

**Sec. 54. REPEALER.**

Minnesota Statutes 1990, section 103I.005, subdivision 18, is repealed.

**Sec. 55. EFFECTIVE DATE.**

Section 26, subdivision 1, paragraph (j), takes effect January 1, 1993. Section 51 is effective the day following final enactment and shall expire on June 1, 1994.

Presented to the governor June 3, 1991

Signed by the governor June 4, 1991, 9:52 p.m.

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**CHAPTER 356—S.F.No. 1535**

*An act relating to higher education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; creating the higher education board; amending Minnesota Statutes 1990, sections 15A.081, subdivision 7b; 135A.03, subdivision 3, and by adding subdivisions; 135A.05; 136.11, subdivisions 3, 5, and by adding a subdivision; 136.142, subdivision 1; 136A.04, subdivision 1; 136A.101, subdivisions 7, 8, and by adding subdivisions; 136A.121, subdivisions 6, 11, and 16; 136A.125, subdivisions 2, 3, 4, 6, and by adding a subdivision; 136A.132, subdivisions 3, 5, and 6; 136A.1352, subdivision 1; 136A.1353, subdivision 4; 136A.1355, subdivision 1; 136A.233, subdivision 3; 179A.10, subdivision 2; 298.28, subdivisions 4, 7, 10, 11, and by adding a subdivision; 299A.45, subdivision 1; 626.84, subdivision 1; and Laws 1990, chapter 591, article 3, section 10; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; 136A; 136C; 168; 298; and 626; proposing coding for new law as Minnesota Statutes, chapter 136E; repealing Minnesota Statutes, sections 136A.132; 136A.1351; and 626.86.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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**ARTICLE 1****APPROPRIATIONS****Section 1. HIGHER EDUCATION APPROPRIATIONS**

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this article. The listing of an amount under the figure "1992" or "1993" in this article indicates that the amount is appropriated to be available

New language is indicated by underline, deletions by ~~strikeout~~.

for the fiscal year ending June 30, 1992, or June 30, 1993, respectively. "The first year" is fiscal year 1992. "The second year" is fiscal year 1993. "The biennium" is fiscal years 1992 and 1993.

## SUMMARY BY FUND

	1992	1993	TOTAL
General	\$ 994,500,000	\$ 991,000,000	\$1,985,500,000

## SUMMARY BY AGENCY - ALL FUNDS

	1992	1993	TOTAL
Higher Education Coordinating Board	97,669,000	93,494,000	191,163,000
State Board for Technical Colleges	165,466,000	165,061,000	330,527,000
State Board for Community Colleges	99,486,000	100,747,000	200,233,000
State University Board	183,134,000	179,666,000	362,800,000
Board of Regents of the University of Minnesota	446,760,000	451,076,000	897,836,000
Mayo Medical Foundation	985,000	956,000	1,941,000
Higher Education Board	1,000,000	0	1,000,000

## APPROPRIATIONS

Available for the Year  
Ending June 30  
1992 1993

Sec. 2. HIGHER EDUCATION  
COORDINATING BOARD

Subdivision 1. Total Appropriation	97,669,000	93,494,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Agency Administration  
3,324,000 3,317,000

\$75,000 each year is available for grants to initiate regional coordination of telecommunications in the delivery of instructional programs. The higher education coordinating board shall award the grants to Southwest State University, St. Cloud Technical College, and the University of Minnesota at Crookston to coordinate the development and operation of a cooperative arrangement with other post-secondary institutions and school districts in its geographic region. The arrangements shall provide

for shared classes, avoidance of program duplication, facilitate transfer of credits, and other purposes. The grant recipients must match the state grant. The coordinating board shall establish procedures for the grant applications. The coordinating board shall report on the grants to the 1993 legislature and disseminate results to educational institutions.

Each public post-secondary system shall review the number of hours that faculty devote each week to student services, teaching, preparation, research, community services, and other functions. Each system shall provide the information in a coordinated format to the higher education coordinating board which shall summarize the information and review and comment on it. The coordinating board shall provide the information to the education, finance, and appropriations committees by January 15, 1993.

