler	Lillie
Becker-Finn	Curran	Gomez	Hill	Klevorn	Lislegard
Berg	Elkins	Greenman	Hollins	Koegel	Long
Bierman	Feist	Hansen, R.	Hornstein	Kotzya-Witthuhn	Moller
Brand	Finke	Hanson, J.	Howard	Kraft	Nelson, M.
Carroll	Fischer	Hassan	Huot	Lee, F.	Newton

Noor	Pérez-Vega	Rehm	Stephenson	Wolgamott
Norris	Pinto	Reyer	Tabke	Xiong
Olson, L.	Pryor	Sencer-Mura	Vang	Youakim
Pelowski	Pursell	Smith	Virnig	Spk. Hortman

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

Speaker pro tempore Moller called Her to the Chair.

Zeleznikar moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 80, after line 10, insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 124D.142, subdivision 2, as amended by Laws 2024, chapter 80, article 4, section 10, is amended to read:

Subd. 2. **System components.** (a) The standards-based voluntary quality rating and improvement system includes:

(1) at least a one-star rating for all voluntary prekindergarten programs under section 124D.151, Head Start programs, and programs licensed under Minnesota Rules, chapter 9502 or 9503, or Tribally licensed that do not opt out of the system under paragraph (b) and that are not:

(i) the subject of a finding of fraud for which the program or individual is currently serving a penalty or exclusion;

(ii) prohibited from receiving public funds under section 245.095, regardless of whether the action is under appeal;

(iii) under revocation, suspension, temporary immediate suspension, or decertification, or is operating under a conditional license, regardless of whether the action is under appeal; or

(iv) the subject of suspended, denied, or terminated payments to a provider under section 119B.13, subdivision 6, paragraph (d), clause (1) or (2); 245E.02, subdivision 4, paragraph (c), clause (4); or 256.98, subdivision 1, regardless of whether the action is under appeal;

(2) quality opportunities in order to improve the educational outcomes of children so that they are ready for school;

(3) a framework based on the Minnesota quality rating system rating tool and a common set of child outcome and program standards informed by evaluation results;

(4) a tool to increase the number of publicly funded and regulated early learning and care services in both public and private market programs that are high quality;

(5) voluntary participation ensuring that if a program or provider chooses to participate, the program or provider will be rated and may receive public funding associated with the rating; ~~and~~

(6) tracking progress toward statewide access to high-quality early learning and care programs, progress toward the number of low-income children whose parents can access quality programs, and progress toward increasing the number of children who are fully prepared to enter kindergarten- ; and

(7) beginning August 1, 2024, a uniform rating process for all programs under the system, with prohibitions on automatic rating processes for any program, including but not limited to a voluntary prekindergarten program under section 124D.151.

(b) By July 1, 2026, the commissioner of children, youth, and families shall establish a process by which a program may opt out of the rating under paragraph (a), clause (1). The commissioner shall consult with Tribes to develop a process for rating Tribally licensed programs that is consistent with the goal outlined in paragraph (a), clause (1)."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Zeleznikar moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 9, delete section 10

Page 11, delete section 13

Page 27, delete section 12

Page 58, delete section 11

Page 69, delete section 3

Page 74, delete section 4

Page 77, delete section 2

Page 79, delete section 5

Page 80, delete section 6

Page 84, after line 11, insert:

"Sec. 6. **APPROPRIATION; COMPLIANCE GRANTS FOR FAMILY CHILD CARE PROVIDERS.**

Subdivision 1. Department of Education. The sum indicated in this section is appropriated from the general fund to the Department of Education in the fiscal year designated.

Subd. 2. Compliance grants for family child care providers. (a) For transfer to the Department of Human Services for compliance grants to family child care providers:

\$37,996,000

.....

2025

(b) Grantees must use money received under this subdivision for costs associated with meeting licensing requirements, including but not limited to facility improvements, licensing fees, and training requirements. Grantees licensed under Minnesota Statutes, section 245A.14, subdivision 4, may use money received under this subdivision in coordination with any other grantees that share a location under one contiguous roof.

(c) Grants must not be awarded under this subdivision for more than \$15,000 per family child care provider. At least 50 percent of the grant money must go to family child care providers located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. In awarding grants under this subdivision, the commissioner must give priority to family child care providers who live in communities that have a shortage of licensed child care providers.

(d) For purposes of this subdivision, "family child care provider" means a family or group family child care provider licensed under Minnesota Statutes, chapter 245A, and Minnesota Rules, chapter 9502.

(e) The budget base for this program for fiscal year 2026 only is \$4,128,000.

(f) This appropriation is available until expended."

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

Amend the title accordingly

Zeleznikar moved to amend the Zeleznikar amendment to H. F. No. 5237, the second engrossment, as amended, as follows:

Page 1, after line 1, insert:

"Page 6, delete section 6"

Page 1, line 10, delete "section" and insert "sections 1 and"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Zeleznikar amendment, as amended, to H. F. No. 5237, the second engrossment, as amended. The motion did not prevail and the amendment, as amended, was not adopted.

Bakeberg moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 84, after line 16, insert:

"Section 1. **[127A.205] OFFICE OF STUDENT ATTENDANCE AND TRUANCY.**

Subdivision 1. **Creation.** The commissioner must establish within the department an Office of Student Attendance and Truancy. The Office of Student Attendance and Truancy must coordinate school district, county, and executive branch efforts related to improving student attendance and reducing truancy.

Subd. 2. **Duties.** The Office of Student Attendance and Truancy must:

(1) assist school districts and charter schools with programs and strategies to improve student attendance and reduce student truancy;

(2) work with school districts, charter schools, and counties to implement truancy programs and services provided for under chapter 260A;

(3) post to its website links to best practices for local school attendance programs; and

(4) recommend student reporting systems upgrades that provide better capabilities for identifying students not meeting consistent attendance standards, chronically absent, and removed from school district and charter school attendance rolls.

Sec. 2. Laws 2023, chapter 55, article 12, section 17, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

\$47,005,000	.....	2024
\$39,922,000	.....	2025

Of these amounts:

- (1) \$405,000 each year is for the Board of School Administrators;
- (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;
- (3) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;
- (4) \$480,000 each year is for the Department of Education's mainframe update;
- (5) \$7,500,000 in fiscal year 2024 only is for legal fees and costs associated with litigation;
- (6) \$595,000 in fiscal year 2024 and \$2,609,000 in fiscal year 2025 are for modernizing district data submissions. The base for fiscal year 2026 and later is \$2,359,000;
- (7) \$573,000 each year is for engagement and rulemaking related to Specific Learning Disability;
- (8) \$150,000 each year is for an ethnic studies specialist in the academic standards division to provide support to the ethnic studies working group and to school districts seeking to establish or strengthen ethnic studies courses;
- (9) \$150,000 each year is for the comprehensive school mental health services lead under Minnesota Statutes, section 127A.215;
- (10) \$150,000 each year is for a school health services specialist under Minnesota Statutes, section 121A.20;
- (11) \$2,000,000 each year is for the Office of the Inspector General established under Minnesota Statutes, section 127A.21;
- (12) \$800,000 each year is for audit and internal control resources;

(13) \$2,000,000 in fiscal year 2024 only is for information technology infrastructure and portfolio resources;

(14) \$2,000,000 ~~each~~ in fiscal year 2024 is for staffing the Equity, Diversity and Inclusion (EDI) Center at the Department of Education; ~~and~~

(15) \$2,000,000 in fiscal year 2025 is for the Office of Student Attendance and Truancy; and

~~(15)~~ (16) \$275,000 in fiscal year 2024 and \$175,000 in fiscal year 2025 are for administrative expenses for unemployment aid.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) The base for fiscal year 2026 and later is \$39,667,000.

