

1.1 ..... moves to amend H.F. No. 1837 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 STATE GOVERNMENT POLICY

1.5 Section 1. [1.1466] STATE FOSSIL.

1.6 Subdivision 1. **Designation.** *Castoroides ohioensis*, commonly known as the giant  
1.7 beaver, or Capa in Dakota and Amik in Ojibwe, is designated as the official state fossil of  
1.8 the state of Minnesota.

1.9 Subd. 2. **Photograph.** A photograph of the giant beaver, approved by the commissioner  
1.10 of natural resources, shall be preserved and may be displayed in the Office of the Secretary  
1.11 of State.

1.12 Sec. 2. [1.1493] STATE CONSTELLATION.

1.13 Ursa Minor is the official constellation of the state of Minnesota.

1.14 Sec. 3. Minnesota Statutes 2024, section 3.303, subdivision 3, is amended to read:

1.15 Subd. 3. **Chair and vice-chair.** The chair of the commission alternates between the  
1.16 president of the senate and the speaker of the house of representatives at the start of the  
1.17 regular legislative session in each odd-numbered year. When not serving as chair, the  
1.18 president of the senate or the speaker of the house serves as vice-chair.

2.1 Sec. 4. Minnesota Statutes 2024, section 3.305, subdivision 1, is amended to read:

2.2 Subdivision 1. **Definitions.** (a) "Legislative commission" means a joint commission,  
2.3 committee, or other entity in the legislative branch composed exclusively of members of  
2.4 the senate and the house of representatives.

2.5 (b) "Joint offices" means the Revisor of Statutes, Legislative Reference Library, the  
2.6 Office of Legislative Auditor, the Legislative Budget Office, Legislative Coordinating  
2.7 Commission, and any other joint legislative service office.

2.8 Sec. 5. Minnesota Statutes 2024, section 3.305, subdivision 9, is amended to read:

2.9 Subd. 9. **Joint legislative studies.** The Legislative Coordinating Commission shall  
2.10 oversee and coordinate all joint legislative studies mandated by the legislature and may  
2.11 require regular progress reports to the commission and appropriate standing committees of  
2.12 the house of representatives and the senate. Appropriations for all joint legislative studies  
2.13 except those specifically assigned to an existing legislative office or commission shall be  
2.14 made to the Legislative Coordinating Commission. Responsibility and appropriations for  
2.15 a joint legislative study may be delegated by the Legislative Coordinating Commission to  
2.16 an existing staff office of the house of representatives or senate, a legislative commission,  
2.17 a joint legislative committee or office or a state agency. The office, commission, joint  
2.18 committee, or agency responsible for the study may contract with another agent for assistance.

2.19 Sec. 6. Minnesota Statutes 2024, section 3.971, subdivision 2, is amended to read:

2.20 Subd. 2. **Staff; compensation.** (a) The legislative auditor shall establish a Financial  
2.21 Audits Division ~~and~~ a Program Evaluation Division, and a Special Reviews Division to  
2.22 fulfill the duties prescribed in this section.

2.23 (b) Each division may be supervised by a deputy auditor, appointed by the legislative  
2.24 auditor, with the approval of the commission, for a term coterminous with the legislative  
2.25 auditor's term. The deputy auditors may be removed before the expiration of their terms  
2.26 only for cause. The legislative auditor and deputy auditors may each appoint an administrative  
2.27 support specialist to serve at pleasure. The salaries and benefits of the legislative auditor,  
2.28 deputy auditors, and administrative support specialists shall be determined by the  
2.29 compensation plan approved by the Legislative Coordinating Commission. The deputy  
2.30 auditors may perform and exercise the powers, duties and responsibilities imposed by law  
2.31 on the legislative auditor when authorized by the legislative auditor.

3.1 (c) The legislative auditor, deputy auditors, and administrative support specialists shall  
3.2 serve in the unclassified civil service, but all other employees of the legislative auditor shall  
3.3 serve in the classified civil service. Compensation for employees of the legislative auditor  
3.4 in the classified service shall be governed by a plan prepared by the legislative auditor and  
3.5 approved by the Legislative Coordinating Commission and the legislature under section  
3.6 3.855, subdivision 3.

3.7 (d) While in office, a person appointed deputy for the Financial Audit Division must  
3.8 hold an active license as a certified public accountant.

3.9 (e) Notwithstanding section 43A.32, subdivisions 2 and 3, or any other law to the  
3.10 contrary, an employee of the legislative auditor is prohibited from being a candidate for a  
3.11 partisan elected public office.

3.12 Sec. 7. Minnesota Statutes 2024, section 3.971, subdivision 8a, is amended to read:

3.13 Subd. 8a. **Special reviews.** The legislative auditor may conduct a special review to: (1)  
3.14 fulfill a legal requirement; (2) investigate allegations that an individual or organization  
3.15 subject to audit by the legislative auditor may not have complied with legal requirements,  
3.16 including but not limited to legal requirements related to the use of public money, other  
3.17 public resources, or government data classified as not public; (3) respond to a legislative  
3.18 request for a review of an organization or program subject to audit by the legislative auditor;  
3.19 ~~or~~ (4) investigate allegations that an individual may not have complied with section 43A.38  
3.20 or 43A.39; or (5) follow up on a prior special review to assess what changes have occurred.

3.21 Sec. 8. Minnesota Statutes 2024, section 3.971, subdivision 9, is amended to read:

3.22 Subd. 9. **Obligation to notify the legislative auditor.** ~~The chief executive, financial,~~  
3.23 ~~or information officers~~ (a) An obligated officer of an organization subject to audit under  
3.24 this section must promptly notify the legislative auditor when the officer obtains information  
3.25 indicating that public money or other public resources may have been used for an unlawful  
3.26 purpose, or when the officer obtains information indicating that government data classified  
3.27 by chapter 13 as not public may have been accessed by or provided to a person without  
3.28 lawful authorization. As necessary, the legislative auditor shall coordinate an investigation  
3.29 of the allegation with appropriate law enforcement officials.

3.30 (b) For purposes of this subdivision, "obligated officer" means the organization's:

3.31 (1) chief executive officer;

3.32 (2) deputy and assistant chief executive officers;

- 4.1 (3) chief administrative, chief financial, chief information, and chief investigative officers;  
4.2 (4) heads of divisions, bureaus, departments, institutes, or other organizational units;  
4.3 and  
4.4 (5) board chair, where applicable.

4.5 Sec. 9. Minnesota Statutes 2024, section 11A.24, is amended by adding a subdivision to  
4.6 read:

4.7 Subd. 8. **Contracts.** Section 16C.05, subdivision 8, paragraph (a), clauses (2) and (5),  
4.8 do not apply to contracts entered into by the State Board of Investment related to an  
4.9 investment under this section.

4.10 Sec. 10. Minnesota Statutes 2024, section 13.04, subdivision 4, is amended to read:

4.11 Subd. 4. **Procedure when data is not accurate or complete.** (a) An individual subject  
4.12 of the data may contest the accuracy or completeness of public or private data about  
4.13 themselves.

4.14 (b) To exercise this right, an individual shall notify in writing the responsible authority  
4.15 of the government entity that maintains the data, describing the nature of the disagreement.

4.16 (c) Upon receiving notification from the data subject, the responsible authority shall  
4.17 within 30 days either:

4.18 (1) correct the data found to be inaccurate or incomplete and attempt to notify past  
4.19 recipients of inaccurate or incomplete data, including recipients named by the individual;  
4.20 or

4.21 (2) notify the individual that the responsible authority has determined the data to be  
4.22 correct. If the challenged data are determined to be accurate or complete, the responsible  
4.23 authority shall inform the individual of the right to appeal the determination to the  
4.24 commissioner as specified under paragraph (d). Data in dispute shall be disclosed only if  
4.25 the individual's statement of disagreement is included with the disclosed data.

4.26 (d) A data subject may appeal the determination of the responsible authority pursuant  
4.27 to the provisions of the Administrative Procedure Act relating to contested cases. An  
4.28 individual must submit an appeal to the commissioner within 60 days of the responsible  
4.29 authority's notice of the right to appeal or as otherwise provided by the rules of the  
4.30 commissioner. Upon receipt of an appeal by an individual, the commissioner shall, before  
4.31 issuing the order and notice of a contested case hearing required by chapter 14, try to resolve

5.1 the dispute through education, conference, conciliation, or persuasion. If the parties consent,  
5.2 the commissioner may refer the matter to mediation. Following these efforts, the  
5.3 commissioner shall dismiss the appeal or issue the order and notice of hearing.

5.4 (e) The commissioner may dismiss an appeal without first attempting to resolve the  
5.5 dispute or before issuing an order and notice of a contested case hearing if:

5.6 (1) the appeal to the commissioner is not timely;

5.7 (2) the appeal concerns data previously presented as evidence in a court proceeding in  
5.8 which the data subject was a party; or

5.9 (3) the individual making the appeal is not the subject of the data challenged as inaccurate  
5.10 or incomplete.

5.11 (f) A responsible authority may submit private data to the commissioner to respond to  
5.12 a data subject's appeal of the determination that data are accurate and complete. Section  
5.13 13.03, subdivision 4, applies to data submitted by the responsible authority. Government  
5.14 data submitted to the commissioner by a government entity, copies of government data  
5.15 submitted by a data subject, or government data described by the data subject in their appeal  
5.16 have the same classification as the data when maintained by the government entity. The  
5.17 commissioner may disclose private data contained within the appeal record to the Office  
5.18 of Administrative Hearings.

5.19 ~~(f)~~ (g) Data on individuals that have been successfully challenged by an individual must  
5.20 be completed, corrected, or destroyed by a government entity without regard to the  
5.21 requirements of section 138.17.

5.22 ~~(g)~~ (h) After completing, correcting, or destroying successfully challenged data, a  
5.23 government entity may retain a copy of the commissioner of administration's order issued  
5.24 under chapter 14 or, if no order were issued, a summary of the dispute between the parties  
5.25 that does not contain any particulars of the successfully challenged data.

5.26 (i) Data maintained by the commissioner that a responsible authority has completed,  
5.27 corrected, or destroyed as the result of the informal resolution process described in paragraph  
5.28 (d) or by order of the commissioner, are private data on individuals.

5.29 Sec. 11. [13.357] DATA SHARING.

5.30 Subdivision 1. Definitions. For purposes of this section, the following terms have the  
5.31 meanings given.

6.1 (a) "Public program" means any program funded by a state or federal agency that involves  
 6.2 transfer or disbursement of public funds or other public resources.

6.3 (b) "Fraud" means an intentional or deliberate act to deprive another of property or  
 6.4 money or to acquire property or money by deception or other unfair means. Fraud includes  
 6.5 intentionally submitting false information to a federal, state, or local government entity for  
 6.6 the purpose of obtaining a greater compensation or benefit than that to which the person is  
 6.7 legally entitled. Fraud includes acts that constitute a crime against any program, or acts that  
 6.8 attempt or conspire to commit those crimes, including but not limited to theft in violation  
 6.9 of section 609.52, perjury in violation of section 609.48, and aggravated forgery and forgery  
 6.10 in violation of sections 609.625 and 609.63, and substantially similar federal laws.

6.11 Subd. 2. **Authority to share data regarding fraud in public programs.** Notwithstanding  
 6.12 any provision of law to the contrary specifically prohibiting data sharing, any government  
 6.13 entity may disclose data relating to suspected or confirmed fraud in public programs to any  
 6.14 other government entity, federal agency, or law enforcement agency if the access would  
 6.15 promote the protection of public resources, promote the integrity of public programs, or aid  
 6.16 the law enforcement process.

6.17 Sec. 12. Minnesota Statutes 2024, section 14.48, subdivision 1, is amended to read:

6.18 Subdivision 1. **Creation.** A state ~~Office~~ Court of Administrative Hearings is created.

6.19 Sec. 13. Minnesota Statutes 2024, section 14.48, subdivision 2, is amended to read:

6.20 Subd. 2. **Chief administrative law judge.** (a) The ~~office~~ court shall be under the direction  
 6.21 of a chief administrative law judge who shall be learned in the law and appointed by the  
 6.22 governor, with the advice and consent of the senate, for a term ending on June 30 of the  
 6.23 sixth calendar year after appointment. Senate confirmation of the chief administrative law  
 6.24 judge shall be as provided by section 15.066.

6.25 (b) The chief administrative law judge may hear cases and, in accordance with chapter  
 6.26 43A, shall appoint a deputy chief judge and additional administrative law judges and  
 6.27 compensation judges to serve in the ~~office~~ court as necessary to fulfill the duties of the  
 6.28 ~~Office~~ Court of Administrative Hearings.

6.29 (c) The chief administrative law judge may delegate to a subordinate employee the  
 6.30 exercise of a specified statutory power or duty as deemed advisable, subject to the control  
 6.31 of the chief administrative law judge. Every delegation must be by written order filed with  
 6.32 the secretary of state. The chief administrative law judge is subject to the provisions of the

7.1 Minnesota Constitution, article VI, section 6, the jurisdiction of the Board on Judicial  
7.2 Standards, and the provisions of the Code of Judicial Conduct.