The higher education coordinating board shall coordinate the development and operation of a statewide post-secondary graduate follow-up reporting system that will help students and prospective students make informed educational and occupational decisions. The public post-secondary state governing boards and private post-secondary colleges and occupational and technical institutions that enroll recipients of state financial aid grants are responsible for the implementation and maintenance of the system. The coordinating board shall develop appropriate reporting procedures and mechanisms; assemble, interpret, and publish annually the information that will be provided to consumers; and develop an audit program. The system shall be based on the employment experience and further education of graduates. The system shall also include information on all

sub-baccalaureate occupational programs and all programs that lead to an occupation requiring certification, licensure, or testing for entry. The first phase of the system must include all sub-baccalaureate occupational programs.

\$58,000 in the second year is for membership in the Midwest Higher Education Compact. The appropriation for this membership is in place of the appropriation for membership in the Western Interstate Commission on Higher Education.

\$300,000 is for child care innovation grants.

**Subd. 3. Average Cost Funding Task Force**

The average cost funding task force shall review and refine uniform definitions of terms that are related to funding, including: extension, continuing education, continuous enrollment, campuses, centers, sites, on-campus, off-campus, credit, noncredit, degree and nondegree, remedial, and college level. The task force shall then examine: changes in full-year equivalent enrollment since the enactment of average cost funding; the distribution of students in credit and noncredit programs and in degree and nondegree programs; other sources of funding for students and academic programs; and the changes in enrollment and cost among the average cost funding cells. The department of finance shall assist each higher education system in implementing the definitions of enrollment so that they comply with these in making their calculations. The task force shall report its findings and recommendations to the education divisions of the appropriations and finance committees by February 1, 1992.

**Subd. 4. State Grants**

80,643,000

78,050,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

This appropriation contains money for increasing living allowances for state grants to \$3,750 for the first year and \$4,033 for the second year.

The HECB may use up to \$250,000 of the appropriation in each year to provide grants for Minnesota resident students participating in the Akita program. Grants must be awarded on the same basis as other state grants, except that the cost of attendance shall be adjusted to incorporate the state university tuition level and the Akita fee level. An individual grant must not exceed the state grant maximum award for a student at a four-year private college.

\$2,500,000 each year is for child care grants. For the biennium, the board may determine a reasonable percentage of the appropriation to be used for the administrative costs of the agency.

The HECB shall review the use of the grants to dislocated rural workers to determine whether the grants are efficiently managed, and whether they provide for educational opportunities that would not otherwise be available. The board shall report on the findings for the future of this program to the education divisions of the appropriations and finance committees by January 15, 1992.

Subd. 5. Interstate Tuition Reciprocity  
6,625,000                      5,050,000

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

Subd. 6. State Work Study  
5,869,000                      5,869,000

**Subd. 7. Income Contingent Loans**

The HECB shall administer an income contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathy programs. During the bien-nium, applicant data collected by the higher education coordinating board for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program according to Minnesota Statutes, section 136A.162.

**Subd. 8. Minitex Library Program**  
1,208,000                      1,208,000

**Subd. 9. Balances Forward**

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

**Subd. 10. Transfers**

The higher education coordinating board may transfer unencumbered balances from the appropriations in this section to the state grant appropriation and the interstate tuition reciprocity appropriation. Before the transfer, the higher education coordinating board shall consult with the chairs of the house appropriations and senate finance committees.

**Sec. 3. STATE BOARD OF TECHNICAL COLLEGES****Subdivision 1. Total  
Appropriation**

\$165,466,000      \$165,061,000

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

### Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$224,454,000 the first year and \$226,179,000 the second year.

The maximum full-year equivalent enrollment for the purpose of calculating the state share of instructional cost in the 1993 biennial budget document shall be 32,420. Any enrollment exceeding this number shall be supported by tuition revenue only.

In each year, the board may spend no more than \$34,553,000 from all sources for extension programs. The legislature intends that this money be used primarily to support occupational programs, particularly those from which credits may be transferred to continuous enrollment programs. In the next biennium, the legislature must consider the recommendation of the average cost funding task force under section 2, subdivision 3 when setting the general fund appropriation for extension. This money is intended to cover all direct and indirect costs associated with extension. The state board shall report on its fully allocated expenditures by February 1 of each year of the biennium.

The legislature intends that at least \$8,430,000 in each year be spent for instructional equipment.