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

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

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Bakeberg amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Torkelson
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	Urdahl
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	West
Backer	Franson	Joy	Nadeau	Quam	Wiener
Bakeberg	Garofalo	Kiel	Nash	Rarick	Wiens
Baker	Gillman	Knudsen	Nelson, N.	Robbins	Witte
Bennett	Grossell	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Harder	Kresha	Niska	Schultz	
Davids	Heintzeman	Lawrence	Novotny	Scott	
Davis	Hudella	McDonald	O'Driscoll	Skraba	
Demuth	Hudson	Mekeland	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Carroll	Finke	Hansen, R.	Hollins	Klevorn
Agbaje	Cha	Fischer	Hanson, J.	Hornstein	Koegel
Bahner	Clardy	Frazier	Hassan	Howard	Kotzya-Witthuhn
Becker-Finn	Coulter	Frederick	Hemmingsen-Jaeger	Huot	Kraft
Berg	Curran	Freiberg	Her	Hussein	Lee, F.
Bierman	Elkins	Gomez	Hicks	Jordan	Lee, K.
Brand	Feist	Greenman	Hill	Keeler	Liebling

Lillie	Newton	Pérez-Vega	Reyer	Vang	Spk. Hortman
Lislegard	Noor	Pinto	Sencer-Mura	Virnig	
Long	Norris	Pryor	Smith	Wolgamott	
Moller	Olson, L.	Pursell	Stephenson	Xiong	
Nelson, M.	Pelowski	Rehm	Tabke	Youakim	

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

Hudson moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 15, line 4, delete "Special School District No. 1, Minneapolis" and insert "Independent School District No. 152, Moorhead"

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

Bakeberg moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 18, after line 1, insert:

"Sec. 19. **LEGISLATIVE STUDY GROUP ON EDUCATION MANDATES.**

Subdivision 1. Legislative study group established. The legislative study group on education mandates is established to review all state education mandates not required under federal law, and submit a written report by January 2, 2025, to the legislature recommending education mandates for repeal or revision. The legislative study group expires January 2, 2025, unless extended by law. The study group must identify and include in its report any statutory changes needed to implement the study group recommendations.

Subd. 2. Membership. (a) The legislative study group on education mandates includes:

(1) six duly elected and currently serving members of the house of representatives, three appointed by the speaker of the house and three appointed by the house minority leader; and

(2) six duly elected and currently serving senators, three appointed by the senate majority leader and three appointed by the senate minority leader.

(b) Appointments to the legislative study group must be made by June 1, 2024. If a vacancy occurs, the leader of the caucus in the house of representatives or senate to which the vacating study group member belonged must fill the vacancy. The speaker of the house of representatives must appoint a member to convene the first meeting of the study group. The study group must elect a chair or cochairs from among the members at the first meeting. The study group must meet periodically. The Legislative Coordinating Commission must provide technical and administrative assistance upon request.

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

Page 18, line 26, delete "1,500,000" and insert "1,436,000"

Page 19, after line 16, insert:

"Subd. 6. **Legislative study group on education mandates.** (a) For transfer to the Legislative Coordinating Commission for the legislative study group on education mandates:

\$64,000

.....

2025

(b) This is a onetime appropriation."

Renumber the sections in sequence and correct internal references

A roll call was requested and properly seconded.

The question was taken on the Bakeberg amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Torkelson
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	Urdahl
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	West
Backer	Franson	Joy	Nadeau	Quam	Wiener
Bakeberg	Garofalo	Kiel	Nash	Rarick	Wiens
Baker	Gillman	Knudsen	Nelson, N.	Robbins	Witte
Bennett	Grossell	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Harder	Kresha	Niska	Schultz	
Davids	Heintzeman	Lawrence	Novotny	Scott	
Davis	Hudella	McDonald	O'Driscoll	Skraba	
Demuth	Hudson	Mekeland	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotzya-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kraft	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Lee, F.	Pelowski	Virinig
Berg	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Liebling	Pinto	Xiong
Brand	Freiberg	Howard	Lillie	Pryor	Youakim
Carroll	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Cha	Greenman	Hussein	Long	Rehm	
Clardy	Hansen, R.	Jordan	Moller	Reyer	
Coulter	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	
Curran	Hassan	Klevorn	Newton	Smith	

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

West moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 18, after line 1, insert:

"Sec. 19. **SCHOOL DISTRICT FINANCIAL FLEXIBILITY.**

Subdivision 1. School board financial flexibility. For fiscal year 2025 only, a school board may move its state aid and local property tax receipts among its accounts and funds according to the provisions of this section.

Subd. 2. Funds and accounts. (a) Notwithstanding any law or fund account restriction to the contrary, a school board may move funds from any reserve account or fund to any other account or fund unless:

(1) moving the funds conflicts with federal law;

(2) moving the funds is contrary to a court order;

(3) moving the funds would lower the school district's state aid or local levy authority in fiscal year 2025 or a subsequent year; or

(4) the funds have been pledged for the repayment of bonds or other long-term debt obligations of the school district.

(b) By December 31, 2024, the Department of Education must post on its website a list of funds and accounts that may not be moved under paragraph (a), clauses (1) and (3).

Subd. 3. Board approval. Before transferring any funds under this section and after allowing public testimony at a regularly scheduled board meeting, a school board must adopt a written resolution identifying the amounts and types of funds that will be moved among its accounts and funds."

Renumber the sections in sequence and correct the internal references

A roll call was requested and properly seconded.

The Speaker assumed the Chair.

The question was taken on the West amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Torkelson
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	Urdahl
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	West
Backer	Franson	Joy	Nadeau	Quam	Wiener
Bakeberg	Garofalo	Kiel	Nash	Rarick	Wiens
Baker	Gillman	Knudsen	Nelson, N.	Robbins	Witte
Bennett	Grossell	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Harder	Kresha	Niska	Schultz	
Davids	Heintzeman	Lawrence	Novotny	Scott	
Davis	Hudella	McDonald	O'Driscoll	Skraba	
Demuth	Hudson	Mekeland	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kraft	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Lee, F.	Pelowski	Virinig
Berg	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Liebling	Pinto	Xiong
Brand	Freiberg	Howard	Lillie	Pryor	Youakim
Carroll	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Cha	Greenman	Hussein	Long	Rehm	
Clardy	Hansen, R.	Jordan	Moller	Reyer	
Coulter	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	
Curran	Hassan	Klevorn	Newton	Smith	

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

Franson moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 25, after line 30, insert:

"Sec. 8. **[121A.645] STUDENT PLACEMENT IN ALTERNATE SETTING.**

(a) A school district may require a student against whom a restraining order or order for protection has been issued to receive instruction in an alternate setting in accordance with this section for the duration of the restraining order or order for protection if the petitioner for the restraining order or order for protection is a student, teacher, or other employee at the same school site.

(b) If the student is a "child with a disability" as defined in section 125A.02, the district must provide the parent or guardian prior written notice in accordance with section 125A.091. The dispute resolution processes and other procedural safeguards provided under section 125A.091 apply to an alternate placement under this section. If the student is not a "child with a disability," the district must provide the parent or guardian written notice of the change in setting before implementing the change.

(c) An "alternate setting" under this section means a school site in a separate building. It may include an area learning center or other state-approved alternative program, or a site under the administrative control of a service cooperative or intermediate school district. The alternate setting must be selected to allow the student to progress toward meeting state academic standards and graduation requirements.

(d) A placement in an alternate setting does not constitute a dismissal, or other form of discipline."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Franson amendment and the roll was called. There were 64 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	McDonald	O'Driscoll	Skraba
Anderson, P. E.	Engen	Jacob	Mekeland	Olson, B.	Swedzinski
Anderson, P. H.	Fogelman	Johnson	Mueller	Perryman	Torkelson
Backer	Franson	Joy	Murphy	Petersburg	Urdahl
Bakeberg	Garofalo	Kiel	Myers	Pfarr	West
Baker	Gillman	Knudsen	Nadeau	Quam	Wiener
Bennett	Grossell	Kotyza-Witthuhn	Nash	Rarick	Wiens
Burkel	Harder	Koznick	Nelson, N.	Robbins	Witte
Davids	Heintzeman	Kresha	Neu Brindley	Schomacker	Zeleznikar
Davis	Hudella	Lawrence	Niska	Schultz	
Demuth	Hudson	Lislegard	Novotny	Scott	

Those who voted in the negative were:

Acomb	Curran	Hanson, J.	Jordan	Nelson, M.	Sencer-Mura
Agbaje	Elkins	Hassan	Keeler	Newton	Smith
Bahner	Feist	Hemmingsen-Jaeger	Klevorn	Noor	Stephenson
Becker-Finn	Finke	Her	Koegel	Norris	Tabke
Berg	Fischer	Hicks	Kraft	Olson, L.	Vang
Bierman	Frazier	Hill	Lee, F.	Pérez-Vega	Virnig
Brand	Frederick	Hollins	Lee, K.	Pinto	Wolgamott
Carroll	Freiberg	Hornstein	Liebling	Pryor	Xiong
Cha	Gomez	Howard	Lillie	Pursell	Youakim
Clardy	Greenman	Huot	Long	Rehm	Spk. Hortman
Coulter	Hansen, R.	Hussein	Moller	Reyer	

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

Knudsen moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 50, after line 20, insert:

"Section 1. Minnesota Statutes 2023 Supplement, section 121A.041, subdivision 2, is amended to read:

Subd. 2. **Prohibition on American Indian mascots.** (a) Starting September 1, 2025, a public school may not have or adopt a name, symbol, or image that depicts or refers to an American Indian Tribe, individual, custom, or tradition to be used as a mascot, nickname, logo, letterhead, or team name of the school, district, or school within the district, unless the school has obtained an exemption under subdivision 3.