7.3 (d) If a vacancy in the position of chief administrative law judge occurs, an acting or  
7.4 temporary chief administrative law judge must be named as follows:

7.5 (1) at the end of the term of a chief administrative law judge, the incumbent chief  
7.6 administrative law judge may, at the discretion of the appointing authority, serve as acting  
7.7 chief administrative law judge until a successor is appointed; and

7.8 (2) if at the end of a term of a chief administrative law judge the incumbent chief  
7.9 administrative law judge is not designated as acting chief administrative law judge, or if a  
7.10 vacancy occurs in the position of chief administrative law judge, the deputy chief judge  
7.11 shall immediately become temporary chief administrative law judge without further official  
7.12 action.

7.13 (e) The appointing authority of the chief administrative law judge may appoint a person  
7.14 other than the deputy chief judge to serve as temporary chief administrative law judge and  
7.15 may replace any other acting or temporary chief administrative law judge designated pursuant  
7.16 to paragraph (d), clause (1) or (2).

7.17 Sec. 14. Minnesota Statutes 2024, section 14.62, subdivision 1, is amended to read:

7.18 Subdivision 1. **Writing required.** Every decision and order rendered by an agency in  
7.19 a contested case shall be in writing, shall be based on the record and shall include the agency's  
7.20 findings of fact and conclusions on all material issues. A decision or order that rejects or  
7.21 modifies a finding of fact, conclusion, or recommendation contained in the report of the  
7.22 administrative law judge required under sections 14.48 to 14.56, or requests remand under  
7.23 subdivision 2b, must include the reasons for each rejection ~~or~~ modification, or request for  
7.24 remand. A copy of the decision and order shall be served upon each party or the party's  
7.25 representative and the administrative law judge by first class mail.

7.26 Sec. 15. Minnesota Statutes 2024, section 14.62, subdivision 2a, is amended to read:

7.27 Subd. 2a. **Administrative law judge decision final; exception.** Unless otherwise  
7.28 provided by law, the report or order of the administrative law judge constitutes the final  
7.29 decision in the case unless the agency modifies ~~or rejects it under,~~ rejects, or requests remand  
7.30 pursuant to subdivision 1 within 90 days after the record of the proceeding closes under  
7.31 section 14.61. When the agency fails to act within 90 days on a licensing case, the agency  
7.32 must return the record of the proceeding to the administrative law judge for consideration

8.1 of disciplinary action. In all contested cases where the report or order of the administrative  
8.2 law judge constitutes the final decision in the case, the administrative law judge shall issue  
8.3 findings of fact, conclusions, and an order within 90 days after the hearing record closes  
8.4 under section 14.61. Upon a showing of good cause by a party or the agency, the chief  
8.5 administrative law judge may order a reasonable extension of either of the two 90-day  
8.6 deadlines specified in this subdivision. The 90-day deadline will be tolled while the chief  
8.7 administrative law judge considers a request for reasonable extension so long as the request  
8.8 was filed and served within the applicable 90-day period.

8.9 Sec. 16. Minnesota Statutes 2024, section 14.62, is amended by adding a subdivision to  
8.10 read:

8.11 Subd. 2b. Agency request for remand. (a) An agency may request remand of a finding  
8.12 of fact, conclusion of law, or recommendation within 45 days following the close of the  
8.13 hearing record under section 14.61. Upon a showing of good cause by the agency, the chief  
8.14 administrative law judge may consider a request for remand received after the deadline  
8.15 specified in this provision.

8.16 (b) The requesting agency must state with specificity the reasons the agency is requesting  
8.17 remand. If the agency requests remand for additional fact finding, the agency must state  
8.18 with specificity that it is requesting remand for further fact finding, identify the issues for  
8.19 which further fact finding is needed, and explain why further fact finding is necessary to  
8.20 facilitate a fair and just final decision.

8.21 (c) The chief judge, or their designee, must accept a request for remand within ten  
8.22 business days if:

8.23 (1) the agency rejects a recommendation to grant summary disposition;

8.24 (2) a party who had procedurally defaulted during the administrative proceedings seeks  
8.25 to participate; or

8.26 (3) following remand from the Minnesota Court of Appeals or Minnesota Supreme  
8.27 Court, or identification of a mathematical or clerical error, the agency identifies a need for  
8.28 additional proceedings before the Court of Administrative Hearings.

8.29 (d) The chief judge, or their designee, may accept a request for remand within ten business  
8.30 days for other reasons as justice requires and consistent with section 14.001.

8.31 (e) When a request for remand is accepted by the chief judge or their designee, the chief  
8.32 judge or their designee must assign an administrative law judge to conduct further  
8.33 proceedings under this chapter on the issues accepted for remand.



9.1 Sec. 17. **[15.013] PROGRAM PAYMENTS WITHHELD; FRAUD.**

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

9.4 (b) "Credible allegation of fraud" means an allegation of fraud that has been verified by  
9.5 the head of a state agency from any source, including but not limited to fraud complaints;  
9.6 patterns identified through audits, civil cases, law enforcement investigations, or  
9.7 investigations by other state or federal agencies; and court filings and other legal documents,  
9.8 including but not limited to police reports, complaints, indictments, information, affidavits,  
9.9 declarations, and search warrants.

9.10 (c) "Fraud" means an intentional or deliberate act to deprive another of property or  
9.11 money or to acquire property or money by deception or other unfair means. Fraud includes  
9.12 intentionally submitting false information to a federal, state, or local government entity for  
9.13 the purpose of obtaining a greater compensation or benefit than that to which the person is  
9.14 legally entitled. Fraud also includes acts which constitute a crime against any program, or  
9.15 the attempts or plans to commit those crimes, including but not limited to theft in violation  
9.16 of section 609.52; perjury in violation of section 609.48; and aggravated forgery and forgery  
9.17 in violation of sections 609.625 and 609.63, and substantially similar federal laws.

9.18 (d) "Individual" means a natural person.

9.19 (e) "Program" means any program funded by a state or federal agency that involves the  
9.20 transfer or disbursement of public funds or other public resources.

9.21 (f) "Program participant" means any entity or individual that receives, disburses, or has  
9.22 custody of funds or other resources transferred or disbursed under a program.

9.23 (g) "State agency" means any department or agency of the state as defined in sections  
9.24 15.01 and 15.012.

9.25 Subd. 2. Withholding of payments. (a) Except as otherwise authorized and to the extent  
9.26 permitted by federal law, the head of any state agency may withhold payments to a program  
9.27 participant in any program administered by that agency if the agency head determines there  
9.28 is a credible allegation of fraud under investigation and the program participant is a subject  
9.29 of the investigation.

9.30 (b) Notwithstanding subdivision 3, the state agency head must send notice of the  
9.31 withholding of payments to the program participant within five days of taking such action.  
9.32 The notice must:

9.33 (1) state that payments are being withheld in accordance with this section;

10.1 (2) state the reasons for withholding payments, but need not disclose specific information  
10.2 concerning an ongoing investigation;

10.3 (3) state that the withholding is for a temporary period and cite the circumstances under  
10.4 which withholding shall be terminated; and

10.5 (4) inform the program participant of the right to submit written evidence for  
10.6 consideration by the state agency head.

10.7 (c) The withholding of payments shall not continue after the state agency head determines  
10.8 there is insufficient evidence of fraud by the program participant, or after legal proceedings  
10.9 relating to the alleged fraud are completed, unless the state agency head is authorized by  
10.10 law to take additional action against the program participant and complies with all  
10.11 requirements in law to take such action.

10.12 (d) The withholding of payments is a temporary action and is not subject to appeal under  
10.13 chapter 14.

10.14 Subd. 3. **Data classification and access.** (a) During the payment withholding period  
10.15 under this section, all data relating to a credible allegation of fraud and withholding of  
10.16 payments under this section are classified as: (1) confidential data on individuals pursuant  
10.17 to section 13.02, subdivision 3; or (2) protected nonpublic data pursuant to section 13.02,  
10.18 subdivision 13, in the case of data not on individuals. The agency head may disclose that  
10.19 payments are being withheld from a program participant if the agency head determines that  
10.20 doing so will not compromise an ongoing investigation.

10.21 (b) Except for the identity of a complainant, after a determination has been made under  
10.22 subdivision 2, paragraph (c), that withholding of payments shall not continue, all data relating  
10.23 to a credible allegation of fraud and withholding of payments under this section becomes  
10.24 public unless classified otherwise under state or federal law. The identity of a complainant  
10.25 is private.

10.26 (c) Any state agency may disclose any data classified as confidential or protected  
10.27 nonpublic under this section to any federal, state, or local government agency, or any law  
10.28 enforcement agency, if the state agency determines that access will help prevent fraud  
10.29 against public programs or aid the law enforcement process.

10.30 Sec. 18. **[15.0573] REPORTING ALLEGED MISUSE OF PUBLIC RESOURCES**  
10.31 **OR DATA.**

10.32 The commissioner or chief executive officer of each state department, board, commission,  
10.33 office, or other agency must ensure that employee and nonemployee concerns about the

11.1 misuse of public money, other public resources, or government data are promptly directed  
11.2 to one or more of the obligated officers identified in section 3.971, subdivision 9, or the  
11.3 Office of the Legislative Auditor. The commissioner of management and budget must  
11.4 develop a policy to operationalize and standardize the process under this section across state  
11.5 agencies.

11.6 Sec. 19. **[15.0574] ORGANIZATIONAL CHARTS POSTED.**

11.7 Each state agency must clearly post on the agency's website a current organizational  
11.8 chart that includes the name and contact information for the agency head, all deputy and  
11.9 assistant agency heads, and the head of each division or bureau within the agency.

11.10 Sec. 20. **[15.761] SAVI PROGRAM.**

11.11 Subdivision 1. **Program established.** The state agency value initiative (SAVI) program  
11.12 is established to encourage state agencies to identify cost-effective and efficiency measures  
11.13 in agency programs and operations that result in cost savings for the state. All state agencies,  
11.14 including Minnesota State Colleges and Universities, may participate in this program.

11.15 Subd. 2. **Retained savings.** (a) In order to encourage innovation and creative cost savings  
11.16 by state employees, upon approval of the commissioner of management and budget, 50  
11.17 percent of any appropriations for agency operations that remain unspent at the end of a  
11.18 biennium because of unanticipated innovation, efficiencies, or creative cost-savings may  
11.19 be carried forward and retained by the agency to fund specific agency proposals or projects.  
11.20 Agencies choosing to spend retained savings funds must ensure that project expenditures  
11.21 do not create future obligations beyond the amounts available from the retained savings.  
11.22 The retained savings must be used only to fund projects that directly support the agency's  
11.23 mission. This section does not restrict authority granted by other law to carry forward money  
11.24 for a different period or for different purposes.

11.25 (b) This section supersedes any contrary provision of section 16A.28.

11.26 Subd. 3. **Special peer review panel; review process.** (a) Each participating agency  
11.27 must organize a peer review panel that will determine which proposal or project receives  
11.28 funding from the SAVI program. The peer review panel must be comprised of department  
11.29 employees who are credited with cost-savings initiatives and department managers. The  
11.30 ratio between managers and department employees must be balanced.

11.31 (b) An agency may spend money for a project recommended for funding by the peer  
11.32 review panel after:

12.1 (1) the agency has posted notice of spending for the proposed project on the agency  
 12.2 website for at least 30 days; and

12.3 (2) the commissioner of management and budget has approved spending money from  
 12.4 the SAVI account for the project.

12.5 (c) Before approving a project, the commissioner of management and budget must submit  
 12.6 the request to the Legislative Advisory Commission for its review and recommendation.  
 12.7 Upon receiving a request from the commissioner, the Legislative Advisory Commission  
 12.8 shall post notice of the request on a legislative website for at least 30 days. Failure of the  
 12.9 commission to make a recommendation within this 30-day period is considered a negative  
 12.10 recommendation. A recommendation of the commission must be made at a meeting of the  
 12.11 commission unless a written recommendation is signed by all the members entitled to vote  
 12.12 on the item.

12.13 Subd. 4. SAVI-dedicated account. Each agency that participates in the SAVI program  
 12.14 shall have a SAVI-dedicated account in the special revenue fund, or other appropriate fund  
 12.15 as determined by the commissioner of management and budget, into which the agency's  
 12.16 savings are deposited. The agency will manage and review projects that are funded from  
 12.17 this account. Money in the account is appropriated to the participating agency for purposes  
 12.18 authorized by this section.

12.19 Subd. 5. Expiration. This section expires June 30, 2030.

12.20 EFFECTIVE DATE. This section is effective June 30, 2025, and first applies to funds  
 12.21 to be carried forward from the biennium ending June 30, 2025, to the biennium beginning  
 12.22 July 1, 2025.

12.23 Sec. 21. Minnesota Statutes 2024, section 15A.082, subdivision 3, is amended to read:

12.24 Subd. 3. Submission of recommendations and determination. (a) By April September  
 12.25 1 in each ~~odd-numbered~~ even-numbered year, the Compensation Council shall submit to  
 12.26 the speaker of the house and the president of the senate salary recommendations for justices  
 12.27 of the supreme court, and judges of the court of appeals and district court. The recommended  
 12.28 salaries take effect on July 1 of ~~that the next~~ year and July 1 of the subsequent ~~even-numbered~~  
 12.29 ~~odd-numbered~~ year and at whatever interval the council recommends thereafter, unless the  
 12.30 legislature by law provides otherwise. The salary recommendations take effect if an  
 12.31 appropriation of money to pay the recommended salaries is enacted after the  
 12.32 recommendations are submitted and before their effective date. Recommendations may be  
 12.33 expressly modified or rejected.