\$525,000 in each year is for library development and acquisitions.

### Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$2,092,000 the first year and \$1,546,000 the second year. \* (While the governor attempted to veto the language "\$1,546,000 the second year" the attempted veto was found invalid by Ramsey County District Court. At the time of publication, that decision is being appealed.)

\$1,057,000 the first year and \$511,000 the second year are for debt service payments to school districts for technical college buildings financed with district bonds issued before January 1, 1979.

Subd. 4. Federal Funds

For fiscal year 1992, the state board shall allocate 12.75 percent of the federal funds received from the Carl D. Perkins Vocational and Applied Technology Education Act of 1990, to the state board of education for the purpose of supporting secondary vocational technical education programs and services. The state board for technical colleges and the state board of education must establish a process for allocating the Carl D. Perkins funds in future years and report that process to the education, appropriations, and finance committees. The number of students in special populations served at each education level must be considered in developing the process.

Subd. 5. State Council on Vocational Technical Education

\$99,000 in each year must be allocated by the state board to the state council on vocational education.

Subd. 6. Moorhead Technical College

Independent school district No. 152, Moorhead Technical College, may spend up to \$350,000 to construct classroom and related space for farm business, small business, and other management programs at Moorhead Technical College. The expenditure must be made entirely from local money.

Subd. 7. Northeast Metro Technical College

New language is indicated by underline, deletions by ~~strikeout~~.



Intermediate school district No. 916, Northeast Metro Technical College, may spend up to \$325,500 to construct a media center and to make electrical and mechanical renovations at Northeast Metro Technical College. The expenditure must be made entirely from local money.

**Subd. 8. Dakota County Technical College**

Intermediate school district No. 917, Dakota County Technical College, may spend up to \$399,000 to construct additional classroom and related space at Dakota County Technical College. The expenditure must be made entirely from local money.

**Subd. 9. Detroit Lakes Technical College**

The commissioner of finance shall give priority to the Detroit Lakes Technical College building project authorized by Laws 1990, chapter 610, article 1, section 2, subdivision 7.

**Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES**

Subdivision 1. Total Appropriation	99,486,000	100,747,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

**Subd. 2. Instructional Expenditures**

The legislature estimates that instructional expenditures will be \$135,188,000 the first year and \$137,864,000 the second year.

This appropriation includes \$2,771,000 the first year and \$2,704,000 the second year for increased enrollments. This is a nonrecurring appropriation and will not be included when calculating the base for the 1993-1995 biennial budget. This

appropriation is based on estimated enrollments of 34,490 in 1992 and 35,540 in 1993.

The maximum full-year equivalent enrollment for the purpose of calculating the state share of instructional cost in the 1993 biennial budget document shall be 35,540. Any enrollment exceeding this number shall be supported by tuition revenue only.

\$907,570 in each year is for library acquisitions.

The legislature intends that at least \$2,288,000 be spent each year for instructional equipment.

The community college system shall develop and implement a plan that results in equity in funding between the center at Cambridge and other colleges of similar size. This appropriation includes \$50,000 each year to begin the implementation. \* (The language "This appropriation includes \$50,000 each year to begin the implementation." was vetoed by the governor.)

#### Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$14,585,000 the first year and \$14,585,000 the second year. \* (While the governor attempted to veto the language "\$14,585,000 the second year" the attempted veto was found invalid by Ramsey County District Court. At the time of publication, that decision is being appealed.)

### Sec. 5. STATE UNIVERSITY BOARD

#### Subdivision 1. Total Appropriation

\$183,134,000    \$179,666,000

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

#### Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$250,201,000 the first year and \$248,917,000 the second year.

The legislature estimates that \$150,000 each year will be spent at Mankato State University for payment of a lease for the Warren Street Building. This is the final and nonrecurring appropriation for this purpose.

Notwithstanding Minnesota Statutes, section 136.09, subdivision 3, or other law to the contrary, during the biennium neither the state university board nor the state university campuses shall plan or develop doctoral level programs or degrees until after they have received the recommendation of the house and senate committees on education, finance, and appropriations.

The maximum full-year equivalent enrollment for the purpose of calculating the state share of instructional cost in the 1993 biennial budget document shall be 53,065. Any enrollment exceeding this number shall be supported by tuition revenue only.