(b) The prohibition in paragraph (a) does not apply to a public school located within the reservation of a federally recognized Tribal Nation in Minnesota, where at least 95 percent of students meet the state definition of American Indian student.

(c) The commissioner must establish a process for a public school to apply for funding to make changes necessary to replace a prohibited name, symbol, or image on uniforms, signs, paintings, equipment, gym floors, websites, and other school property, including supplies and other building surfaces. Notwithstanding any law to the contrary, the commissioner may approve an application to reimburse a school for amounts expended to comply with

paragraph (a) after July 1, 2023, and for expenses a public school has incurred based on a work plan and budget approved by the commissioner. The commissioner must provide a public school with the funding requested within 30 days of approving the school's work plan and budget. A public school that applies to the commissioner for mascot replacement assistance is not required to comply with the prohibition in paragraph (a) until the commissioner has approved the request.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Knudsen amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Torkelson
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	Urdahl
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	West
Backer	Franson	Joy	Nadeau	Quam	Wiener
Bakeberg	Garofalo	Kiel	Nash	Rarick	Wiens
Baker	Gillman	Knudsen	Nelson, N.	Robbins	Witte
Bennett	Grossell	Koznick	Neu Brindley	Schomacker	Zeleznikar
Burkel	Harder	Kresha	Niska	Schultz	
Davids	Heintzeman	Lawrence	Novotny	Scott	
Davis	Hudella	McDonald	O'Driscoll	Skraba	
Demuth	Hudson	Mekeland	Olson, B.	Swedzinski	

Those who voted in the negative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kraft	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Lee, F.	Pelowski	Virmig
Berg	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Liebling	Pinto	Xiong
Brand	Freiberg	Howard	Lillie	Pryor	Youakim
Carroll	Gomez	Huot	Lisgard	Pursell	Spk. Hortman
Cha	Greenman	Hussein	Long	Rehm	
Clardy	Hansen, R.	Jordan	Moller	Reyer	
Coulter	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	
Curran	Hassan	Klevorn	Newton	Smith	

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

Kresha moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 23, line 32, delete the new language and strike the old language

Page 23, strike line 33

Page 24, after line 31, insert:

"Sec. 7. Minnesota Statutes 2023 Supplement, section 120B.024, subdivision 2, is amended to read:

Subd. 2. **Credit equivalencies.** (a) A one-half credit of economics taught in a school's agricultural, food, and natural resources education or business education program or department may fulfill a one-half credit in social studies under subdivision 1, clause (5), if the credit is sufficient to satisfy all of the academic standards in economics.

(b) An agriculture science or career and technical education credit may fulfill the elective science credit required under subdivision 1, clause (4), if the credit meets the state physical science, life science, earth and space science, chemistry, or physics academic standards or a combination of these academic standards as approved by the district. An agriculture or career and technical education credit may fulfill the credit in chemistry or physics required under subdivision 1, clause (4), if the credit meets the state chemistry or physics academic standards as approved by the district. A student must satisfy either all of the chemistry academic standards or all of the physics academic standards prior to graduation. An agriculture science or career and technical education credit may not fulfill the required biology credit under subdivision 1, clause (4).

(c) A career and technical education credit may fulfill a mathematics or arts credit requirement under subdivision 1, clause (2) or (6).

(d) An agricultural, food, and natural resources education teacher is not required to meet the requirements of Minnesota Rules, part 3505.1150, subpart 2, item B, to meet the credit equivalency requirements of paragraph (b) above.

(e) A computer science credit may fulfill a mathematics credit requirement under subdivision 1, clause (2), if the credit meets state academic standards in mathematics.

(f) A Project Lead the Way credit may fulfill a science or mathematics credit requirement under subdivision 1, clause (2) or (4), if the credit meets the state academic standards in science or mathematics.

~~(g) An ethnic studies course may fulfill a social studies, language arts, arts, math, or science credit if the course meets the applicable state academic standards. An ethnic studies course may fulfill an elective credit if the course meets applicable local standards or other requirements."~~

Page 25, after line 30 insert:

"Sec. 9. Minnesota Statutes 2023 Supplement, section 120B.11, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section and section 120B.10, the following terms have the meanings given them.

(a) "Instruction" means methods of providing learning experiences that enable a student to meet state and district academic standards and graduation requirements including applied and experiential learning.

(b) "Curriculum" means district or school adopted programs and written plans for providing students with learning experiences that lead to expected knowledge and skills and career and college readiness.

(c) "World's best workforce" means striving to: meet school readiness goals; close the academic achievement gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; and have all students graduate from high school.

(d) "Experiential learning" means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

~~(e) "Ethnic studies" as defined in section 120B.25 has the same meaning for purposes of this section. Ethnic studies curriculum may be integrated in existing curricular opportunities or provided through additional curricular offerings.~~

~~(f)~~ (e) "Antiracist" means actively working to identify and eliminate racism in all forms in order to change policies, behaviors, and beliefs that perpetuate racist ideas and actions.

~~(g)~~ (f) "Culturally sustaining" means integrating content and practices that infuse the culture and language of Black, Indigenous, and People of Color communities who have been and continue to be harmed and erased through the education system.

~~(h)~~ (g) "Institutional racism" means structures, policies, and practices within and across institutions that produce outcomes that disadvantage those who are Black, Indigenous, and People of Color."

Page 27, after line 15, insert:

"Sec. 13. Minnesota Statutes 2023 Supplement, section 124D.861, subdivision 2, is amended to read:

Subd. 2. **Plan implementation; components.** (a) The school board of each eligible district must formally develop and implement a long-term plan under this section. The plan must be incorporated into the district's comprehensive strategic plan under section 120B.11.

(b) The plan must contain goals for:

(1) reducing the disparities in academic achievement and in equitable access to effective and more diverse teachers among all students and specific categories of students under section 120B.35, subdivision 3, paragraph (b), excluding the student categories of gender, disability, and English learners; and

(2) increasing racial and economic diversity and integration in schools and districts.

(c) The plan must include strategies to validate, affirm, embrace, and integrate cultural and community strengths of all students, families, and employees in the district's curriculum as well as learning and work environments. The plan must address issues of institutional racism as defined in section 120B.11, subdivision 1, in schools that create opportunity and achievement gaps for students, families, and staff who are of color or who are American Indian. Examples of institutional racism experienced by students who are of color or who are American Indian include policies and practices that intentionally or unintentionally result in disparate discipline referrals and suspension, inequitable access to advanced coursework, overrepresentation in lower-level coursework, inequitable participation in cocurricular activities, inequitable parent involvement, and lack of equitable access to racially and ethnically diverse teachers who reflect the racial or ethnic diversity of students because it has not been a priority to hire or retain such teachers.