13.1 (b) By April 1 in each odd-numbered year, the Compensation Council must prescribe  
13.2 salaries for constitutional officers, and for the agency and metropolitan agency heads  
13.3 identified in section 15A.0815. The prescribed salary for each office must take effect July  
13.4 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval  
13.5 the council determines thereafter, unless the legislature by law provides otherwise. An  
13.6 appropriation by the legislature to fund the relevant office, branch, or agency of an amount  
13.7 sufficient to pay the salaries prescribed by the council constitutes a prescription by law as  
13.8 provided in the Minnesota Constitution, article V, sections 4 and 5.

13.9 (c) By April 1 in each odd-numbered year, the Compensation Council must prescribe  
13.10 daily compensation for voting members of the Direct Care and Treatment executive board.  
13.11 The recommended daily compensation takes effect on July 1 of that year and July 1 of the  
13.12 subsequent even-numbered year and at whatever interval the council recommends thereafter,  
13.13 unless the legislature by law provides otherwise.

13.14 Sec. 22. Minnesota Statutes 2024, section 15A.082, subdivision 7, is amended to read:

13.15 Subd. 7. **No ex parte communications.** Members may not have any communication  
13.16 with a constitutional officer, a head of a state agency, a member of the judiciary, or a member  
13.17 of the Direct Care and Treatment executive board during the period after the first meeting  
13.18 is convened under this section and the date the prescribed and recommended salaries and  
13.19 daily compensation are submitted under subdivision 3. This subdivision does not apply to  
13.20 testimony provided to the council in the course of an official council meeting or to other  
13.21 communications when a majority of the members are present. This subdivision does not  
13.22 preclude a member who is an attorney from communicating with an agency head, judge, or  
13.23 justice as necessary to represent a client.

13.24 Sec. 23. Minnesota Statutes 2024, section 16A.28, subdivision 3, is amended to read:

13.25 Subd. 3. **Lapse.** Any portion of any appropriation not carried forward and remaining  
13.26 unexpended and unencumbered at the close of a fiscal year lapses to the fund from which  
13.27 it was originally appropriated. Except as provided in section 15.761, any appropriation  
13.28 amounts not carried forward and remaining unexpended and unencumbered at the close of  
13.29 a biennium lapse to the fund from which the appropriation was made.

13.30 **EFFECTIVE DATE.** This section is effective June 30, 2025.

14.1 Sec. 24. Minnesota Statutes 2024, section 16B.055, subdivision 1, is amended to read:

14.2 Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration  
14.3 is designated as the lead agency to carry out all the responsibilities under the 21st Century  
14.4 Assistive Technology Act of 1998, as provided by Public Law ~~108-364~~, as amended 117-263.  
14.5 The Minnesota Assistive Technology Advisory Council is established to fulfill the  
14.6 responsibilities required by the 21st Century Assistive Technology Act, as provided by  
14.7 Public Law ~~108-364~~, as amended 117-263. Because the existence of this council is required  
14.8 by federal law, this council does not expire.

14.9 (b) Except as provided in paragraph (c), the governor shall appoint the membership of  
14.10 the council as required by the 21st Century Assistive Technology Act of 1998, as provided  
14.11 by Public Law ~~108-364~~, as amended 117-263. After the governor has completed the  
14.12 appointments required by this subdivision, the commissioner of administration, or the  
14.13 commissioner's designee, shall convene the first meeting of the council following the  
14.14 appointments. Members shall serve two-year terms commencing July 1 of each odd-numbered  
14.15 year, and receive the compensation specified by the 21st Century Assistive Technology Act  
14.16 of 1998, as provided by Public Law ~~108-364~~, as amended 117-263. The members of the  
14.17 council shall select their chair at the first meeting following their appointment.

14.18 (c) After consulting with the appropriate commissioner, the commissioner of  
14.19 administration shall appoint a representative from:

- 14.20 (1) State Services for the Blind who has assistive technology expertise;
- 14.21 (2) vocational rehabilitation services who has assistive technology expertise;
- 14.22 (3) the Workforce Development Board; ~~and~~
- 14.23 (4) the Department of Education who has assistive technology expertise; and
- 14.24 (5) the Board on Aging.

14.25 Sec. 25. Minnesota Statutes 2024, section 16B.335, subdivision 2, is amended to read:

14.26 Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is  
14.27 made, including projects that are exempt under subdivision 1, paragraph (b), must not  
14.28 proceed until the recipient undertaking the project has notified the chairs and ranking minority  
14.29 members of the senate Capital Investment and Finance Committees and the house of  
14.30 representatives Capital Investment and Ways and Means Committees that the work is ready  
14.31 to begin. Notice is not required for:

- 14.32 (1) capital projects needed to comply with the Americans with Disabilities Act;

- 15.1 (2) asset preservation projects to which section 16B.307 applies;
- 15.2 (3) projects funded by an agency's operating budget; or
- 15.3 (4) projects funded by a capital asset preservation and replacement account under section
- 15.4 16A.632, a higher education asset preservation and replacement account under section
- 15.5 135A.046, or a natural resources asset preservation and replacement account under section
- 15.6 84.946.

15.7 Sec. 26. Minnesota Statutes 2024, section 16B.48, subdivision 4, is amended to read:

15.8 Subd. 4. **Reimbursements.** (a) Except as specifically provided otherwise by law, each

15.9 agency shall reimburse the general services revolving funds for the cost of all services,

15.10 supplies, materials, labor, and depreciation of equipment, including reasonable overhead

15.11 costs, which the commissioner is authorized and directed to furnish an agency. The cost of

15.12 all publications or other materials produced by the commissioner and financed from the

15.13 general services revolving fund must include reasonable overhead costs.

15.14 (b) The commissioner of administration shall report the rates to be charged for the general

15.15 services revolving funds no later than ~~July 1~~ September 15 each year to the chair of the

15.16 committee or division in the senate and house of representatives with primary jurisdiction

15.17 over the budget of the Department of Administration.

15.18 (c) The commissioner of management and budget shall make appropriate transfers to

15.19 the revolving funds described in this section when requested by the commissioner of

15.20 administration. The commissioner of administration may make allotments, encumbrances,

15.21 and, with the approval of the commissioner of management and budget, disbursements in

15.22 anticipation of such transfers. In addition, the commissioner of administration, with the

15.23 approval of the commissioner of management and budget, may require an agency to make

15.24 advance payments to the revolving funds in this section sufficient to cover the agency's

15.25 estimated obligation for a period of at least 60 days.

15.26 (d) All reimbursements and other money received by the commissioner of administration

15.27 under this section must be deposited in the appropriate revolving fund. Any earnings

15.28 remaining in the fund established to account for the documents service prescribed by section

15.29 16B.51 at the end of each fiscal year not otherwise needed for present or future operations,

15.30 as determined by the commissioners of administration and management and budget, must

15.31 be transferred to the general fund.

16.1 Sec. 27. Minnesota Statutes 2024, section 16B.54, subdivision 2, is amended to read:

16.2 Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a  
16.3 passenger motor vehicle or truck currently assigned to it. The transfer must be made to the  
16.4 commissioner for use in the enterprise fleet. The commissioner shall reimburse an agency  
16.5 whose motor vehicles have been paid for with funds dedicated by the constitution for a  
16.6 special purpose and which are assigned to the enterprise fleet. The amount of reimbursement  
16.7 for a motor vehicle is its average wholesale price as determined from the midwest edition  
16.8 of the National Automobile Dealers Association official used car guide.

16.9 (b) To the extent that funds are available for the purpose, the commissioner may purchase  
16.10 or otherwise acquire additional passenger motor vehicles and trucks necessary for the  
16.11 enterprise fleet. The title to all motor vehicles assigned to or purchased or acquired for the  
16.12 enterprise fleet is in the name of the Department of Administration.

16.13 (c) On the request of an agency, the commissioner may transfer to the enterprise fleet  
16.14 any passenger motor vehicle or truck for the purpose of disposing of it. The department or  
16.15 agency transferring the vehicle or truck must be paid for it from the motor pool revolving  
16.16 account established by this section in an amount equal to two-thirds of the average wholesale  
16.17 price of the vehicle or truck as determined from the midwest edition of the National  
16.18 Automobile Dealers Association official used car guide.

16.19 (d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor  
16.20 vehicle colors must be selected from the regular color chart provided by the manufacturer  
16.21 each year. The commissioner may further provide for the use of motor vehicles without  
16.22 marking by:

16.23 (1) the governor;

16.24 (2) the lieutenant governor;

16.25 (3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling  
16.26 Enforcement, and arson investigators of the Division of Fire Marshal in the Department of  
16.27 Public Safety;

16.28 (4) the Financial Institutions Division and investigative staff of the Department of  
16.29 Commerce;

16.30 (5) the Division of Disease Prevention and Control of the Department of Health;

16.31 (6) the State Lottery;

16.32 (7) criminal investigators of the Department of Revenue;



- 17.1 (8) state-owned community service facilities in Direct Care and Treatment;
- 17.2 (9) the Office of the Attorney General;
- 17.3 (10) the investigative staff of the Gambling Control Board; and
- 17.4 (11) the Department of Corrections inmate community work crew program under section
- 17.5 352.91, subdivision 3g; and
- 17.6 (12) the Office of Ombudsman for Long-Term Care.

17.7 Sec. 28. Minnesota Statutes 2024, section 16B.98, subdivision 4, is amended to read:

17.8 Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation

17.9 of laws or rules governing grants ~~is encouraged to~~ must promptly report the violation or

17.10 suspected violation to the employee's supervisor or manager, the commissioner or the

17.11 commissioner's designee, or the legislative auditor. If the state employee notifies the

17.12 employee's supervisor, manager, the commissioner, or the commissioner's designee, then

17.13 the supervisor, manager, commissioner, or designee must notify the legislative auditor. The

17.14 legislative auditor shall report to the Legislative Audit Commission if there are multiple

17.15 complaints about the same agency. ~~The auditor's report to the Legislative Audit Commission~~

17.16 ~~under this section must disclose only the number and type of violations alleged.~~ An employee

17.17 making a good faith report under this section has the protections provided for under section

17.18 181.932, prohibiting the employer from discriminating against the employee.

17.19 Sec. 29. Minnesota Statutes 2024, section 16B.98, subdivision 5, is amended to read:

17.20 Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement and

17.21 amendments are not valid and do not bind unless:

17.22 (1) the grant agreement and amendments have been executed by the head of the agency

17.23 or a delegate who is party to the grant;

17.24 (2) the grant agreement and amendments have been approved by the commissioner;

17.25 (3) the accounting system shows an encumbrance for the amount of the grant in

17.26 accordance with policy approved by the commissioner except as provided in subdivision

17.27 11; and

17.28 (4) the grant agreement and amendments include an effective date that references either

17.29 section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting

17.30 agency.

18.1 (b) The combined grant agreement and amendments must not exceed five years without  
18.2 specific, written approval by the commissioner according to established policy, procedures,  
18.3 and standards, or unless the commissioner determines that a longer duration is in the best  
18.4 interest of the state.

18.5 (c) A fully executed copy of the grant agreement with all amendments and other required  
18.6 records relating to the grant must be kept on file at the granting agency for a time equal to  
18.7 that required of grantees in subdivision 8.

18.8 (d) Grant agreements must comply with policies established by the commissioner for  
18.9 minimum grant agreement standards and practices. As determined by the commissioner,  
18.10 grant agreements must require the grantee to clearly post on the grantee's website the names  
18.11 of, and contact information for, the organization's leadership and the employee or other  
18.12 person who directly manages and oversees the grant for the grantee.

18.13 (e) The attorney general may periodically review and evaluate a sample of state agency  
18.14 grants to ensure compliance with applicable laws.

18.15 Sec. 30. Minnesota Statutes 2024, section 16C.05, is amended by adding a subdivision to  
18.16 read:

18.17 Subd. 8. Unenforceable terms. (a) A contract entered into by the state shall not contain  
18.18 a term that:

18.19 (1) requires the state to defend, indemnify, or hold harmless another person or entity;

18.20 (2) binds the state by terms and conditions that may be unilaterally changed by the other  
18.21 party;

18.22 (3) requires mandatory arbitration;

18.23 (4) attempts to extend arbitration obligations to parties outside the original contract or  
18.24 to disputes unrelated to the original contract;

18.25 (5) construes the contract in accordance with the laws of a state other than Minnesota;

18.26 (6) obligates state funds in subsequent fiscal years in the form of automatic renewal; or

18.27 (7) is inconsistent with chapter 13, the Minnesota Government Data Practices Act.

18.28 (b) If a contract is entered into that contains a term prohibited in paragraph (a), that term  
18.29 shall be void and the contract is enforceable as if it did not contain that term.

18.30 (c) The commissioner shall post a copy of this section on the department's website.