\$2,613,000 in each year is for library acquisitions.

The legislature intends that at least \$6,331,000 each year be spent for instructional equipment.

#### Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$14,359,000 the first year and \$14,359,000 the second year. \* (While the governor attempted to veto the language "\$14,359,000 the second year" the attempted veto was found invalid by Ramsey County District Court. At the time of publication, that decision is being appealed.)

**Subd. 4. Campus Initiatives**

The state university board may begin implementation of its quality education plans through campus initiatives that enhance the quality of student and institutional performances. The state university board may internally allocate up to \$250,000 for the biennium to provide funding for these initiatives. The board shall evaluate the results of the initiatives and report its findings to the education divisions of the appropriations and finance committees by January 15, 1993.

**Subd. 5. St. Cloud State**

The St. Cloud State University Foundation may provide money for the design and construction of an addition to the existing business education building located on the St. Cloud State University campus. The state board shall repay the loan with interest at a rate not to exceed the rate the state would pay on its bonds issued for the same purpose.

Notwithstanding Minnesota Statutes, chapter 94, the state university board may enter into an agreement with the city of St. Cloud to exchange parcels of land. The conveyances must be made for no monetary consideration and by quitclaim deed in a form approved by the attorney general. Before the conveyances, the state university board and the city of St. Cloud shall enter an agreement on temporary easements on the parcels of land to be exchanged.

**Subd. 6. Mankato State**

The \$3,720,000 appropriated by Laws 1990, chapter 610, article 1, section 4, subdivision 3, paragraph (a), to provide for heating plant rehabilitation at Mankato State University, may be used to fund the heating plant rehabilitation at

the university for an estimated cost of \$2,220,000. The remaining \$1,500,000 of the appropriation must be used to install a campus chilled water system at the heating plant. The existing heating plant must be expanded to accommodate the rehabilitation and the chilled water system.

**Sec. 6. BOARD OF REGENTS OF  
THE UNIVERSITY OF MINNESOTA**

Subdivision 1. Total Appropriation	446,760,000	451,076,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Operations and Maintenance	365,863,000	370,179,000
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On December 1 each year the president of the University of Minnesota shall report to the senate finance and house appropriations committees and the commissioner of finance any receipts for the previous fiscal year in excess of the estimates on which these appropriations are based, the sources of these receipts, the purposes for which any excess receipts were spent, and the accounts to which the receipts were transferred. The total estimated receipts are \$134,754,000 for the first year and \$134,453,000 for the second year.

**(a) Instructional Expenditures**

The legislature estimates that instructional expenditures will be \$374,145,000 the first year and \$378,160,000 the second year.

The regular session enrollment projected for this appropriation is 32,550 full-year equivalent undergraduate students for the first year and 31,600 for the second year. For the biennium ending June 30, 1993, tuition income resulting from students in excess of the projections reduces the general fund

appropriation by a like dollar amount. The university shall submit progress reports on the attainment of the anticipated enrollments. If the university attains these enrollment goals, the calculation for the average cost funding formula must not reduce the budget base.

This appropriation includes \$25,000 for the China Center to provide student services.

The president of the University of Minnesota shall report to the education divisions of the senate finance and house appropriations committees by January 15, 1992, on the merits, feasibility, and current status of University of Minnesota undergraduate and graduate students pursuing study abroad in programs where the language of instruction is other than English. The president shall propose a timetable and funding arrangement for reaching the goal of a comparable number of Minnesota students pursuing overseas study where the language of instruction is other than English as there are foreign students studying at the University of Minnesota whose primary language is not English.

The board of regents is requested to continue the dental hygienist program at the University of Minnesota at Duluth at the current funding level until another public post-secondary board agrees to operate the program.

\$4,135,100 in each year is for library acquisitions.

The legislature intends that at least \$7,036,000 each year be spent for instructional equipment.

**(b) Noninstructional Expenditures**

The legislature estimates that nonin-

structional expenditures will be \$126,472,000 in the first year and \$126,473,000 in the second year.

Indirect cost recovery money retained during the biennium by the University of Minnesota must be used exclusively for the direct support of research or the financing of support activities directly contributing to the receipt of indirect cost recovery money. It may be used for debt retirement for research-related buildings. It may not be used for teaching or service.