(d) School districts must use local data, to the extent practicable, to develop plan components and strategies. Plans may include:

(1) innovative and integrated prekindergarten through grade 12 learning environments that offer students school enrollment choices;

(2) family engagement initiatives that involve families in their students' academic life and success and improve relations between home and school;

(3) opportunities for students, families, staff, and community members who are of color or American Indian to share their experiences in the school setting with school staff and administration and to inform the development of specific proposals for making school environments more validating, affirming, embracing, and integrating of their cultural and community strengths;

(4) professional development opportunities for teachers and administrators focused on improving the academic achievement of all students, including knowledge, skills, and dispositions needed to be antiracist and culturally sustaining as defined in section 120B.11, subdivision 1, for serving students who are from racially and ethnically diverse backgrounds;

(5) recruitment and retention of teachers, administrators, cultural and family liaisons, paraprofessionals, and other staff from racial, ethnic, and linguistic backgrounds represented in the student population to strengthen relationships with all students, families, and other members of the community;

(6) collection, examination, and evaluation of academic and discipline data for institutional racism as defined in section 120B.11, subdivision 1, in structures, policies, and practices that result in the education disparities, in order to propose antiracist changes as defined in section 120B.11, subdivision 1, that increase access, meaningful participation, representation, and positive outcomes for students of color and American Indian students;

(7) increased programmatic opportunities and effective and more diverse instructors focused on rigor and college and career readiness for students who are impacted by racial, gender, linguistic, and economic disparities, including students enrolled in area learning centers or alternative learning programs under section 123A.05, state-approved alternative programs under section 126C.05, subdivision 15, and contract alternative programs under section 124D.69, among other underserved students; or

~~(8) instruction in ethnic studies, as defined in section 120B.25, to provide all students with opportunities to learn about their own and others' cultures and historical experiences; or~~

~~(9)~~ (8) examination and revision of district curricula in all subjects to be inclusive of diverse racial and ethnic groups while meeting state academic standards and being culturally sustaining as defined in section 120B.11, subdivision 1, ensuring content being studied about any group is accurate and based in knowledge from that group.

(e) Among other requirements, an eligible district must implement effective, research-based interventions that include multiple measures of assessment and engagement in order to eliminate academic disparities for students impacted by racial, gender, linguistic, and economic inequities as aligned with section 120B.11.

(f) Eligible districts must create efficiencies and eliminate duplicative programs and services under this section, which may include forming collaborations or a single, seven-county metropolitan areawide partnership of eligible districts for this purpose."

Page 28, after line 7, insert:

"Sec. 13. Laws 2023, chapter 55, article 2, section 64, subdivision 13, is amended to read:

Subd. 13. **Ethnic studies community consultation.** To consult with community members throughout Minnesota on the development of ethnic studies curricula, resources, and implementation support:

\$ 450,000 <u>118,000</u>	.....	2024
\$ 450,000 <u>0</u>	.....	2025

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

Page 28, line 11, strike "700,000" and insert "10,000"

Page 28, line 12, strike "700,000" and insert "0"

Page 30, after line 3, insert:

"Sec. 20. Laws 2023, chapter 55, article 12, section 17, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

\$ 47,005,000 <u>46,855,000</u>	.....	2024
\$ 39,922,000 <u>39,772,000</u>	.....	2025

Of these amounts:

- (1) \$405,000 each year is for the Board of School Administrators;
- (2) \$1,000,000 each year is for regional centers of excellence under Minnesota Statutes, section 120B.115;
- (3) \$720,000 each year is for implementing Minnesota's Learning for English Academic Proficiency and Success Act (LEAPS) under Laws 2014, chapter 272, article 1, as amended;
- (4) \$480,000 each year is for the Department of Education's mainframe update;
- (5) \$7,500,000 in fiscal year 2024 only is for legal fees and costs associated with litigation;
- (6) \$595,000 in fiscal year 2024 and \$2,609,000 in fiscal year 2025 are for modernizing district data submissions. The base for fiscal year 2026 and later is \$2,359,000;
- (7) \$573,000 each year is for engagement and rulemaking related to Specific Learning Disability;
- ~~(8) \$150,000 each year is for an ethnic studies specialist in the academic standards division to provide support to the ethnic studies working group and to school districts seeking to establish or strengthen ethnic studies courses;~~
- ~~(9)~~ (8) \$150,000 each year is for the comprehensive school mental health services lead under Minnesota Statutes, section 127A.215;
- ~~(10)~~ (9) \$150,000 each year is for a school health services specialist under Minnesota Statutes, section 121A.20;

~~(11)~~ (10) \$2,000,000 each year is for the Office of the Inspector General established under Minnesota Statutes, section 127A.21;

~~(12)~~ (11) \$800,000 each year is for audit and internal control resources;

~~(13)~~ (12) \$2,000,000 in fiscal year 2024 only is for information technology infrastructure and portfolio resources;

~~(14)~~ (13) \$2,000,000 each year is for staffing the Equity, Diversity and Inclusion (EDI) Center at the Department of Education; and

~~(15)~~ (14) \$275,000 in fiscal year 2024 and \$175,000 in fiscal year 2025 are for administrative expenses for unemployment aid.

(b) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(c) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and must be spent as indicated.

(d) The base for fiscal year 2026 and later is ~~\$39,667,000~~ \$39,517,000.

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

Page 30, after line 29, insert:

"Sec. 22. **REPEALER.**

Minnesota Statutes 2023 Supplement, sections 120B.25; and 120B.251, are repealed.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kresha amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Burkel	Franson	Hudson	Koznick	Myers
Anderson, P. E.	Davids	Garofalo	Igo	Kresha	Nadeau
Anderson, P. H.	Davis	Gillman	Jacob	Lawrence	Nash
Backer	Demuth	Grossell	Johnson	McDonald	Nelson, N.
Bakeberg	Dotseth	Harder	Joy	Mekeland	Neu Brindley
Baker	Engen	Heintzeman	Kiel	Mueller	Niska
Bennett	Fogelman	Hudella	Knudsen	Murphy	Novotny

O'Driscoll	Pfarr	Schomacker	Swedzinski	Wiener
Olson, B.	Quam	Schultz	Torkelson	Wiens
Perryman	Rarick	Scott	Urdahl	Witte
Petersburg	Robbins	Skraba	West	Zeleznikar

Those who voted in the negative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kraft	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Lee, F.	Pelowski	Virmig
Berg	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Liebling	Pinto	Xiong
Brand	Freiberg	Howard	Lillie	Pryor	Youakim
Carroll	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Cha	Greenman	Hussein	Long	Rehm	
Clardy	Hansen, R.	Jordan	Moller	Reyer	
Coulter	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	
Curran	Hassan	Klevorn	Newton	Smith	

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

Kresha moved to amend H. F. No. 5237, the second engrossment, as amended, as follows:

Page 22, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 2023 Supplement, section 120B.021, subdivision 4, is amended to read:

Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must revise the state's academic standards and graduation requirements and implement a ten-year cycle to review and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian Tribes and communities, including urban Indigenous communities, as related to the academic standards during the review and revision of the required academic standards. The commissioner must embed Indigenous education for all students consistent with recommendations from Tribal Nations and urban Indigenous communities in Minnesota regarding the contributions of American Indian Tribes and communities in Minnesota into the state's academic standards during the review and revision of the required academic standards. The recommendations to embed Indigenous education for all students includes but is not limited to American Indian experiences in Minnesota, including Tribal histories, Indigenous languages, sovereignty issues, cultures, treaty rights, governments, socioeconomic experiences, contemporary issues, and current events.

(b) The commissioner must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.302, subdivision 3, paragraph (a). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2021-2022 school year and every ten years thereafter.

(c) The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2017-2018 school year and every ten years thereafter.

(d) The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2018-2019 school year and every ten years thereafter.

(e) The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2019-2020 school year and every ten years thereafter.

(f) The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the ~~2020-2021~~ 2030-2031 school year and every ten years thereafter.

(g) The commissioner must implement a review of the academic standards and related benchmarks in physical education beginning in the 2026-2027 school year and every ten years thereafter.

(h) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, world languages, and career and technical education.

(i) The commissioner of education must embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements.