19.1 Sec. 31. Minnesota Statutes 2024, section 16C.137, subdivision 2, is amended to read:

19.2 Subd. 2. **Report Evaluation.** (a) The commissioner of administration, in collaboration  
19.3 with the commissioners of the Pollution Control Agency, the Departments of Agriculture,  
19.4 Commerce, Natural Resources, and Transportation, and other state departments, must  
19.5 evaluate the goals and directives established in this section and ~~report~~ include their findings  
19.6 ~~to the governor and the appropriate committees of the legislature by February 1 of each~~  
19.7 ~~odd-numbered year~~ in the public dashboard under section 16B.372. In the ~~report~~ public  
19.8 dashboard, the commissioner must make recommendations for new or adjusted goals,  
19.9 directives, or legislative initiatives, in light of the progress the state has made implementing  
19.10 this section and the availability of new or improved technologies.

19.11 (b) The Department of Administration shall implement a fleet reporting and information  
19.12 management system. Each department will use this management system to demonstrate its  
19.13 progress in complying with this section.

19.14 Sec. 32. Minnesota Statutes 2024, section 16C.16, subdivision 6, is amended to read:

19.15 Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a 12 percent  
19.16 preference for specified goods or services to small targeted group businesses.

19.17 (b) The commissioner may award a contract for goods, services, or construction directly  
19.18 to a small business or small targeted group business without going through a competitive  
19.19 solicitation process up to a total contract award value, including extension options, of  
19.20 \$100,000.

19.21 (c) The commissioner may designate a purchase of goods or services for award only to  
19.22 small businesses or small targeted group businesses if the commissioner determines that at  
19.23 least three small businesses or small targeted group businesses are likely to respond to a  
19.24 solicitation.

19.25 (d) The commissioner, as a condition of awarding a construction contract or approving  
19.26 a contract for professional or technical services, may set goals that require the prime  
19.27 contractor to subcontract a portion of the contract to small businesses or small targeted  
19.28 group businesses. The commissioner must establish a procedure for granting waivers from  
19.29 the subcontracting requirement when qualified small businesses or small targeted group  
19.30 businesses are not reasonably available. The commissioner may establish financial incentives  
19.31 for prime contractors who exceed the goals for use of small business or small targeted group  
19.32 business subcontractors and financial penalties for prime contractors who fail to meet goals

20.1 under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to~~  
20.2 ~~prime contractors who are small businesses or small targeted group businesses.~~

20.3 Sec. 33. Minnesota Statutes 2024, section 16C.16, subdivision 6a, is amended to read:

20.4 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the federal  
20.5 government as a condition of receiving federal funds, the commissioner shall award up to  
20.6 a 12 percent preference, but no less than the percentage awarded to any other group under  
20.7 this section, on state procurement to certified small businesses that are majority-owned and  
20.8 operated by veterans.

20.9 (b) The commissioner may award a contract for goods, services, or construction directly  
20.10 to a veteran-owned small business without going through a competitive solicitation process  
20.11 up to a total contract award value, including extension options, of \$100,000.

20.12 (c) The commissioner may designate a purchase of goods or services for award only to  
20.13 a veteran-owned small business if the commissioner determines that at least three  
20.14 veteran-owned small businesses are likely to respond to a solicitation.

20.15 (d) The commissioner, as a condition of awarding a construction contract or approving  
20.16 a contract for professional or technical services, may set goals that require the prime  
20.17 contractor to subcontract a portion of the contract to a veteran-owned small business. The  
20.18 commissioner must establish a procedure for granting waivers from the subcontracting  
20.19 requirement when qualified veteran-owned small businesses are not reasonably available.  
20.20 The commissioner may establish financial incentives for prime contractors who exceed the  
20.21 goals for use of veteran-owned small business subcontractors and financial penalties for  
20.22 prime contractors who fail to meet goals under this paragraph. ~~The subcontracting~~  
20.23 ~~requirements of this paragraph do not apply to prime contractors who are veteran-owned~~  
20.24 ~~small businesses.~~

20.25 (e) The purpose of this designation is to facilitate the transition of veterans from military  
20.26 to civilian life, and to help compensate veterans for their sacrifices, including but not limited  
20.27 to their sacrifice of health and time, to the state and nation during their military service, as  
20.28 well as to enhance economic development within Minnesota.

20.29 (f) Before the commissioner certifies that a small business is majority-owned and operated  
20.30 by a veteran, the commissioner of veterans affairs must verify that the owner of the small  
20.31 business is a veteran, as defined in section 197.447.

21.1 Sec. 34. Minnesota Statutes 2024, section 16C.16, subdivision 7, is amended to read:

21.2 Subd. 7. **Economically disadvantaged areas.** (a) The commissioner may award up to  
21.3 a 12 percent preference on state procurement to small businesses located in an economically  
21.4 disadvantaged area.

21.5 (b) The commissioner may award a contract for goods, services, or construction directly  
21.6 to a small business located in an economically disadvantaged area without going through  
21.7 a competitive solicitation process up to a total contract award value, including extension  
21.8 options, of \$100,000.

21.9 (c) The commissioner may designate a purchase of goods or services for award only to  
21.10 a small business located in an economically disadvantaged area if the commissioner  
21.11 determines that at least three small businesses located in an economically disadvantaged  
21.12 area are likely to respond to a solicitation.

21.13 (d) The commissioner, as a condition of awarding a construction contract or approving  
21.14 a contract for professional or technical services, may set goals that require the prime  
21.15 contractor to subcontract a portion of the contract to a small business located in an  
21.16 economically disadvantaged area. The commissioner must establish a procedure for granting  
21.17 waivers from the subcontracting requirement when qualified small businesses located in an  
21.18 economically disadvantaged area are not reasonably available. The commissioner may  
21.19 establish financial incentives for prime contractors who exceed the goals for use of  
21.20 subcontractors that are small businesses located in an economically disadvantaged area and  
21.21 financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The~~  
21.22 ~~subcontracting requirements of this paragraph do not apply to prime contractors who are~~  
21.23 ~~small businesses located in an economically disadvantaged area.~~

21.24 (e) A business is located in an economically disadvantaged area if:

21.25 (1) the owner resides in or the business is located in a county in which the median income  
21.26 for married couples is less than 70 percent of the state median income for married couples;

21.27 (2) the owner resides in or the business is located in an area designated a labor surplus  
21.28 area by the United States Department of Labor; or

21.29 (3) the business is a certified rehabilitation facility or extended employment provider as  
21.30 described in chapter 268A.

21.31 (f) The commissioner may designate one or more areas designated as targeted  
21.32 neighborhoods under section 469.202 or as border city enterprise zones under section  
21.33 469.166 as economically disadvantaged areas for purposes of this subdivision if the

22.1 commissioner determines that this designation would further the purposes of this section.  
22.2 If the owner of a small business resides or is employed in a designated area, the small  
22.3 business is eligible for any preference provided under this subdivision.

22.4 (g) The Department of Revenue shall gather data necessary to make the determinations  
22.5 required by paragraph (e), clause (1), and shall annually certify counties that qualify under  
22.6 paragraph (e), clause (1). An area designated a labor surplus area retains that status for 120  
22.7 days after certified small businesses in the area are notified of the termination of the  
22.8 designation by the United States Department of Labor.

22.9 Sec. 35. Minnesota Statutes 2024, section 16D.09, subdivision 1, is amended to read:

22.10 Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be  
22.11 uncollectible, the debt may be written off by the state agency from the state agency's financial  
22.12 accounting records and no longer recognized as an account receivable for financial reporting  
22.13 purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts  
22.14 have been exhausted, (2) the cost of further collection action will exceed the amount  
22.15 recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence,  
22.16 (4) the debtor cannot be located, (5) the available assets or income, current or anticipated,  
22.17 that may be available for payment of the debt are insufficient, (6) the debt has been  
22.18 discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt  
22.19 has expired, or (8) it is not in the public interest to pursue collection of the debt.

22.20 (b) Uncollectible debt must be reported by the state agency as part of its quarterly reports  
22.21 to the commissioner of management and budget. The basis for the determination of the  
22.22 uncollectibility of the debt must be maintained by the state agency. If an uncollectible debt  
22.23 equals or exceeds \$100,000, the agency shall notify the chairs and ranking minority members  
22.24 of the legislative committees with jurisdiction over the state agency's budget at the time the  
22.25 debt is determined to be uncollectible. The information reported shall contain the entity  
22.26 associated with the uncollected debt, the amount of the debt, the revenue type, the reason  
22.27 the debt is considered uncollectible, and the duration the debt has been outstanding. The  
22.28 commissioner of management and budget shall report to the chairs and ranking minority  
22.29 members of the legislative committees with jurisdiction over Minnesota Management and  
22.30 Budget an annual summary of the number and dollar amount of debts determined to be  
22.31 uncollectible during the previous fiscal year by ~~October 31~~ November 30 of each year.  
22.32 Determining that the debt is uncollectible does not cancel the legal obligation of the debtor  
22.33 to pay the debt.

23.1 Sec. 36. Minnesota Statutes 2024, section 43A.27, subdivision 3, is amended to read:

23.2 Subd. 3. **Retired employees.** (a) A person may elect to purchase at personal expense  
23.3 individual and dependent hospital, medical, and dental coverages if the person is:

23.4 (1) a retired employee of the state or an organization listed in subdivision 2 or section  
23.5 43A.24, subdivision 2, who, at separation of service:

23.6 (i) is immediately eligible to receive a retirement benefit under chapter 354B or an  
23.7 annuity under a retirement program sponsored by the state or such organization of the state;

23.8 (ii) immediately meets the age and service requirements in section 352.115, subdivision  
23.9 1; and

23.10 (iii) has five years of service or meets the service requirement of the collective bargaining  
23.11 agreement or plan, whichever is greater; or

23.12 (2) a retired employee of the state who is at least 50 years of age and has at least 15  
23.13 years of state service.

23.14 (b) The commissioner shall offer at least one plan which is actuarially equivalent to  
23.15 those made available through collective bargaining agreements or plans established under  
23.16 section 43A.18 to employees in positions equivalent to that from which retired.

23.17 (c) A spouse of a person eligible under paragraph (a) may purchase the coverage listed  
23.18 in this subdivision if the spouse was a dependent under the retired employee's coverage at  
23.19 the time of the retiree's death.

23.20 (d) A spouse of a person eligible under paragraph (a) who is a dependent under the  
23.21 retired employee's coverage may purchase the coverage listed in this subdivision if the  
23.22 retired employee loses eligibility for coverage because the retired employee enrolls in  
23.23 medical assistance under chapter 256B and has a disability that meets the categorical  
23.24 eligibility requirements of the Supplemental Security Income program.

23.25 ~~(d)~~ (e) Coverages must be coordinated with relevant health insurance benefits provided  
23.26 through the federally sponsored Medicare program. Until the retired employee reaches age  
23.27 65, the retired employee and dependents must be pooled in the same group as active  
23.28 employees for purposes of establishing premiums and coverage for hospital, medical, and  
23.29 dental insurance. Coverage for retired employees and their dependents may not discriminate  
23.30 on the basis of evidence of insurability or preexisting conditions unless identical conditions  
23.31 are imposed on active employees in the group that the employee left. Appointing authorities  
23.32 shall provide notice to employees no later than the effective date of their retirement of the  
23.33 right to exercise the option provided in this subdivision. The retired employee must notify

24.1 the commissioner or designee of the commissioner within 30 days after the effective date  
24.2 of the retirement of intent to exercise this option.

24.3 Sec. 37. Minnesota Statutes 2024, section 151.741, subdivision 5, is amended to read:

24.4 Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a)

24.5 The insulin repayment account is established in the special revenue fund in the state treasury.  
24.6 Money in the account is appropriated each fiscal year to the commissioner of administration  
24.7 to reimburse manufacturers for insulin dispensed under the insulin safety net program in  
24.8 section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6,  
24.9 paragraph (h), and to cover costs incurred by the commissioner in providing these  
24.10 reimbursement payments.

24.11 (b) By June 30, 2025, and each June 30 thereafter, the commissioner of administration  
24.12 shall certify to the commissioner of management and budget the total amount expended in  
24.13 the prior fiscal year for:

24.14 (1) reimbursement to manufacturers for insulin dispensed under the insulin safety net  
24.15 program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph  
24.16 (h), and 6, paragraph (h); and

24.17 (2) costs incurred by the commissioner of administration in providing the reimbursement  
24.18 payments described in clause (1).

24.19 (c) The commissioner of management and budget shall transfer from the health care  
24.20 access fund to the ~~special revenue fund~~ insulin repayment account, beginning July 1, 2025,  
24.21 and each July 1 thereafter, an amount equal to the amount to which the commissioner of  
24.22 administration certified pursuant to paragraph (b).

24.23 Sec. 38. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision  
24.24 to read:

24.25 Subd. 3a. **Fraud.** "Fraud" means an intentional or deceptive act, or failure to act, to gain  
24.26 an unlawful benefit.

24.27 Sec. 39. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision  
24.28 to read:

24.29 Subd. 4a. **Misuse.** "Misuse" means the improper use of authority or position for personal  
24.30 gain or to cause harm to others, including the improper use of public resources or programs  
24.31 contrary to their intended purpose.