The legislature anticipates that \$200,000 each year will be allocated to the Hormel Institute.

Subd. 3. Special Appropriation	85,192,000	85,192,000
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The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 1993 biennial budget document.

44,593,000	44,593,000
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This appropriation is for the Agriculture Research and Minnesota Extension Service.

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

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

(b) Health Sciences	17,392,000	17,392,000
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This appropriation is for Indigent Patients (County Papers), Rural Physicians Associates Program, Medical Research, Special Hospitals Service and Educational Offset, the Veterinary Diagnostic Laboratory, Institute for Human Genetics, and the Biomedical Engineering Center.

(c) Institute of Technology  
3,605,000                      3,605,000\*

**\* (The second appropriation of \$3,605,000 was vetoed by the governor.)**

This appropriation is for the Minnesota Mining and Mineral Resources Research Institute, the Geological Survey, Underground Space Center, Talented Youth Mathematics Program, Microelectronics and Information Science Center, and the Productivity Center.

(d) System Specials  
19,602,000                      19,602,000\*

**\* (The second appropriation of \$19,602,000 was vetoed by the governor.)**

This appropriation is for Fellowships for Minority and Disadvantaged Students, General Research, Intercollegiate Athletics, Student Loans Matching Money, Industrial Relations Education, Natural Resources Research Institute, Sea Grant College Program, Biological Process Technology Institute, Supercomputer Institute, Center for Urban and Regional Affairs, Museum of Natural History, and the Humphrey Exhibit.

This appropriation includes money to improve the programs and resources available to women and to ensure that campuses are in compliance with Title IX of the Educational Amendment Act of 1972 and Minnesota Statutes, section 126.21. The women's athletic program shall be funded by the formula allowance or a minimum of \$65,000 per cam-



pus per year. Each campus will receive the greater of the two calculations.

Of this appropriation, no less than the following amounts must be allocated to each campus:

Duluth	\$551,600	\$551,600
Morris	\$66,100	\$66,100
Crookston	\$65,000	\$65,000
Waseca	\$65,000	

Subd. 4. Base Reduction	(4,295,000)	(4,295,000)
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The appropriations in subdivision 2, paragraph (b), for noninstructional expenditures and in subdivision 3 for special appropriations shall be reduced \$4,295,000 in each year.

#### Sec. 7. MAYO MEDICAL FOUNDATION

Subdivision 1. Total Appropriation	985,000	956,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Medical School	
711,000	682,000

The state of Minnesota shall pay a capitation of \$9,875 per year for each student who is a resident of Minnesota.

This appropriation provides capitation for 20 Minnesota residents in each of the four classes at Mayo Medical School. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors as identified by the higher education coordinating board.

Subd. 3. Family Practice and Graduate Residency Program	
274,000	274,000

The state of Minnesota shall pay a capitation of \$15,222 each year for a maximum of 18 students each year.

**Sec. 8. POST-SECONDARY SYSTEMS**

In preparing budget requests for the 1993-1995 biennium, the commissioner of finance shall make the same categories of base level adjustments, when reasonable and equitable, to the budgets of higher education systems as to the budgets of state agencies. The amounts and the purposes must be delineated in the 1993 biennial budget document.

Each governing board must apply budget reductions to central administration in at least the same proportion as they apply them to instructional expenditures.

**Sec. 9. HIGHER EDUCATION BOARD**

1,000,000\*

\$1,000,000 is appropriated for the biennium to the higher education board created in article 9 of this act. The appropriation in this section is available immediately. ("1,000,000" after "HIGHER EDUCATION BOARD" in the first line of this section was vetoed by the governor.)

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**ARTICLE 2**

**COORDINATION AND QUALITY INITIATIVES**

**Section 1. [135A.052] POST-SECONDARY MISSIONS.**

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

(1) the technical college system shall offer vocational training and education to prepare students for skilled occupations that do not require a baccalaureate degree;

New language is indicated by underline, deletions by ~~strikeout~~.