~~(j) The commissioner of education must embed ethnic studies as related to the academic standards during the review and revision of the required academic standards."~~

Page 30 after line 3, insert:

"Sec. 17. **SOCIAL STUDIES STANDARDS SUSPENSION.**

The commissioner of education must suspend adoption and implementation of revised social studies standards and benchmarks. School districts and charter schools must continue to provide instruction in social studies aligned with the standards and benchmarks adopted in 2012 until the commissioner adopts revised standards and benchmarks following the review and revision of social studies standards beginning in the 2030-2031 school year.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kresha amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Bakeberg	Davids	Engen	Gillman	Hudella
Anderson, P. E.	Baker	Davis	Fogelman	Grossell	Hudson
Anderson, P. H.	Bennett	Demuth	Franson	Harder	Igo
Backer	Burkel	Dotseth	Garofalo	Heintzeman	Jacob

Johnson	McDonald	Nelson, N.	Petersburg	Scott	Wiens
Joy	Mekeland	Neu Brindley	Pfarr	Skraba	Witte
Kiel	Mueller	Niska	Quam	Swedzinski	Zeleznikar
Knudsen	Murphy	Novotny	Rarick	Torkelson	
Koznick	Myers	O'Driscoll	Robbins	Urdahl	
Kresha	Nadeau	Olson, B.	Schomacker	West	
Lawrence	Nash	Perryman	Schultz	Wiener	

Those who voted in the negative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kraft	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Lee, F.	Pelowski	Virnig
Berg	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Liebling	Pinto	Xiong
Brand	Freiberg	Howard	Lillie	Pryor	Youakim
Carroll	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Cha	Greenman	Hussein	Long	Rehm	
Clardy	Hansen, R.	Jordan	Moller	Reyer	
Coulter	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	
Curran	Hassan	Klevorn	Newton	Smith	

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

Rarick was excused for the remainder of today's session.

Lawrence offered an amendment to H. F. No. 5237, the second engrossment, as amended.

POINT OF ORDER

Long raised a point of order pursuant to rule 3.21 that the Lawrence amendment was not in order. The Speaker ruled the point of order well taken and the Lawrence amendment out of order.

Lawrence appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Cha	Frazier	Hemmingsen-Jaeger	Hussein	Lee, K.
Agbaje	Clardy	Frederick	Her	Jordan	Liebling
Bahner	Coulter	Freiberg	Hicks	Keeler	Lillie
Becker-Finn	Curran	Gomez	Hill	Klevorn	Lislegard
Berg	Elkins	Greenman	Hollins	Koegel	Long
Bierman	Feist	Hansen, R.	Hornstein	Kotyza-Witthuhn	Moller
Brand	Finke	Hanson, J.	Howard	Kraft	Nelson, M.
Carroll	Fischer	Hassan	Huot	Lee, F.	Newton

Noor	Pérez-Vega	Rehm	Stephenson	Wolgamott
Norris	Pinto	Reyer	Tabke	Xiong
Olson, L.	Pryor	Sencer-Mura	Vang	Youakim
Pelowski	Pursell	Smith	Virnig	Spk. Hortman

Those who voted in the negative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Urdahl
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	West
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	Wiener
Backer	Franson	Joy	Nadeau	Quam	Wiens
Bakeberg	Garofalo	Kiel	Nash	Robbins	Witte
Baker	Gillman	Knudsen	Nelson, N.	Schomacker	Zeleznikar
Bennett	Grossell	Koznick	Neu Brindley	Schultz	
Burkel	Harder	Kresha	Niska	Scott	
Davids	Heintzeman	Lawrence	Novotny	Skraba	
Davis	Hudella	McDonald	O'Driscoll	Swedzinski	
Demuth	Hudson	Mekeland	Olson, B.	Torkelson	

So it was the judgment of the House that the decision of the Speaker should stand.

Altendorf offered an amendment to H. F. No. 5237, the second engrossment, as amended.

POINT OF ORDER

Hollins raised a point of order pursuant to rule 3.21 that the Altendorf amendment was not in order. The Speaker ruled the point of order well taken and the Altendorf amendment out of order.

Altendorf appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kraft	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Lee, F.	Pelowski	Virnig
Berg	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Liebling	Pinto	Xiong
Brand	Freiberg	Howard	Lillie	Pryor	Youakim
Carroll	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Cha	Greenman	Hussein	Long	Rehm	
Clardy	Hansen, R.	Jordan	Moller	Reyer	
Coulter	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	
Curran	Hassan	Klevorn	Newton	Smith	

Those who voted in the negative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Urdahl
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	West
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	Wiener
Backer	Franson	Joy	Nadeau	Quam	Wiens
Bakeberg	Garofalo	Kiel	Nash	Robbins	Witte
Baker	Gillman	Knudsen	Nelson, N.	Schomacker	Zeleznikar
Bennett	Grossell	Koznick	Neu Brindley	Schultz	
Burkel	Harder	Kresha	Niska	Scott	
Davids	Heintzeman	Lawrence	Novotny	Skraba	
Davis	Hudella	McDonald	O'Driscoll	Swedzinski	
Demuth	Hudson	Mekeland	Olson, B.	Torkelson	

So it was the judgment of the House that the decision of the Speaker should stand.

H. F. No. 5237, A bill for an act relating to education; providing for supplemental funding for prekindergarten through grade 12 education; modifying provisions for general education, education excellence, the Read Act, American Indian education, teachers, charter schools, special education, school facilities, school nutrition and libraries, early childhood education, and state agencies; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2022, sections 120A.41; 122A.415, by adding a subdivision; 122A.73, subdivision 4; 124D.093, subdivisions 3, 4, 5; 124D.19, subdivision 8; 124D.957, subdivision 1; 124E.22; 126C.05, subdivision 15; 126C.10, subdivision 13a; 127A.45, subdivisions 12, 13, 14a; 127A.51; Minnesota Statutes 2023 Supplement, sections 120B.018, subdivision 6; 120B.021, subdivisions 1, 2, 3, 4; 120B.024, subdivision 1; 120B.1117; 120B.1118, subdivisions 7, 10, by adding a subdivision; 120B.12, subdivisions 1, 2, 2a, 3, 4, 4a; 120B.123, subdivisions 1, 2, 5, 7, by adding a subdivision; 120B.124, subdivisions 1, 2, by adding a subdivision; 121A.642; 122A.415, subdivision 4; 122A.73, subdivisions 2, 3; 122A.77, subdivisions 1, 2; 123B.92, subdivision 11; 124D.111, subdivision 3; 124D.151, subdivision 6; 124D.165, subdivisions 3, 6; 124D.42, subdivision 8; 124D.65, subdivision 5; 124D.81, subdivision 2b; 124D.901, subdivision 3; 124D.98, subdivision 5; 124D.995, subdivision 3; 124E.13, subdivision 1; 126C.10, subdivisions 2e, 3, 3c, 13, 18a; 256B.0625, subdivision 26; 256B.0671, by adding a subdivision; Laws 2023, chapter 18, section 4, subdivisions 2, as amended, 3, as amended; Laws 2023, chapter 54, section 20, subdivisions 6, 24; Laws 2023, chapter 55, article 1, section 36, subdivisions 2, as amended, 8; article 2, section 64, subdivisions 2, as amended, 6, as amended, 14, 16, 31, 33; article 3, section 11, subdivisions 3, 4; article 5, sections 64, subdivisions 3, as amended, 5, 10, 12, 13, 15, 16; 65, subdivisions 3, 6, 7; article 7, section 18, subdivision 4, as amended; article 8, section 19, subdivisions 5, 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 123B; repealing Laws 2023, chapter 55, article 10, section 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Carroll	Finke	Hansen, R.	Hollins	Klevorn
Agbaje	Cha	Fischer	Hanson, J.	Hornstein	Koegel
Bahner	Clardy	Frazier	Hassan	Howard	Kotzya-Witthuhn
Becker-Finn	Coulter	Frederick	Hemmingsen-Jaeger	Huot	Kraft
Berg	Curran	Freiberg	Her	Hussein	Lee, F.
Bierman	Elkins	Gomez	Hicks	Jordan	Lee, K.
Brand	Feist	Greenman	Hill	Keeler	Liebling

Lillie	Newton	Pérez-Vega	Reyer	Vang	Spk. Hortman
Lislegard	Noor	Pinto	Sencer-Mura	Virnig	
Long	Norris	Pryor	Smith	Wolgamott	
Moller	Olson, L.	Pursell	Stephenson	Xiong	
Nelson, M.	Pelowski	Rehm	Tabke	Youakim	

Those who voted in the negative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Urdahl
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	West
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	Wiener
Backer	Franson	Joy	Nadeau	Quam	Wiens
Bakeberg	Garofalo	Kiel	Nash	Robbins	Witte
Baker	Gillman	Knudsen	Nelson, N.	Schomacker	Zeleznikar
Bennett	Grossell	Koznick	Neu Brindley	Schultz	
Burkel	Harder	Kresha	Niska	Scott	
Davids	Heintzeman	Lawrence	Novotny	Skraba	
Davis	Hudella	McDonald	O'Driscoll	Swedzinski	
Demuth	Hudson	Mekeland	Olson, B.	Torkelson	

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3492:

Agbaje, Howard and Myers.