25.1 Sec. 40. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision  
25.2 to read:

25.3 Subd. 5a. **Personal gain.** "Personal gain" means a benefit to a person; a person's spouse,  
25.4 parent, child, or other legal dependent; or an in-law of the person or the person's child.

25.5 Sec. 41. Minnesota Statutes 2024, section 181.932, subdivision 1, is amended to read:

25.6 Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline, penalize,  
25.7 interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an  
25.8 employee regarding the employee's compensation, terms, conditions, location, or privileges  
25.9 of employment because:

25.10 (1) the employee, or a person acting on behalf of an employee, in good faith, reports a  
25.11 violation, suspected violation, or planned violation of any federal or state law or common  
25.12 law or rule adopted pursuant to law to an employer or to any governmental body or law  
25.13 enforcement official;

25.14 (2) the employee is requested by a public body or office to participate in an investigation,  
25.15 hearing, inquiry;

25.16 (3) the employee refuses an employer's order to perform an action that the employee  
25.17 has an objective basis in fact to believe violates any state or federal law or rule or regulation  
25.18 adopted pursuant to law, and the employee informs the employer that the order is being  
25.19 refused for that reason;

25.20 (4) the employee, in good faith, reports a situation in which the quality of health care  
25.21 services provided by a health care facility, organization, or health care provider violates a  
25.22 standard established by federal or state law or a professionally recognized national clinical  
25.23 or ethical standard and potentially places the public at risk of harm;

25.24 (5) a public employee communicates the findings of a scientific or technical study that  
25.25 the employee, in good faith, believes to be truthful and accurate, including reports to a  
25.26 governmental body or law enforcement official; or

25.27 (6) ~~an employee in the classified service of state government~~ a state employee  
25.28 communicates information that the employee, in good faith, believes to be truthful and  
25.29 accurate, and that relates to state ~~services, including the financing of state services~~ programs,  
25.30 services, or financing, including but not limited to fraud or misuse within state programs,  
25.31 services, or financing, to:

25.32 (i) a legislator or the legislative auditor; ~~or~~

- 26.1 (ii) a constitutional officer;
- 26.2 (iii) an employer;
- 26.3 (iv) any governmental body; or
- 26.4 (v) a law enforcement official.

26.5 The disclosures protected pursuant to this section do not authorize the disclosure of data  
26.6 otherwise protected by law.

26.7 Sec. 42. Minnesota Statutes 2024, section 471.6985, subdivision 2, is amended to read:

26.8 Subd. 2. **If ~~\$350,000~~ \$500,000 sales, audited statement.** Any city operating a municipal  
26.9 liquor store with total annual sales in excess of ~~\$350,000~~ \$500,000 shall submit to the state  
26.10 auditor audited financial statements for the liquor store that have been attested to by a  
26.11 certified public accountant or the state auditor within 180 days after the close of the fiscal  
26.12 year, except that the state auditor may extend the deadline upon request of a city and a  
26.13 showing of inability to conform. The state auditor may accept this report in lieu of the report  
26.14 required by subdivision 1.

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

26.16 Sec. 43. **REVISOR INSTRUCTION.**

26.17 The revisor of statutes shall change the term "Office of Administrative Hearings" to  
26.18 "Court of Administrative Hearings" wherever the term appears in Minnesota Statutes. The  
26.19 revisor of statutes shall also change the term "office" to "court" wherever the term "office"  
26.20 appears and refers to the Office of Administrative Hearings in Minnesota Statutes.

26.21 Sec. 44. **REPEALER.**

26.22 Subdivision 1. **Legislative commissions.** (a) Minnesota Statutes 2024, sections 3.8842;  
26.23 and 3.8845, are repealed.

26.24 (b) Laws 2019, First Special Session chapter 3, article 2, section 34, as amended by  
26.25 Laws 2020, chapter 100, section 22; and Laws 2022, chapter 50, article 3, section 2, are  
26.26 repealed.

26.27 Subd. 2. **Office of the Legislative Auditor.** Minnesota Statutes 2024, section 16B.45,  
26.28 is repealed.

26.29 Subd. 3. **Department of Administration.** Minnesota Statutes 2024, sections 16B.328,  
26.30 subdivision 2; and 16C.36, are repealed.

27.1 Subd. 4. Fair campaign practices. Minnesota Statutes 2024, sections 211B.06; and  
 27.2 211B.08, are repealed.

27.3 **ARTICLE 2**

27.4 **STATE PERSONNEL MANAGEMENT**

27.5 Section 1. Minnesota Statutes 2024, section 43A.01, subdivision 3, is amended to read:

27.6 Subd. 3. **Equitable compensation relationships.** It is the policy of this state ~~to attempt~~  
 27.7 to establish equitable compensation relationships between female-dominated,  
 27.8 male-dominated, and balanced classes of employees in the executive branch. Compensation  
 27.9 relationships are equitable within the meaning of this subdivision when the primary  
 27.10 consideration in negotiating, establishing, recommending, and approving total compensation  
 27.11 is comparability of the value of the work in relationship to other ~~positions~~ classifications  
 27.12 in the executive branch.

27.13 Sec. 2. Minnesota Statutes 2024, section 43A.02, subdivision 14, is amended to read:

27.14 Subd. 14. ~~Commissioner's~~ **Nonrepresented employees compensation**  
 27.15 **plan.** "~~Commissioner's~~ Nonrepresented employees compensation plan" means the plan  
 27.16 required by section 3.855 regarding total compensation and terms and conditions of  
 27.17 employment, including grievance administration, for employees of the executive branch  
 27.18 who are not otherwise provided for in this chapter or other law.

27.19 Sec. 3. Minnesota Statutes 2024, section 43A.04, subdivision 1, is amended to read:

27.20 Subdivision 1. **Statewide leadership.** (a) The commissioner is the chief personnel and  
 27.21 labor relations manager of the civil service in the executive branch.

27.22 Whenever any power or responsibility is given to the commissioner by any provision  
 27.23 of this chapter, unless otherwise expressly provided, the power or authority applies to all  
 27.24 employees of agencies in the executive branch and to employees in classified positions in  
 27.25 the Office of the Legislative Auditor, the Minnesota State Retirement System, the Public  
 27.26 Employees Retirement Association, and the Teacher's Retirement Association. Unless  
 27.27 otherwise provided by law, the power or authority does not apply to unclassified employees  
 27.28 in the legislative and judicial branches.

27.29 (b) The commissioner shall operate an information system from which personnel data,  
 27.30 as defined in section 13.43, concerning employees and applicants for positions in the  
 27.31 classified service can be retrieved.

28.1 The commissioner has access to all public and private personnel data kept by appointing  
28.2 authorities that will aid in the discharge of the commissioner's duties.

28.3 (c) The commissioner may consider and investigate any matters concerned with the  
28.4 administration of provisions of this chapter, and may order any remedial actions consistent  
28.5 with law. The commissioner, at the request of an agency, shall provide assistance in employee  
28.6 misconduct investigations. Upon request of the appointing authority, the commissioner may  
28.7 issue determinations on personnel matters regarding board-appointed executive directors  
28.8 or leaders. The commissioner shall have the right to assess from the requesting agency, any  
28.9 costs incurred while assisting the agency in the employee misconduct investigation. Money  
28.10 received by the commissioner under this paragraph is appropriated to the commissioner for  
28.11 purposes of this paragraph.

28.12 (d) The commissioner may assess or establish and collect premiums from all state entities  
28.13 to cover the costs of programs under ~~sections~~ section 15.46 and 176.603.

28.14 Sec. 4. Minnesota Statutes 2024, section 43A.04, subdivision 4, is amended to read:

28.15 Subd. 4. **Administrative procedures.** The commissioner shall develop administrative  
28.16 procedures, which are not subject to the rulemaking provisions of the Administrative  
28.17 Procedure Act, to effect provisions of chapter 43A which do not directly affect the rights  
28.18 of or processes available to the general public. The commissioner may also adopt  
28.19 administrative procedures, not subject to the Administrative Procedure Act, which concern  
28.20 topics affecting the general public if those procedures concern only the internal management  
28.21 of the department or other agencies and if those elements of the topics which affect the  
28.22 general public are the subject of department rules.

28.23 Administrative procedures shall be reproduced and made available for comment in  
28.24 accessible digital formats under section 16E.03 to agencies, employees, and appropriate  
28.25 exclusive representatives certified pursuant to sections 179A.01 to 179A.25, for at least 15  
28.26 days prior to implementation and shall include but are not limited to:

28.27 (1) maintenance and administration of a plan of classification for all positions in the  
28.28 classified service and for comparisons of unclassified positions with positions in the classified  
28.29 service;

28.30 (2) procedures for administration of collective bargaining agreements and plans  
28.31 established pursuant to section 43A.18 concerning total compensation and the terms and  
28.32 conditions of employment for employees;

29.1 (3) procedures for effecting all personnel actions internal to the state service such as  
29.2 processes and requirements for agencies to publicize job openings and consider applicants  
29.3 who ~~are referred or nominate themselves~~ apply, conduct of selection procedures limited to  
29.4 employees, noncompetitive and qualifying appointments of employees and leaves of absence;

29.5 (4) maintenance and administration of employee performance appraisal, training and  
29.6 other programs; and

29.7 (5) procedures for pilots of the reengineered employee selection process. Employment  
29.8 provisions of this chapter, associated personnel rules adopted under subdivision 3, and  
29.9 administrative procedures established under clauses (1) and (3) may be waived for the  
29.10 purposes of these pilots. The pilots may affect the rights of and processes available to  
29.11 members of the general public seeking employment in the classified service. The  
29.12 commissioner will provide public notice of any pilot directly affecting the rights of and  
29.13 processes available to the general public and make the administrative procedures available  
29.14 for comment to the general public, agencies, employees, and appropriate exclusive  
29.15 representatives certified pursuant to sections 179A.01 to 179A.25 for at least 30 days prior  
29.16 to implementation. The commissioner must publish the public notice in an accessible digital  
29.17 format under section 16E.03. The commissioner must provide a comment process that allows  
29.18 the public to submit comments through multiple formats to ensure accessibility. These  
29.19 formats must include telephone, digital content, and email.

29.20 Sec. 5. Minnesota Statutes 2024, section 43A.04, subdivision 8, is amended to read:

29.21 Subd. 8. **Donation of time.** Notwithstanding any law to the contrary, the commissioner  
29.22 shall authorize the appointing authority to permit the donation of up to eight hours of  
29.23 accumulated vacation time in each year by each employee who is a member of law  
29.24 enforcement unit number 1, 18, or 19 to their union representative for the purpose of carrying  
29.25 out the duties of office.

29.26 Sec. 6. Minnesota Statutes 2024, section 43A.05, subdivision 3, is amended to read:

29.27 Subd. 3. ~~Commissioner's~~ **Nonrepresented employees compensation plan.** The  
29.28 commissioner shall periodically develop and establish pursuant to this chapter a  
29.29 ~~commissioner's~~ nonrepresented employees compensation plan. The commissioner shall  
29.30 submit the plan to the Legislative Coordinating Commission.

30.1 Sec. 7. Minnesota Statutes 2024, section 43A.08, subdivision 1a, is amended to read:

30.2 Subd. 1a. **Additional unclassified positions.** Appointing authorities for ~~the following~~  
30.3 ~~agencies may designate additional unclassified positions according to this subdivision: the~~  
30.4 ~~Departments of Administration; Agriculture; Children, Youth, and Families; Commerce;~~  
30.5 ~~Corrections; Education; Employment and Economic Development; Explore Minnesota~~  
30.6 ~~Tourism; Management and Budget; Health; Human Rights; Human Services; Labor and~~  
30.7 ~~Industry; Natural Resources; Public Safety; Revenue; Transportation; and Veterans Affairs;~~  
30.8 ~~the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of~~  
30.9 ~~Investment; the Office of Administrative Hearings; the Department of Information~~  
30.10 ~~Technology Services; an agency, including the Offices of the Attorney General, Secretary~~  
30.11 ~~of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota~~  
30.12 ~~Office of Higher Education; the Perpich Center for Arts Education; Direct Care and~~  
30.13 ~~Treatment; the Minnesota Zoological Board; and the Office of Emergency Medical Services,~~  
30.14 may designate additional unclassified positions.

30.15 A position designated ~~by an appointing authority~~ according to this subdivision must  
30.16 meet the following standards and criteria:

30.17 (1) the designation of the position would not be contrary to other law relating specifically  
30.18 to that agency;

30.19 (2) the person occupying the position would report directly to the agency head or deputy  
30.20 agency head and would be designated as part of the agency head's management team;

30.21 (3) the duties of the position would involve significant discretion and substantial  
30.22 involvement in the development, interpretation, and implementation of agency policy;

30.23 (4) the duties of the position would not require primarily personnel, accounting, or other  
30.24 technical expertise where continuity in the position would be important;

30.25 (5) there would be a need for the person occupying the position to be accountable to,  
30.26 loyal to, and compatible with, the governor and the agency head, the employing statutory  
30.27 board or commission, or the employing constitutional officer;

30.28 (6) the position would be at the level of division or bureau director or assistant to the  
30.29 agency head; and

30.30 (7) the commissioner has approved the designation as being consistent with the standards  
30.31 and criteria in this subdivision.