(2) the community college system shall offer lower division instruction in academic programs, occupational programs in which all credits earned will be accepted for transfer to a baccalaureate degree in the same field of study, and remedial studies, for students transferring to baccalaureate institutions and for those seeking associate degrees;

(3) the state university system shall offer undergraduate and graduate instruction through the master's degree, including specialist certificates, in the liberal arts and sciences and professional education; and

(4) the University of Minnesota shall offer undergraduate, graduate, and professional instruction through the doctoral degree, and shall be the primary state supported academic agency for research and extension services.

Subd. 2. IMPLEMENTATION. Each post-secondary system shall review and redesign its programs and courses in accordance with the mission stated in subdivision 1, unless exceptional geographic or financial circumstances exist that necessitate retaining a program that is beyond a system's mission. The higher education advisory council shall review program offerings within each system to determine whether existing program offerings that are inconsistent with the stated mission have been eliminated or transferred. The council shall also review any exceptional circumstances cited as a justification for retaining programs that are beyond a system's mission.

Subd. 3. COORDINATION. The higher education coordinating board shall oversee the implementation of the transfer and elimination of programs. The board shall ensure that duplicate and inappropriate programs are identified and that changes are made in a timely manner.

#### **Sec. 2. [135A.061] INTERSYSTEM COUNCIL.**

An intersystem council is established to improve communications among post-secondary systems on relevant policy issues. The council is composed of officers or other representatives of each public post-secondary governing board and of the higher education coordinating board. The council shall determine its meeting times but shall meet at least twice each year. Members shall report on discussions and actions of the council to their respective governing boards. The council shall determine its agenda from issues that affect more than one system. These may include: transfer of credit, efficiency of campus and system operations, duplication of programs and courses, mission delineation, cooperative arrangements, academic quality initiatives, and the effects of a system's proposed plans on the other systems. The council shall notify the chairs of the education, appropriations, and finance committees of the legislature in advance of its meetings.

#### **Sec. 3. [135A.50] JOINT ADMINISTRATIVE APPOINTMENTS.**

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. APPOINTMENTS. To improve the efficient delivery of services to students and to reduce unnecessary administrative expenditures, each technical college and community college, located in the same or nearby communities, as provided in Laws 1983, chapter 258, section 64, subdivision 1, except those in which both of the cooperating institutions had a full-year equivalent enrollment or average daily membership of at least 1,600 in fiscal year 1989, must consolidate all personnel at the level of presidents, vice presidents, deans, and other managers in academic support programs in community colleges and all personnel in similar positions at technical colleges in the fiscal year immediately following the pilot programs. This consolidation of personnel is not intended to apply to instructional staff. Personnel involved in the consolidated functions are joint employees of the state board of technical colleges and the state board for community colleges.

Subd. 2. PILOT PROGRAMS. Notwithstanding any law to the contrary, the state board of technical colleges and the state board for community colleges shall implement pilot programs of administrative consolidation at two locations no later than the 1992-1993 academic year. The boards shall try to begin implementation for the 1991-1992 academic year. The boards shall seek presidents willing to allow their campuses to participate voluntarily. If no president volunteers, the boards shall jointly designate sites.

Subd. 3. PROCEDURES. The community college and technical college systems shall develop necessary plans to implement subdivision 1 at all applicable sites. The systems shall determine necessary statutory changes and changes in system procedures and rules, analyze particular problems that develop during the pilot projects, and shall estimate the cost savings that the administrative consolidations will produce annually. As part of the plan, the systems shall report their progress in developing the plans by February 1, 1992.

Sec. 4. Minnesota Statutes 1990, section 136A.04, subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall:

(1) continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state;

(2) continuously engage in long-range planning for the needs of higher education and, if necessary, cooperatively engage in planning with neighboring states and agencies of the federal government;

(3) act as successor to any committee or commission previously authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(4) review, approve or disapprove, ~~make recommendations~~, and identify priorities with respect to all proposals for new, additional, or changes in existing

New language is indicated by underline, deletions by ~~strikeout~~.

programs ~~or large-scale or permanent sites~~ of instruction to be established in or offered by public post-secondary institutions and; ~~with respect to programs only;~~ private post-secondary institutions. ~~The board shall forward its recommendations on sites to the chairs of the house appropriations and senate finance committees.~~ The board shall also periodically review existing programs and ~~recommend discontinuing or modifying any existing program.~~ For public post-secondary institutions, the board shall approve or disapprove continuation or modification of existing programs. For private post-secondary institutions, the board shall recommend continuation or modification of existing programs.