CALENDAR FOR THE DAY, Continued

H. F. No. 2476 was reported to the House.

Pinto moved to amend H. F. No. 2476, the second engrossment, as follows:

Page 22, line 3, delete everything after "FOR" and insert "TRANSGENDER PERSONS"

Page 22, line 5, delete everything after "with" and insert "Propel Nonprofits"

Page 22, line 6, delete "experience conducting research related to youth experiencing homelessness."

Page 22, line 7, delete "LGBTQIA+ youth" and insert "transgender persons"

Page 22, line 8, after the period, insert "Propel Nonprofits may contract or consult with other vendors or entities as necessary to complete any portion of the needs analysis and site analysis."

Page 22, delete lines 9 to 16

Page 22, line 17, delete "(c)" and insert "(b)" and delete everything after the second comma and insert "Propel Nonprofits must submit a written report to the commissioner with the results of the needs analysis and preliminary recommendations for site locations. The commissioner must submit the report to the chairs and ranking minority members of the legislative committees with jurisdiction over services for persons experiencing homelessness within five business days of receiving the report."

Page 22, delete lines 18 to 20

Page 52, line 32, delete "LGBTQIA+ youth" and insert "transgender persons"

Page 52, line 34, after "contract" insert "with Propel Nonprofits"

Page 53, line 2, delete "LGBTQIA+ youth" and insert "transgender persons"

Pinto moved to amend the Pinto amendment to H. F. No. 2476, the second engrossment, as follows:

Page 1, line 2, delete "PERSONS" and insert "ADULTS"

Page 1, lines 6, 18, and 20, delete "persons" and insert "adults"

The motion prevailed and the amendment to the amendment was adopted.

Hudson moved to amend the Pinto amendment, as amended, to H. F. No. 2476, the second engrossment, as follows:

Page 1, lines 3, 12, and 19 delete "Propel Nonprofits" and insert "the Wilder Foundation"

Page 1, delete lines 7 to 9

A roll call was requested and properly seconded.

The question was taken on the Hudson amendment to the Pinto amendment and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Urdahl
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	West
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	Wiener
Baker	Franson	Joy	Nadeau	Quam	Wiens
Bakeberg	Garofalo	Kiel	Nash	Robbins	Witte
Baker	Gillman	Knudsen	Nelson, N.	Schomacker	Zeleznikar
Bennett	Grossell	Koznick	Neu Brindley	Schultz	
Burkel	Harder	Kresha	Niska	Scott	
Davids	Heintzeman	Lawrence	Novotny	Skraba	
Davis	Hudella	McDonald	O'Driscoll	Swedzinski	
Demuth	Hudson	Mekeland	Olson, B.	Torkelson	

Those who voted in the negative were:

Acomb	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Agbaje	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Bahner	Finke	Hicks	Kraft	Olson, L.	Vang
Becker-Finn	Fischer	Hill	Lee, F.	Pelowski	Virnig
Berg	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Bierman	Frederick	Hornstein	Liebling	Pinto	Xiong
Brand	Freiberg	Howard	Lillie	Pryor	Youakim
Carroll	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Cha	Greenman	Hussein	Long	Rehm	
Clardy	Hansen, R.	Jordan	Moller	Reyer	
Coulter	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	
Curran	Hassan	Klevorn	Newton	Smith	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

The question recurred on the Pinto amendment, as amended, to H. F. No. 2476, the second engrossment. The motion prevailed and the amendment, as amended, was adopted.

Hicks moved to amend H. F. No. 2476, the second engrossment, as amended, as follows:

Page 6, after line 28, insert:

"Sec. 4. Minnesota Statutes 2022, section 260C.007, subdivision 6, is amended to read:

Subd. 6. **Child in need of protection or services.** "Child in need of protection or services" means a child who is in need of protection or services because the child:

(1) is abandoned or without parent, guardian, or custodian;

(2)(i) has been a victim of physical or sexual abuse as defined in section 260E.03, subdivision 18 or 20, (ii) resides with or has resided with a victim of child abuse as defined in subdivision 5 or domestic child abuse as defined in subdivision 13, (iii) resides with or would reside with a perpetrator of domestic child abuse as defined in subdivision 13 or child abuse as defined in subdivision 5 or 13, or (iv) is a victim of emotional maltreatment as defined in subdivision 15;

(3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from an infant with a disability with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's, advanced practice registered nurse's, or physician assistant's reasonable medical judgment, will be most likely to be effective in ameliorating or

correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's, advanced practice registered nurse's, or physician assistant's reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody, including a child who entered foster care under a voluntary placement agreement between the parent and the responsible social services agency under section 260C.227;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian. A child is not considered to be without proper parental care based solely on the disability of the child's parent, guardian, or custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) is experiencing growth delays, which may be referred to as failure to thrive, that have been diagnosed by a physician and are due to parental neglect;

(11) is a sexually exploited youth;

(12) has committed a delinquent act or a juvenile petty offense before becoming ten years old;

(13) is a runaway;

(14) is a habitual truant;

(15) has been found incompetent to proceed or has been found not guilty by reason of mental illness or mental deficiency in connection with a delinquency proceeding, a certification under section 260B.125, an extended jurisdiction juvenile prosecution, or a proceeding involving a juvenile petty offense; or

(16) has a parent whose parental rights to one or more other children were involuntarily terminated or whose custodial rights to another child have been involuntarily transferred to a relative and there is a case plan prepared by the responsible social services agency documenting a compelling reason why filing the termination of parental rights petition under section 260C.503, subdivision 2, is not in the best interests of the child."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Nelson, N., moved to amend H. F. No. 2476, the second engrossment, as amended, as follows:

Page 51, line 18, delete "29,884,000" and insert "30,692,000"

Page 51, line 21, delete "29,884,000" and insert "30,692,000"

Page 51, line 27, delete "12,872,000" and insert "13,680,000"

Page 51, line 30, delete "\$8,657,000" and insert "\$10,677,000"

Page 51, line 33, delete "is a onetime" and delete "and"

Page 51, line 34, after the period, insert "The general fund base for this appropriation is \$12,128,000 in fiscal year 2026 only."

Page 52, line 2, delete "\$4,411,000" and insert "\$14,115,000"

Page 52, line 3, delete "\$4,411,000" and insert "\$1,987,000"

Page 55, line 27, delete "1,715,000" and insert "1,542,000"

Page 55, line 28, delete "(a)"

Page 56, delete lines 1 to 8

Page 56, delete section 4

Renumber the sections in sequence and correct the internal references

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the Nelson, N., amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Urdahl
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	West
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	Wiener
Baker	Franson	Joy	Nadeau	Quam	Wiens
Bakeberg	Garofalo	Kiel	Nash	Robbins	Witte
Baker	Gillman	Knudsen	Nelson, N.	Schomacker	Zelevnikar
Bennett	Grossell	Koznick	Neu Brindley	Schultz	
Burkel	Harder	Kresha	Niska	Scott	
Davids	Heintzeman	Lawrence	Novotny	Skraba	
Davis	Hudella	McDonald	O'Driscoll	Swedzinski	
Demuth	Hudson	Mekeland	Olson, B.	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kraft	Olson, L.	Vang
Berg	Fischer	Hill	Lee, F.	Pelowski	Virmig
Bierman	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Liebling	Pinto	Xiong
Carroll	Freiberg	Howard	Lillie	Pryor	Youakim
Cha	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	

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

Zeleznikar moved to amend H. F. No. 2476, the second engrossment, as amended, as follows:

Page 51, line 18, delete "29,884,000" and insert "30,692,000"

Page 51, line 21, delete "29,884,000" and insert "30,692,000"

Page 51, line 27, delete "12,872,000" and insert "6,467,000"

Page 52, line 2, delete "\$4,411,000" and insert "\$1,987,000"

Page 52, line 3, delete "\$4,411,000" and insert "\$1,987,000"

Page 53, line 13, delete "360,000" and insert "2,380,000"

Page 53, after line 13, insert:

"(a) **Family child care provider grants.** \$2,020,000 in fiscal year 2025 is for compliance grants to family and group family child care providers licensed under Minnesota Statutes, chapter 245A, and Minnesota Rules, chapter 9502. Grantees must use the money for costs associated with meeting licensing requirements, including but not limited to facility improvements, licensing fees, and training requirements. Grantees licensed under Minnesota Statutes, section 245A.14, subdivision 4, may use the money in coordination with any other grantees that share a location under one contiguous roof. A grantee may not receive more than \$15,000 in grants awarded under this paragraph. At least 50 percent of the grant money must go to providers located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. In awarding the grants, the commissioner must give priority to providers who live in communities that have a shortage of licensed child care providers. The general fund base for this appropriation is \$12,138,000 in fiscal year 2026 only."