31.1 Sec. 8. Minnesota Statutes 2024, section 43A.08, subdivision 4, is amended to read:

31.2 Subd. 4. **Length of service for student workers.** A person may ~~not~~ only be employed  
31.3 as a student worker in the unclassified service under subdivision 1 ~~for more than 36 months.~~  
31.4 ~~Employment at a school that a student attends is not counted for purposes of this 36-month~~  
31.5 ~~limit. Student workers in the Minnesota Department of Transportation SEEDS program~~  
31.6 ~~who are actively involved in a four-year degree program preparing for a professional career~~  
31.7 ~~job in the Minnesota Department of Transportation may be employed as a student worker~~  
31.8 ~~for up to 48 months~~ if they are enrolled in secondary, postsecondary, or graduate study.

31.9 Sec. 9. Minnesota Statutes 2024, section 43A.11, subdivision 9, is amended to read:

31.10 Subd. 9. ~~Rejection~~ Nonselection; explanation. If the appointing authority ~~rejects~~ does  
31.11 not select a member of the finalist pool who has claimed veteran's preference, the appointing  
31.12 authority shall notify the finalist in writing of the reasons for the rejection.

31.13 Sec. 10. Minnesota Statutes 2024, section 43A.121, is amended to read:

31.14 **43A.121 RANKING OF THE APPLICANT POOL.**

31.15 Applicants referred from a layoff list shall be ranked as provided in the collective  
31.16 bargaining agreement or plan established under section 43A.18, under which the layoff list  
31.17 was established. All other names in an applicant pool shall be ranked according to the  
31.18 veteran's preference provisions of section 43A.11, subdivision 7, ~~and then in descending~~  
31.19 ~~order of the number of skill matches for the vacant position.~~ If any ties in rank remain, those  
31.20 names shall appear in alphabetical order.

31.21 Sec. 11. Minnesota Statutes 2024, section 43A.15, subdivision 2, is amended to read:

31.22 Subd. 2. **Emergency appointments.** An appointing authority may make an emergency  
31.23 appointment for up to ~~45~~ 90 working days. No person may be employed in any one agency  
31.24 on an emergency basis for more than ~~45~~ 90 working days in any 12-month period.

31.25 Sec. 12. Minnesota Statutes 2024, section 43A.15, subdivision 3, is amended to read:

31.26 Subd. 3. **Temporary appointments.** The commissioner may authorize an appointing  
31.27 authority to make a temporary appointment of up to ~~six months~~ one year. ~~The commissioner~~  
31.28 ~~may, in the best interest of the state, grant an extension of a temporary appointment or~~  
31.29 ~~approve a temporary appointment to fill a vacancy created by an approved leave of absence~~  
31.30 ~~to a maximum period of one year.~~ When practicable, ~~the appointing authority may search~~

32.1 ~~the employment database for qualified applicants~~ or, when necessary, the commissioner  
32.2 may authorize the appointment of any person deemed qualified by the appointing authority.

32.3 No person shall be employed on a temporary basis in any one agency for more than 12  
32.4 months in any 24-month period.

32.5 Sec. 13. Minnesota Statutes 2024, section 43A.15, subdivision 4, is amended to read:

32.6 Subd. 4. **Provisional appointments.** The commissioner may authorize an appointing  
32.7 authority to make a provisional appointment if no applicant is suitable or available for  
32.8 appointment and the person to be provisionally appointed is qualified in all respects except  
32.9 for completion of a licensure or certification requirement.

32.10 No person shall be employed on a provisional basis for more than six months unless the  
32.11 commissioner grants an extension to a maximum of 12 months in the best interest of the  
32.12 state. No extension may be granted beyond 12 months except where there is a lack of  
32.13 applicants and the provisional appointee is continuing to work to complete the licensure or  
32.14 certification requirement.

32.15 At the request of an appointing authority, the commissioner may authorize the  
32.16 probationary appointment of a provisional appointee who has performed satisfactorily ~~for~~  
32.17 ~~at least 60 days~~ and has completed the licensure or certification requirement.

32.18 Sec. 14. Minnesota Statutes 2024, section 43A.15, subdivision 7, is amended to read:

32.19 Subd. 7. **Appointments for unclassified incumbents of newly classified positions.** The  
32.20 commissioner may authorize the probationary appointment of an incumbent who has passed  
32.21 a qualifying selection process and who has served at least one year in an unclassified position  
32.22 ~~which has been placed in the classified service by proper authority.~~

32.23 Sec. 15. Minnesota Statutes 2024, section 43A.15, subdivision 12, is amended to read:

32.24 Subd. 12. ~~Work-training~~ **Trainee appointments.** The commissioner may authorize  
32.25 the probationary appointment of persons who successfully complete on-the-job state training  
32.26 programs ~~which~~ that have been approved by the commissioner.

32.27 Sec. 16. Minnesota Statutes 2024, section 43A.15, subdivision 14, is amended to read:

32.28 Subd. 14. **700-hour on-the-job demonstration experience.** (a) The commissioner shall  
32.29 consult with the Department of Employment and Economic Development's Vocational  
32.30 Rehabilitation Services and State Services for the Blind and other disability experts in



33.1 establishing, reviewing, and modifying the qualifying procedures for applicants whose  
33.2 disabilities are of such a significant nature that the applicants are unable to demonstrate  
33.3 their abilities in the selection process. The qualifying procedures must consist of up to 700  
33.4 hours of on-the-job demonstration experience. The 700-hour on-the-job demonstration  
33.5 experience is an alternative, noncompetitive hiring process for qualified applicants with  
33.6 disabilities. All permanent executive branch classified positions are eligible for a 700-hour  
33.7 on-the-job demonstration experience, and all permanent classified job postings must provide  
33.8 information regarding the on-the-job demonstration overview and certification process.

33.9 (b) The commissioner ~~may~~ shall authorize the probationary appointment of an applicant  
33.10 based on the request of the appointing authority that documents that the applicant has  
33.11 successfully demonstrated qualifications for the position through completion of an on-the-job  
33.12 demonstration experience. A qualified applicant ~~should~~ shall be converted to ~~permanent,~~  
33.13 probationary appointments at the point in the 700-hour on-the-job experience when the  
33.14 applicant has demonstrated the ability to perform the essential functions of the job with or  
33.15 without reasonable accommodation. The implementation of this subdivision may not be  
33.16 deemed a violation of chapter 43A or 363A.

33.17 (c) The commissioner and the ADA and disability employment director, described in  
33.18 section 43A.19, subdivision 1, paragraph (e), are responsible for the administration and  
33.19 oversight of the 700-hour on-the-job demonstration experience, including the establishment  
33.20 of policies and procedures, data collection and reporting requirements, and compliance.

33.21 (d) The commissioner or the commissioner's designee shall design and implement a  
33.22 training curriculum for the 700-hour on-the-job demonstration experience. All executive  
33.23 leaders, managers, supervisors, human resources professionals, affirmative action officers,  
33.24 and ADA coordinators must receive annual training on the program.

33.25 (e) The commissioner or the commissioner's designee shall develop, administer, and  
33.26 make public a formal grievance process for individuals in the 700-hour on-the-job  
33.27 demonstration experience under this subdivision and ~~supported work~~ customized employment  
33.28 program under section 43A.421, subdivision 2.

33.29 (f) An appointing authority must make reasonable accommodations in response to a  
33.30 request from an applicant with a disability, including providing accommodations in a timely  
33.31 manner during the application and hiring process and throughout the 700-hour on-the-job  
33.32 demonstration experience. Requirements for accessibility for public records under section  
33.33 363A.42, continuing education under section 363A.43, and technology under section 16E.03,

34.1 subdivision 2, clauses (3) and (9), apply to an agency filling an appointment during the  
34.2 application and hiring process and through the on-the-job demonstration experience period.

34.3 Sec. 17. Minnesota Statutes 2024, section 43A.17, subdivision 5, is amended to read:

34.4 Subd. 5. **Salary on demotion; special cases.** The commissioner may, upon request of  
34.5 an appointing authority, approve payment of an employee with permanent status at a salary  
34.6 rate above the maximum of the class to which the employee is demoted. The commissioner  
34.7 shall take such action as required by collective bargaining agreements or plans pursuant to  
34.8 section 43A.18. If the action is justified by the employee's long or outstanding service,  
34.9 exceptional or technical qualifications, ~~age, health,~~ or substantial changes in work assignment  
34.10 beyond the control of the employee, the commissioner may approve a rate up to and including  
34.11 the employee's salary immediately prior to demotion. Thereafter, so long as the employee  
34.12 remains in the same position, the employee shall not be eligible to receive any increase in  
34.13 salary until the employee's salary is within the range of the class to which the employee's  
34.14 position is allocated unless such increases are specifically provided in collective bargaining  
34.15 agreements or plans pursuant to section 43A.18.

34.16 Sec. 18. Minnesota Statutes 2024, section 43A.181, subdivision 1, is amended to read:

34.17 Subdivision 1. **Donation of vacation time.** A state employee may donate up to 12 hours  
34.18 of accrued vacation time in any fiscal year to the account established by subdivision 2 for  
34.19 the benefit of another state employee. ~~The employee must notify the employee's agency  
34.20 head of the amount of accrued vacation time the employee wishes to donate and the name  
34.21 of the other state employee who is to benefit from the donation. The agency head shall  
34.22 determine the monetary value of the donated time, using the gross salary of the employee  
34.23 making the donation. The agency head shall transfer that amount, less deductions for  
34.24 applicable taxes and retirement contributions, to the account established by subdivision 2.~~  
34.25 A donation of accrued vacation time is irrevocable once its monetary value has been  
34.26 transferred to the account.

34.27 Sec. 19. Minnesota Statutes 2024, section 43A.1815, is amended to read:

34.28 **43A.1815 VACATION DONATION TO SICK LEAVE ACCOUNT.**

34.29 (a) In addition to donations under section 43A.181, a state employee may donate a total  
34.30 of up to 40 hours of accrued vacation leave each fiscal year to the sick leave account of one  
34.31 or more state employees. A state employee may not be paid for more than 80 hours in a

35.1 payroll period during which the employee uses sick leave credited to the employee's account  
35.2 as a result of a transfer from another state employee's vacation account.

35.3 (b) At retirement, eligible state employees may donate additional accumulated vacation  
35.4 hours in excess of their vacation payout at time of retirement, into a general pool, even if  
35.5 they already have donated 40 hours.

35.6 ~~(b)~~ (c) The recipient employee must receive donations, as available, for a life-threatening  
35.7 condition of the employee or spouse or dependent child that prevents the employee from  
35.8 working. A recipient may use program donations retroactively to when all forms of paid  
35.9 leave are exhausted if the employee has sufficient donations to cover the period of  
35.10 retroactivity. A recipient who receives program donations under this section may use up to  
35.11 80 hours of program donations after the death of a spouse or dependent child.

35.12 ~~(e)~~ (d) An applicant for benefits under this section who receives an unfavorable  
35.13 determination may select a designee to consult with the commissioner or commissioner's  
35.14 designee on the reasons for the determination.

35.15 ~~(d)~~ (e) The commissioner shall establish procedures under section 43A.04, subdivision  
35.16 4, for eligibility, duration of need based on individual cases, monitoring and evaluation of  
35.17 individual eligibility status, and other topics related to administration of this program.

35.18 Sec. 20. Minnesota Statutes 2024, section 43A.19, subdivision 1, is amended to read:

35.19 Subdivision 1. **Statewide affirmative action program.** (a) To assure that positions in  
35.20 the executive branch of the civil service are equally accessible to all qualified persons, and  
35.21 to eliminate the effects of past and present discrimination, intended or unintended, on the  
35.22 basis of protected group status, the commissioner shall adopt and periodically revise, if  
35.23 necessary, a statewide affirmative action program. The statewide affirmative action program  
35.24 must consist of at least the following:

35.25 (1) objectives, goals, and policies;

35.26 (2) procedures, standards, and assumptions to be used by agencies in the preparation of  
35.27 agency affirmative action plans, including methods by which goals and timetables are  
35.28 established;

35.29 (3) the analysis of separation patterns to determine the impact on protected group  
35.30 members; and

35.31 (4) requirements for annual objectives and submission of affirmative action progress  
35.32 reports from heads of agencies.

36.1 Agency heads must report the data in clause (3) to the state Director of ~~Recruitment,~~  
36.2 ~~Retention~~ and Affirmative Action and the state ADA coordinator, in addition to being  
36.3 available to anyone upon request. The commissioner must annually post the aggregate and  
36.4 agency-level reports under clause (4) on the agency's website.

36.5 (b) The commissioner shall establish statewide affirmative action goals for each of the  
36.6 federal Equal Employment Opportunity (EEO) occupational categories applicable to state  
36.7 employment, using at least the following factors:

36.8 (1) the percentage of members of each protected class in the recruiting area population  
36.9 who have the necessary skills; and

36.10 (2) the availability for promotion or transfer of current employees who are members of  
36.11 protected classes.

36.12 (c) The commissioner may use any of the following factors in addition to the factors  
36.13 required under paragraph (b):

36.14 (1) the extent of unemployment of members of protected classes in the recruiting area  
36.15 population;

36.16 (2) the existence of training programs in needed skill areas offered by employing agencies  
36.17 and other institutions; and

36.18 (3) the expected number of available positions to be filled.

36.19 (d) The commissioner shall designate a state director of diversity and equal employment  
36.20 opportunity who may be delegated the preparation, revision, implementation, and  
36.21 administration of the program. The commissioner of management and budget may place  
36.22 the director's position in the unclassified service if the position meets the criteria established  
36.23 in section 43A.08, subdivision 1a.

36.24 (e) The commissioner shall designate a statewide ADA and disability employment  
36.25 director. The commissioner may delegate the preparation, revision, implementation,  
36.26 evaluation, and administration of the program to the director. The director must administer  
36.27 the 700-hour on-the-job demonstration experience under the ~~supported work~~ customized  
36.28 employment program and disabled veteran's employment programs. The ADA and disability  
36.29 employment director shall have education, knowledge, and skills in disability policy,  
36.30 employment, and the ADA. The commissioner may place the director's position in the  
36.31 unclassified service if the position meets the criteria established in section 43A.08,  
36.32 subdivision 1a.

37.1 (f) Agency affirmative action plans, including reports and progress, must be posted on  
37.2 the agency's public and internal websites within 30 days of being approved. The  
37.3 commissioner of management and budget shall post a link to all executive branch  
37.4 agency-approved affirmative action plans on its public website. Accessible copies of the  
37.5 affirmative action plan must be available to all employees and members of the general public  
37.6 upon request.

37.7 Sec. 21. Minnesota Statutes 2024, section 43A.23, subdivision 1, is amended to read:

37.8 Subdivision 1. **General.** (a) The commissioner is authorized to request proposals or to  
37.9 negotiate and to enter into contracts with parties which in the judgment of the commissioner  
37.10 are best qualified to provide service to the benefit plans. Contracts entered into are not  
37.11 subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate  
37.12 premium rates and coverage. The commissioner shall consider the cost of the plans,  
37.13 conversion options relating to the contracts, service capabilities, character, financial position,  
37.14 and reputation of the carriers, and any other factors ~~which~~ that the commissioner deems  
37.15 appropriate. Each benefit contract must be for a uniform term of at least one year, but may  
37.16 be made automatically renewable from term to term in the absence of notice of termination  
37.17 by either party. A carrier licensed under chapter 62A is exempt from the taxes imposed by  
37.18 chapter 297I on premiums paid to it by the state.

37.19 (b) All self-insured hospital and medical service products must comply with coverage  
37.20 mandates, data reporting, and consumer protection requirements applicable to the licensed  
37.21 carrier administering the product, had the product been insured, including chapters 62J,  
37.22 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or  
37.23 provide different levels of coverage between network and nonnetwork providers shall comply  
37.24 with section 62D.123 and geographic access standards for health maintenance organizations  
37.25 adopted by the commissioner of health in rule under chapter 62D.

37.26 (c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered  
37.27 under sections 43A.22 to 43A.30 is required to extend dependent coverage to an eligible  
37.28 employee's child to the full extent required under chapters 62A and 62L. Dependent child  
37.29 coverage must, at a minimum, extend to an eligible employee's dependent child to the  
37.30 limiting age as defined in section 62Q.01, subdivision 2a, disabled children to the extent  
37.31 required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required  
37.32 in sections 62A.042 and 62A.302.

37.33 (d) Beginning January 1, 2010, the health insurance benefit plans offered in the  
37.34 ~~commissioner's~~ nonrepresented employees compensation plan under section 43A.18,

38.1 subdivision 2, and the managerial plan under section 43A.18, subdivision 3, must include  
38.2 an option for a health plan that is compatible with the definition of a high-deductible health  
38.3 plan in section 223 of the United States Internal Revenue Code.

38.4 Sec. 22. Minnesota Statutes 2024, section 43A.23, subdivision 2, is amended to read:

38.5 Subd. 2. **Contract to contain statement of benefits.** (a) Each contract under sections  
38.6 43A.22 to 43A.30 shall contain a detailed statement of benefits offered and shall include  
38.7 any maximums, limitations, exclusions, and other definitions of benefits the commissioner  
38.8 deems necessary or desirable. Each hospital and medical benefits contract shall provide  
38.9 benefits at least equal to those required by section 62E.06, subdivision 2.

38.10 (b) All summaries of benefits describing the hospital and medical service benefits offered  
38.11 to state employees must comply with laws and rules for content and clarity applicable to  
38.12 the licensed carrier administering the product. Referral procedures must be clearly described.  
38.13 The commissioners of commerce and health, ~~as appropriate, shall~~ may review the summaries  
38.14 of benefits, ~~whether written or electronic,~~ and advise the commissioner on any changes  
38.15 needed to ensure compliance.

38.16 Sec. 23. Minnesota Statutes 2024, section 43A.24, subdivision 1a, is amended to read:

38.17 Subd. 1a. **Opt out.** (a) An individual eligible for state-paid hospital, medical, and dental  
38.18 benefits under this section has the right to decline those benefits, provided the individual  
38.19 declining the benefits can prove health insurance coverage from another source. Any  
38.20 individual declining benefits must do so in writing, signed and dated, on a form provided  
38.21 by the commissioner.

38.22 (b) The commissioner must create, and make available in hard copy and online a form  
38.23 for individuals to use in declining state-paid hospital, medical, and dental benefits. The form  
38.24 must, at a minimum, include notice to the declining individual of the next available  
38.25 opportunity and procedure to re-enroll in the benefits.

38.26 ~~(c) No later than January 15 of each year, the commissioner of management and budget~~  
38.27 ~~must provide a report to the chairs and ranking minority members of the legislative~~  
38.28 ~~committees with jurisdiction over state government finance on the number of employees~~  
38.29 ~~choosing to opt out of state employee group insurance coverage under this section. The~~  
38.30 ~~report must provide itemized statistics, by agency, and include the total amount of savings~~  
38.31 ~~accrued to each agency resulting from the opt-outs.~~

39.1 Sec. 24. Minnesota Statutes 2024, section 43A.24, subdivision 2, is amended to read:

39.2 Subd. 2. **Other eligible persons.** The following persons are eligible for state paid life  
39.3 insurance and hospital, medical, and dental benefits as determined in applicable collective  
39.4 bargaining agreements or by the commissioner or by plans pursuant to section 43A.18,  
39.5 subdivision 6, ~~or by the Board of Regents for employees of the University of Minnesota~~  
39.6 ~~not covered by collective bargaining agreements.~~ Coverages made available, including  
39.7 optional coverages, are as contained in the plan established pursuant to section 43A.18,  
39.8 subdivision 2:

39.9 (1) a member of the state legislature, provided that changes in benefits resulting in  
39.10 increased costs to the state shall not be effective until expiration of the term of the members  
39.11 of the existing house of representatives. An eligible member of the state legislature may  
39.12 decline to be enrolled for state paid coverages by filing a written waiver with the  
39.13 commissioner. The waiver shall not prohibit the member from enrolling the member or  
39.14 dependents for optional coverages, without cost to the state, as provided for in section  
39.15 43A.26. A member of the state legislature who returns from a leave of absence to a position  
39.16 previously occupied in the civil service shall be eligible to receive the life insurance and  
39.17 hospital, medical, and dental benefits to which the position is entitled;

39.18 (2) an employee of the legislature or an employee of a permanent study or interim  
39.19 committee or commission or a state employee on leave of absence to work for the legislature,  
39.20 during a regular or special legislative session, as determined by the Legislative Coordinating  
39.21 Commission;

39.22 (3) a judge of the appellate courts or an officer or employee of these courts; a judge of  
39.23 the district court, a judge of county court, or a judge of county municipal court; a district  
39.24 court referee, judicial officer, court reporter, or law clerk; a district administrator; an  
39.25 employee of the Office of the District Administrator that is not in the Second or Fourth  
39.26 Judicial District; a court administrator or employee of the court administrator in a judicial  
39.27 district under section 480.181, subdivision 1, paragraph (b), and a guardian ad litem program  
39.28 employee;

39.29 (4) a salaried employee of the Public Employees Retirement Association;

39.30 (5) a full-time military or civilian officer or employee in the unclassified service of the  
39.31 Department of Military Affairs whose salary is paid from state funds;

39.32 (6) an employee of the Minnesota Historical Society, whether paid from state funds or  
39.33 otherwise, who is not a member of the governing board;

40.1 ~~(7) an employee of the regents of the University of Minnesota;~~

40.2 ~~(8)~~ (7) notwithstanding section 43A.27, subdivision 3, an employee of the state of  
40.3 Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65  
40.4 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance  
40.5 and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service  
40.6 and retires, earlier than required, within 60 days of March 23, 1982; or an employee who  
40.7 is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state  
40.8 service and retires, earlier than required, from employment at Rochester state hospital after  
40.9 July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982,  
40.10 and is covered by the Minnesota State Retirement System correctional employee retirement  
40.11 plan or the State Patrol retirement fund, who has at least 20 years of state service and retires,  
40.12 earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person  
40.13 retires when the person terminates active employment in state or University of Minnesota  
40.14 service and applies for a retirement annuity. Eligibility shall cease when the retired employee  
40.15 attains the age of 65, or when the employee chooses not to receive the annuity that the  
40.16 employee has applied for. The retired employee shall be eligible for coverages to which the  
40.17 employee was entitled at the time of retirement, subject to any changes in coverage through  
40.18 collective bargaining or plans established pursuant to section 43A.18, for employees in  
40.19 positions equivalent to that from which retired, provided that the retired employee shall not  
40.20 be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health  
40.21 insurance benefits provided through the federally sponsored Medicare program;

40.22 ~~(9)~~ (8) an employee of an agency of the state of Minnesota identified through the process  
40.23 provided in this paragraph who is eligible to retire prior to age 65. The commissioner and  
40.24 the exclusive representative of state employees shall enter into agreements under section  
40.25 179A.22 to identify employees whose positions are in programs that are being permanently  
40.26 eliminated or reduced due to federal or state policies or practices. Failure to reach agreement  
40.27 identifying these employees is not subject to impasse procedures provided in chapter 179A.  
40.28 The commissioner must prepare a plan identifying eligible employees not covered by a  
40.29 collective bargaining agreement in accordance with the process outlined in section 43A.18,  
40.30 subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person  
40.31 terminates active employment in state service and applies for a retirement annuity. Eligibility  
40.32 ends as provided in the agreement or plan, but must cease at the end of the month in which  
40.33 the retired employee chooses not to receive an annuity, or the employee is eligible for  
40.34 employer-paid health insurance from a new employer. The retired employees shall be eligible  
40.35 for coverages to which they were entitled at the time of retirement, subject to any changes



41.1 in coverage through collective bargaining or plans established under section 43A.18 for  
 41.2 employees in positions equivalent to that from which they retired, provided that the retired  
 41.3 employees shall not be eligible for state-paid life insurance;

41.4 ~~(10)~~ (9) employees of the state Board of Public Defense, with eligibility determined by  
 41.5 the state Board of Public Defense in consultation with the commissioner of management  
 41.6 and budget; and

41.7 ~~(11)~~ (10) employees of supporting organizations of Enterprise Minnesota, Inc., established  
 41.8 after July 1, 2003, under section 116O.05, subdivision 4, as paid for by the supporting  
 41.9 organization.

41.10 Sec. 25. Minnesota Statutes 2024, section 43A.27, subdivision 2, is amended to read:

41.11 Subd. 2. **Elective eligibility.** The following persons, if not otherwise covered by section  
 41.12 43A.24, may elect coverage for themselves or their dependents at their own expense:

41.13 (1) a state employee, including persons on layoff from a civil service position as provided  
 41.14 in collective bargaining agreements or a plan established pursuant to section 43A.18;

41.15 ~~(2) an employee of the Board of Regents of the University of Minnesota, including~~  
 41.16 ~~persons on layoff, as provided in collective bargaining agreements or by the Board of~~  
 41.17 ~~Regents;~~

41.18 ~~(3)~~ (2) an officer or employee of the State Agricultural Society, Center for Rural Policy  
 41.19 and Development, Agricultural Utilization Research Institute, State Horticultural Society,  
 41.20 Sibley House Association, Minnesota Humanities Center, Minnesota Area Industry Labor  
 41.21 Management Councils, Minnesota International Center, Minnesota Academy of Science,  
 41.22 Science Museum of Minnesota, Minnesota Safety Council, state Office of Disabled American  
 41.23 Veterans, state Office of the American Legion and its auxiliary, state Office of Veterans of  
 41.24 Foreign Wars and its auxiliary, or state Office of the Military Order of the Purple Heart;

41.25 ~~(4)~~ (3) a civilian employee of the adjutant general who is paid from federal funds and  
 41.26 who is not eligible for benefits from any federal civilian employee group life insurance or  
 41.27 health benefits program;

41.28 ~~(5)~~ (4) an officer or employee of the ~~State Capitol~~ Affinity Plus Federal Credit Union  
 41.29 ~~or the Highway Credit Union;~~ and

41.30 ~~(6)~~ (5) an employee of the joint underwriting association pursuant to section 62I.121 or  
 41.31 Minnesota FAIR plan pursuant to section 65A.35, subdivision 5, unless the commissioner  
 41.32 determines that making these employees eligible to purchase this coverage would cause the

42.1 state employee group insurance program to lose its status as a governmental plan or would  
42.2 cause the program to be treated as a multiemployer welfare arrangement.