Page 53, line 14, before "Child" insert "(b)"

Page 53, after line 24, insert:

"(c) **Base level adjustment.** The general fund base is increased by \$12,138,000 in fiscal year 2026 and \$0 in fiscal year 2027."

Page 55, line 27, delete "1,715,000" and insert "1,542,000"

Page 55, line 28, delete "(a)"

Page 56, delete lines 1 to 8

Page 56, delete section 4

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Zeleznikar amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Urdahl
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	West
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	Wiener
Backer	Franson	Joy	Nadeau	Quam	Wiens
Bakeberg	Garofalo	Kiel	Nash	Robbins	Witte
Baker	Gillman	Knudsen	Nelson, N.	Schomacker	Zeleznikar
Bennett	Grossell	Koznick	Neu Brindley	Schultz	
Burkel	Harder	Kresha	Niska	Scott	
Davids	Heintzeman	Lawrence	Novotny	Skraba	
Davis	Hudella	McDonald	O'Driscoll	Swedzinski	
Demuth	Hudson	Mekeland	Olson, B.	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kraft	Olson, L.	Vang
Berg	Fischer	Hill	Lee, F.	Pelowski	Virmig
Bierman	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Liebling	Pinto	Xiong
Carroll	Freiberg	Howard	Lillie	Pryor	Youakim
Cha	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	

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

Zeleznikar moved to amend H. F. No. 2476, the second engrossment, as amended, as follows:

Page 23, after line 23, insert:

"Sec. 2. Minnesota Statutes 2022, section 245A.40, subdivision 4, is amended to read:

Subd. 4. **Cardiopulmonary resuscitation.** (a) Unless training has been completed within the previous two years, the director, staff persons, substitutes, and unsupervised volunteers must satisfactorily complete pediatric cardiopulmonary resuscitation (CPR) training that meets the requirements of this subdivision. Pediatric CPR training must be completed prior to having unsupervised direct contact with a child, but not to exceed the first 90 days of employment.

(b) Pediatric CPR training must be provided by an individual approved to provide pediatric CPR instruction.

(c) The pediatric CPR training must:

(1) cover CPR techniques for infants and children and the treatment of obstructed airways;

(2) include instruction, hands-on practice, and an in-person, observed skills assessment under the direct supervision of a CPR instructor; and

(3) be developed by the American Heart Association, the American Red Cross, or another organization that uses nationally recognized, evidence-based guidelines for CPR.

(d) Pediatric CPR training must be repeated at least once every second calendar year.

(e) Except if completed prior to or within the first 90 days of employment, pediatric CPR training in this subdivision ~~must not~~ may be used to meet in-service training requirements under subdivision 7."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Zeleznikar moved to amend H. F. No. 2476, the second engrossment, as amended, as follows:

Page 23, after line 23, insert:

"Sec. 2. **DIRECTION TO COMMISSIONER OF HUMAN SERVICES; AMENDING CAPACITY LIMITS.**

(a) The commissioner of human services must amend Minnesota Rules, part 9502.0365, subpart 1, item A, to exclude up to two of the caregiver's own children for the purposes of the licensed capacity.

(b) For purposes of this section, the commissioner may use the good cause exemption process under Minnesota Statutes, section 14.388, subdivision 1, clause (3), and Minnesota Statutes, section 14.386. does not apply."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Zeleznikar moved to amend H. F. No. 2476, the second engrossment, as amended, as follows:

Page 23, after line 23, insert:

"Sec. 2. Minnesota Statutes 2022, section 245A.04, subdivision 9, as amended by Laws 2024, chapter 80, article 2, section 41, is amended to read:

Subd. 9. **Variiances.** (a) The commissioner may grant variances to rules that do not affect the health or safety of persons in a licensed program if the following conditions are met:

(1) the variance must be requested by an applicant or license holder on a form and in a manner prescribed by the commissioner;

(2) the request for a variance must include the reasons that the applicant or license holder cannot comply with a requirement as stated in the rule and the alternative equivalent measures that the applicant or license holder will follow to comply with the intent of the rule; and

(3) the request must state the period of time for which the variance is requested.

The commissioner may grant a permanent variance when conditions under which the variance is requested do not affect the health or safety of persons being served by the licensed program, nor compromise the qualifications of staff to provide services. The permanent variance shall expire as soon as the conditions that warranted the variance are modified in any way. Any applicant or license holder must inform the commissioner of any changes or modifications that have occurred in the conditions that warranted the permanent variance. Failure to advise the commissioner shall result in revocation of the permanent variance and may be cause for other sanctions under sections 245A.06 and 245A.07.

The commissioner's decision to grant or deny a variance request is final and not subject to appeal under the provisions of chapter 14.

(b) The commissioner shall consider a variance for a child care center's licensed capacity limit if the center's indoor space is within 100 square feet of what would be required for maximum enrollment in the center based on the center's number and qualifications of staff. A variance request must be submitted to the commissioner in accordance with paragraph (a)."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Zeleznikar amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Urdahl
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	West
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	Wiener
Backer	Franson	Joy	Nadeau	Quam	Wiens
Bakeberg	Garofalo	Kiel	Nash	Robbins	Witte
Baker	Gillman	Knudsen	Nelson, N.	Schomacker	Zeleznikar
Bennett	Grossell	Koznick	Neu Brindley	Schultz	
Burkel	Harder	Kresha	Niska	Scott	
Davids	Heintzeman	Lawrence	Novotny	Skraba	
Davis	Hudella	McDonald	O'Driscoll	Swedzinski	
Demuth	Hudson	Mekeland	Olson, B.	Torkelson	

Those who voted in the negative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kraft	Olson, L.	Vang
Berg	Fischer	Hill	Lee, F.	Pelowski	Virmig
Bierman	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Liebling	Pinto	Xiong
Carroll	Freiberg	Howard	Lillie	Pryor	Youakim
Cha	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	

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

Hudson offered an amendment to H. F. No. 2476, the second engrossment, as amended.

POINT OF ORDER

Tabke raised a point of order pursuant to rule 3.21 that the Hudson amendment was not in order. The Speaker ruled the point of order well taken and the Hudson amendment out of order.