42.3 Sec. 26. Minnesota Statutes 2024, section 43A.33, subdivision 3, is amended to read:

42.4 Subd. 3. **Procedures.** (a) Procedures for discipline and discharge of employees covered  
42.5 by collective bargaining agreements shall be governed by the agreements. Procedures for  
42.6 employees not covered by a collective bargaining agreement shall be governed by this  
42.7 subdivision and by the commissioner's and managerial plans.

42.8 (b) For discharge, suspension without pay or demotion, no later than the effective date  
42.9 of such action, a permanent classified employee not covered by a collective bargaining  
42.10 agreement shall be given written notice by the appointing authority. The content of that  
42.11 notice as well as the employee's right to reply to the appointing authority shall be as  
42.12 prescribed in the grievance procedure contained in the applicable plan established pursuant  
42.13 to section 43A.18. The notice shall also include a statement that the employee may elect to  
42.14 appeal the action to the Bureau of Mediation Services within 30 calendar days following  
42.15 the effective date of the disciplinary action. A copy of the notice and the employee's reply,  
42.16 if any, shall be filed by the appointing authority with the commissioner no later than ten  
42.17 calendar days following the effective date of the disciplinary action. The commissioner  
42.18 shall have final authority to decide whether the appointing authority shall settle the dispute  
42.19 prior to the hearing provided under this subdivision 4.

42.20 (c) For discharge, suspension, or demotion of an employee serving an initial probationary  
42.21 period, and for noncertification in any subsequent probationary period, grievance procedures  
42.22 shall be as provided in the plan established pursuant to section 43A.18.

42.23 (d) Within ten days of receipt of the employee's written notice of appeal, the commissioner  
42.24 of the Bureau of Mediation Services shall provide both parties with a list of potential  
42.25 arbitrators according to the rules of the Bureau of Mediation Services to hear the appeal.  
42.26 The process of selecting the arbitrator from the list shall be determined by the plan. The  
42.27 hearing shall be conducted pursuant to the rules of the Bureau of Mediation Services. If the  
42.28 arbitrator finds, based on the hearing record, that the action appealed was not taken by the  
42.29 appointing authority for just cause, the employee shall be reinstated to the position, or an  
42.30 equal position in another division within the same agency, without loss of pay. If the arbitrator  
42.31 finds that there exists sufficient grounds for institution of the appointing authority's action  
42.32 but the hearing record establishes extenuating circumstances, the arbitrator may reinstate  
42.33 the employee, with full, partial, or no pay, or may modify the appointing authority's action.

43.1 The appointing authority shall bear the costs of the arbitrator for hearings provided for in  
43.2 this section.

43.3 Sec. 27. Minnesota Statutes 2024, section 43A.346, subdivision 2, is amended to read:

43.4 Subd. 2. **Eligibility.** (a) This section applies to a terminated state employee who:

43.5 (1) for at least the five years immediately preceding separation under ~~clause~~ clauses (2)  
43.6 and (3), was regularly scheduled to work 1,044 or more hours per year in a position covered  
43.7 by a pension plan administered by the Minnesota State Retirement System or the Public  
43.8 Employees Retirement Association;

43.9 (2) terminated state or Metropolitan Council employment;

43.10 (3) at the time of termination under clause (2), met the age and service requirements  
43.11 necessary to receive an unreduced retirement annuity from the plan and satisfied requirements  
43.12 for the commencement of the retirement annuity or, for a terminated employee under the  
43.13 unclassified employees retirement plan, met the age and service requirements necessary to  
43.14 receive an unreduced retirement annuity from the plan and satisfied requirements for the  
43.15 commencement of the retirement annuity or elected a lump-sum payment; and

43.16 (4) agrees to accept a postretirement option position with the same or a different  
43.17 appointing authority, working a reduced schedule that is both (i) a reduction of at least 25  
43.18 percent from the employee's number of previously regularly scheduled work hours; and (ii)  
43.19 1,044 hours or less in state or Metropolitan Council service.

43.20 (b) For purposes of this section, an unreduced retirement annuity includes a retirement  
43.21 annuity computed under a provision of law which permits retirement, without application  
43.22 of an earlier retirement reduction factor, whenever age plus years of allowable service total  
43.23 at least 90.

43.24 (c) For purposes of this section, as it applies to state employees who are members of the  
43.25 Public Employees Retirement Association who are at least age 62, the length of separation  
43.26 requirement and termination of service requirement prohibiting return to work agreements  
43.27 under section 353.01, subdivisions 11a and 28, are not applicable.

43.28 Sec. 28. Minnesota Statutes 2024, section 43A.346, subdivision 6, is amended to read:

43.29 Subd. 6. **Duration.** Postretirement option employment is for an initial period not to  
43.30 exceed one year. During that period, the appointing authority may not modify the conditions  
43.31 of employment specified in the written offer without the person's consent, except as required  
43.32 by law or by the collective bargaining agreement or compensation plan applicable to the

44.1 person. At the end of the initial period, the appointing authority has sole discretion to  
44.2 determine if the offer of a postretirement option position will be renewed, renewed with  
44.3 modifications, or terminated. Postretirement option employment may be renewed for periods  
44.4 of up to one year, not to exceed a total duration of five years. No person may be employed  
44.5 in one or a combination of postretirement option positions under this section for a total of  
44.6 more than five years.

44.7 Sec. 29. Minnesota Statutes 2024, section 43A.36, subdivision 1, is amended to read:

44.8 Subdivision 1. **Cooperation; state agencies.** (a) The commissioner may delegate  
44.9 administrative functions associated with the duties of the commissioner to appointing  
44.10 authorities who have the capability to perform such functions when the commissioner  
44.11 determines that it is in the best interests of the state civil service. The commissioner shall  
44.12 consult with agencies and agencies shall cooperate as appropriate in implementation of this  
44.13 chapter.

44.14 (b) The commissioner, in conjunction with appointing authorities, shall analyze and  
44.15 assess current and future human resource requirements of the civil service and coordinate  
44.16 personnel actions throughout the civil service to meet the requirements. The commissioner  
44.17 shall provide recruiting assistance and make the applicant database available to appointing  
44.18 authorities to use in making appointments to positions in the unclassified service.

44.19 (c) The head of each agency in the executive branch shall designate an agency personnel  
44.20 officer. The agency personnel officer shall be accountable to the agency head for all personnel  
44.21 functions prescribed by laws, rules, collective bargaining agreements, the commissioner  
44.22 and the agency head. Except when otherwise prescribed by the agency head in a specific  
44.23 instance, the personnel officer shall be assumed to be the authority accountable to the agency  
44.24 head over any other officer or employee in the agency for personnel functions.

44.25 (d) The head of each agency in the executive branch shall designate an affirmative action  
44.26 officer who shall have primary responsibility for the administration of the agency's  
44.27 affirmative action plan. The officer shall report directly to the head of the agency on  
44.28 affirmative action matters.

44.29 (e) Pursuant to section 43A.431, the head of each agency in the executive branch shall  
44.30 designate an ADA coordinator who shall have primary responsibility for the administration  
44.31 of ADA policies, procedures, trainings, requests, and arbitration. The coordinator shall  
44.32 report directly to the ~~commissioner~~ agency head.

45.1 Sec. 30. Minnesota Statutes 2024, section 43A.421, is amended to read:

45.2 **43A.421 ~~SUPPORTED WORK~~ CUSTOMIZED EMPLOYMENT PROGRAM.**

45.3 Subdivision 1. **Program established.** ~~Active positions within agencies of state~~  
45.4 ~~government may be selected for inclusion for a supported work program for persons with~~  
45.5 ~~significant disabilities. A full-time position may be shared by up to three persons with~~  
45.6 ~~significant disabilities and their job coach. The job coach is not a state employee within the~~  
45.7 ~~scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach~~  
45.8 ~~holds another position within the scope of section 43A.02, subdivision 21, or 179A.03,~~  
45.9 ~~subdivision 14. All classified supported work job postings need to link to the overview and~~  
45.10 ~~application process for the supported work program. The commissioner is responsible for~~  
45.11 ~~the establishment, administration, and oversight of a program providing customized~~  
45.12 ~~employment opportunities for individuals with significant disabilities as defined in United~~  
45.13 ~~States Code, title 29, section 705(21). Employees in the customized employment program~~  
45.14 ~~are appointed to a customized employment position by matching the skills offered by eligible~~  
45.15 ~~individuals to specific tasks and projects within agencies, rather than to an existing job~~  
45.16 ~~classification. When job coach services are necessary for the individuals employed through~~  
45.17 ~~this program, the job coach is not a state employee within the scope of section 43A.02,~~  
45.18 ~~subdivision 21, or 179A.03, subdivision 14, unless the job coach holds another position~~  
45.19 ~~within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14.~~

45.20 Subd. 2. **~~Responsibilities~~ Customized employment.** (a) The commissioner is responsible  
45.21 for the administration and oversight of the ~~supported work~~ customized employment program,  
45.22 including the establishment of policies and procedures, eligibility, data collection and  
45.23 reporting requirements, and compliance.

45.24 (b) The commissioner or the commissioner's designee shall design and implement a  
45.25 training curriculum for the ~~supported work~~ customized employment program. All executive  
45.26 leaders, managers, supervisors, human resources professionals, affirmative action officers,  
45.27 and Americans with Disabilities Act coordinators must receive ~~annual~~ training regarding  
45.28 the program.

45.29 (c) The commissioner or the commissioner's designee shall develop, administer, and  
45.30 make public a formal grievance process for individuals in the program.

45.31 Sec. 31. **REPEALER.**

45.32 Minnesota Statutes 2024, sections 43A.315; 43A.317, subdivisions 1, 2, 3, 5, 6, 7, 8, 9,  
45.33 10, and 12; and 43A.318, subdivisions 1, 2, 4, and 5, are repealed."

46.1 Delete the title and insert:

46.2 "A bill for an act

46.3 relating to state government; designating state symbols; modifying policy pertaining  
46.4 to the legislative auditor; modifying certain data practices appeals; allowing  
46.5 payment withholding if credible allegation of fraud; authorizing sharing of data  
46.6 regarding fraud in public programs; establishing a program to encourage innovation  
46.7 and cost savings; modifying a reporting date; modifying requirements for state  
46.8 contracts; renaming the Office of Administrative Hearings; providing opportunity  
46.9 for remand; modifying eligibility for state employee group insurance; expanding  
46.10 whistleblower protections for public employees; increasing a threshold for  
46.11 municipal liquor store financial statements; repealing legislative commissions;  
46.12 updating state personnel management provisions; amending Minnesota Statutes  
46.13 2024, sections 3.303, subdivision 3; 3.305, subdivisions 1, 9; 3.971, subdivisions  
46.14 2, 8a, 9; 11A.24, by adding a subdivision; 13.04, subdivision 4; 14.48, subdivisions  
46.15 1, 2; 14.62, subdivisions 1, 2a, by adding a subdivision; 15A.082, subdivisions 3,  
46.16 7; 16A.28, subdivision 3; 16B.055, subdivision 1; 16B.335, subdivision 2; 16B.48,  
46.17 subdivision 4; 16B.54, subdivision 2; 16B.98, subdivisions 4, 5; 16C.05, by adding  
46.18 a subdivision; 16C.137, subdivision 2; 16C.16, subdivisions 6, 6a, 7; 16D.09,  
46.19 subdivision 1; 43A.01, subdivision 3; 43A.02, subdivision 14; 43A.04, subdivisions  
46.20 1, 4, 8; 43A.05, subdivision 3; 43A.08, subdivisions 1a, 4; 43A.11, subdivision 9;  
46.21 43A.121; 43A.15, subdivisions 2, 3, 4, 7, 12, 14; 43A.17, subdivision 5; 43A.181,  
46.22 subdivision 1; 43A.1815; 43A.19, subdivision 1; 43A.23, subdivisions 1, 2; 43A.24,  
46.23 subdivisions 1a, 2; 43A.27, subdivisions 2, 3; 43A.33, subdivision 3; 43A.346,  
46.24 subdivisions 2, 6; 43A.36, subdivision 1; 43A.421; 151.741, subdivision 5; 181.931,  
46.25 by adding subdivisions; 181.932, subdivision 1; 471.6985, subdivision 2; proposing  
46.26 coding for new law in Minnesota Statutes, chapters 1; 13; 15; repealing Minnesota  
46.27 Statutes 2024, sections 3.8842; 3.8845; 16B.328, subdivision 2; 16B.45; 16C.36;  
46.28 43A.315; 43A.317, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 12; 43A.318, subdivisions  
46.29 1, 2, 4, 5; 211B.06; 211B.08; Laws 2019, First Special Session chapter 3, article  
46.30 2, section 34, as amended; Laws 2022, chapter 50, article 3, section 2."