Hudson appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hassan	Klevorn	Newton	Smith
Agbaje	Elkins	Hemmingsen-Jaeger	Koegel	Noor	Stephenson
Bahner	Feist	Her	Kotyza-Witthuhn	Norris	Tabke
Becker-Finn	Finke	Hicks	Kraft	Olson, L.	Vang
Berg	Fischer	Hill	Lee, F.	Pelowski	Virnig
Bierman	Frazier	Hollins	Lee, K.	Pérez-Vega	Wolgamott
Brand	Frederick	Hornstein	Liebling	Pinto	Xiong
Carroll	Freiberg	Howard	Lillie	Pryor	Youakim
Cha	Gomez	Huot	Lislegard	Pursell	Spk. Hortman
Clardy	Greenman	Hussein	Long	Rehm	
Coulter	Hansen, R.	Jordan	Moller	Reyer	
Curran	Hanson, J.	Keeler	Nelson, M.	Sencer-Mura	

Those who voted in the negative were:

Altendorf	Dotseth	Igo	Mueller	Perryman	Urdahl
Anderson, P. E.	Engen	Jacob	Murphy	Petersburg	West
Anderson, P. H.	Fogelman	Johnson	Myers	Pfarr	Wiener
Backer	Franson	Joy	Nadeau	Quam	Wiens
Bakeberg	Garofalo	Kiel	Nash	Robbins	Witte
Baker	Gillman	Knudsen	Nelson, N.	Schomacker	Zelevnikar
Bennett	Grossell	Koznick	Neu Brindley	Schultz	
Burkel	Harder	Kresha	Niska	Scott	
Davids	Heintzeman	Lawrence	Novotny	Skraba	
Davis	Hudella	McDonald	O'Driscoll	Swedzinski	
Demuth	Hudson	Mekeland	Olson, B.	Torkelson	

So it was the judgment of the House that the decision of the Speaker should stand.

MOTION FOR RECONSIDERATION

Schultz moved that the vote whereby the Hicks amendment to H. F. No. 2476, the second engrossment, as amended, was adopted earlier today be now reconsidered.

A roll call was requested and properly seconded.

LAY ON THE TABLE

Long moved that H. F. No. 2476, as amended, be laid on the table. The motion prevailed and H. F. No. 2476 was laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Long motion and the roll was called. There were 107 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Acomb	Curran	Hanson, J.	Kiel	Newton	Skraba
Agbaje	Davis	Harder	Klevorn	Noor	Smith
Altendorf	Demuth	Hassan	Koegel	Norris	Stephenson
Anderson, P. E.	Dotseth	Heintzeman	Kraft	Olson, B.	Tabke
Backer	Edelson	Hemmingsen-Jaeger	Lee, F.	Olson, L.	Torkelson
Bahner	Elkins	Her	Lee, K.	Pelowski	Urdahl
Bakeberg	Feist	Hicks	Liebling	Pérez-Vega	Vang
Baker	Finke	Hill	Lillie	Perryman	Virnig
Becker-Finn	Fischer	Hollins	Lislegard	Pfarr	West
Bennett	Fogelman	Hornstein	Long	Pinto	Wiener
Berg	Frazier	Howard	McDonald	Pryor	Wiens
Bierman	Frederick	Hudella	Moller	Pursell	Witte
Brand	Freiberg	Huot	Mueller	Quam	Wolgamott
Burkel	Garofalo	Hussein	Murphy	Rehm	Xiong
Carroll	Gillman	Igo	Myers	Reyer	Youakim
Cha	Gomez	Jacob	Nadeau	Robbins	Zeleznikar
Clardy	Greenman	Jordan	Nash	Scott	Spk. Hortman
Coulter	Hansen, R.	Keeler	Nelson, M.	Sencer-Mura	

Those who voted in the negative were:

Anderson, P. H.	Grossell	Knudsen	Lawrence	Niska	Schomacker
Davids	Hudson	Kotyza-Witthuhn	Mekeland	Novotny	Schultz
Engen	Johnson	Koznick	Nelson, N.	O'Driscoll	Swedzinski
Franson	Joy	Kresha	Neu Brindley	Petersburg	

The motion prevailed.

H. F. No. 5242 was reported to the House.

LAY ON THE TABLE

Long moved that H. F. No. 5242 be laid on the table. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 5335.

THOMAS S. BOTTERN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 5335, A bill for an act relating to human services; the human services omnibus budget bill; modifying provisions related to disability services, aging services, substance use disorder treatment services, priority admissions to state-operated programs and civil commitment, and Direct Care and Treatment; modifying provisions related to licensing of assisted living facilities; making technical changes; appropriating money; amending Minnesota Statutes 2022, sections 13.46, subdivisions 1, as amended, 10, as amended; 144G.41, subdivision 1, by adding subdivisions; 144G.63, subdivisions 1, 4; 145.61, subdivision 5; 245.821, subdivision 1; 245.825, subdivision 1; 245A.11, subdivision 2a; 246.018, subdivision 3, as amended; 246.13, subdivision 2, as amended; 246.234, as amended; 246.36, as amended; 246.511, as amended; 252.27, subdivision 2b; 252.282, subdivision 1, by adding a subdivision; 256.88; 256.89; 256.90; 256.91; 256.92; 256B.02, subdivision 11; 256B.073, subdivision 4; 256B.0911, subdivisions 12, 17, 20; 256B.0913, subdivision 5a; 256B.0924, subdivision 3; 256B.434, by adding a subdivision; 256B.49, subdivision 16; 256B.4911, by adding subdivisions; 256B.77, subdivision 7a; 256R.53, by adding a subdivision; 256S.205, subdivision 5; 447.42, subdivision 1; Minnesota Statutes 2023 Supplement, sections 10.65, subdivision 2; 13.46, subdivision 2, as amended; 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 15A.082, subdivisions 1, 3, 7; 43A.08, subdivisions 1, 1a; 245A.03, subdivision 7, as amended; 246.0135, as amended; 246C.01; 246C.02, as amended; 246C.04, as amended; 246C.05, as amended; 253B.10, subdivision 1; 256.042, subdivision 2; 256.043, subdivision 3; 256.9756, subdivisions 1, 2; 256B.073, subdivision 3; 256B.0911, subdivision 13; 256B.0913, subdivision 5; 256B.4914, subdivision 10d; 256R.55, subdivision 9; 270B.14, subdivision 1; Laws 2021, First Special Session chapter 7, article 13, section 68; article 17, section 19, as amended; Laws 2023, chapter 61, article 1, sections 59, subdivisions 2, 3; 60, subdivisions 1, 2; 67, subdivision 3; article 4, section 11; article 8, sections 1; 2; 3; 8; article 9, section 2, subdivisions 13, 16, as amended, 18; Laws 2024, chapter 79, article 1, sections 18; 23; 24; 25, subdivision 3; article 10, sections 1; 6; proposing coding for new law in Minnesota Statutes, chapters 144G; 245D; 246C; 256S; repealing Minnesota Statutes 2022, sections 246.41; 252.021; 252.27, subdivisions 1a, 2, 3, 4a, 5, 6; 256B.0916, subdivision 10; Minnesota Statutes 2023 Supplement, sections 246C.03; 252.27, subdivision 2a.

The bill was read for the first time and referred to the Committee on Ways and Means.

MOTIONS AND RESOLUTIONS

Pinto moved that the name of Coulter be added as an author on H. F. No. 2476. The motion prevailed.

Urdahl moved that the name of Hussein be added as chief author on H. F. No. 2966. The motion prevailed.

Olson, L., moved that the names of Urdahl and Davids be added as authors on H. F. No. 3182. The motion prevailed.

Urdahl moved that the names of Frazier and Hassan be added as authors on H. F. No. 3299. The motion prevailed.

Norris moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 3799. The motion prevailed.

Greenman moved that the name of Kotyza-Witthuhn be added as an author on H. F. No. 4513. The motion prevailed.

Howard moved that the name of Kotyza-Witthuhn be added as an author on H. F. No. 4535. The motion prevailed.

Robbins moved that the name of Kotyza-Witthuhn be added as an author on H. F. No. 4826. The motion prevailed.

Lislegard moved that the name of Skraba be added as an author on H. F. No. 4986. The motion prevailed.

Kiel moved that the name of Keeler be added as an author on H. F. No. 5023. The motion prevailed.

Lee, F., moved that the name of Hansen, R., be added as an author on H. F. No. 5162. The motion prevailed.

Lee, F., moved that the name of Hansen, R., be added as an author on H. F. No. 5220. The motion prevailed.

Lislegard moved that the name of Brand be added as an author on H. F. No. 5246. The motion prevailed.

Gomez moved that the name of Kotyza-Witthuhn be added as an author on H. F. No. 5247. The motion prevailed.

Youakim moved that the names of Norris and Hill be added as authors on H. F. No. 5381. The motion prevailed.

Noor moved that the name of Hemmingsen-Jaeger be added as an author on H. F. No. 5428. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 11:00 a.m., Wednesday, May 1, 2024. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Wednesday, May 1, 2024.

PATRICK D. MURPHY, Chief Clerk, House of Representatives