Before a public post-secondary program can be offered at a site other than that for which it was approved originally, the program must be resubmitted for approval. When reviewing a site or program, the board shall consider whether it is unnecessary, a needless duplication, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission;

(5) develop in cooperation with the post-secondary systems, house appropriations committee, senate finance committee, and the departments of administration and finance, a compatible budgetary reporting format designed to provide data of a nature to facilitate systematic review of the budget submissions of the public post-secondary institutions; which includes the relating of dollars to program output; review, approve or disapprove, and identify priorities with respect to all proposals for new, additional, or changes in existing large-scale or permanent sites of instruction to be established in or offered by public post-secondary institutions. The board shall forward its decisions on sites to the chairs of the house appropriations and senate finance committees. Private post-secondary institutions must give reasonable notice to the board prior to making binding decisions to establish a site or center, and are requested to participate in this site approval process. When reviewing a site, the board shall consider whether it is unnecessary, a needless duplication, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission;

(6) review budget requests; including plans for construction or acquisition of facilities; of the public post-secondary institutions for the purpose of relating present resources and higher educational programs to the state's present and long-range needs; and conduct a continuous analysis of the financing of post-secondary institutions and systems, including the assessments as to the extent to which the expenditures and accomplishments are consistent with legislative intent;

(7) obtain from private post-secondary institutions receiving state funds a report on their use of those funds;

~~(8) continuously monitor and study~~ (7) coordinate the development and implementation of transfer agreements by the systems that ensure the transferability of credits between Minnesota post-secondary institutions, earned for equal

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and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts; and

(9) (8) prescribe policies, procedures, and rules necessary to administer the programs under its supervision.

#### Sec. 5. [136C.71] TECHNICAL COLLEGE DISTRICTS.

Subdivision 1. ASSIGNMENT. The state board shall create at least nine but not more than 15 technical college districts. All portions of the state shall be assigned to a district by the state board, except that intermediate districts as defined in section 136C.02, school districts in cities of the first class, and school districts operating technical colleges where the college had an average daily membership in fiscal year 1989 of at least 1,500 in continuous programs, may vote to not be assigned. The state board must make the district designations by December 15, 1991.

Subd. 2. OPERATION. The formation and operation of technical college districts shall be as provided in sections 136C.60 to 136C.69.

#### Sec. 6. TASK FORCE ON POST-SECONDARY FUNDING FORMULA.

Subdivision 1. MEMBERSHIP. A task force on post-secondary funding is established. The task force shall consist of 15 members as follows: two members of the house of representatives and one citizen member to be appointed by the speaker, two members of the senate and one citizen member to be appointed by the subcommittee on committees of the committee of rules and administration, the head of each public post-secondary system, a representative of the private college council, the commissioner of finance, two citizen members to be appointed by the governor; and one student to be appointed by the student advisory council. The task force shall elect a chair and other officers as it deems necessary.

Members of the task force shall be compensated as provided in Minnesota Statutes, section 15.059, subdivision 6.

Subd. 2. CHARGE. The task force shall be charged with developing an alternative funding formula for post-secondary education. The formula shall create incentives for quality post-secondary education while maintaining access for students. The task force must develop a formula that can be funded within the projected constraints of the state budget in the coming decade.

Subd. 3. REPORT. The task force shall report its recommendations to the appropriations and finance committees of the legislature by September 1, 1992.

Subd. 4. EXPIRATION. The task force shall expire on June 30, 1993.

#### Sec. 7. QUALITY INCENTIVES.

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Subdivision 1. LEGISLATIVE INTENT. In order to encourage a better match between student abilities and needs and system mission and strengths, and to promote better opportunities for student success and enhanced instructional quality, the legislature intends to provide funding for improvements in rates of student retention, graduation, and transfer from two- to four-year systems.

Subd. 2. PROPOSALS. By September 15, 1991, each public post-secondary system shall propose to the education divisions of the appropriations and finance committees (1) mechanisms to increase its quality in these areas, and (2) methods by which the increases may be measured.

#### Sec. 8. CREDIT TRANSFER.

By September 15, 1991, the higher education advisory council shall resolve differences and inconsistencies within and among the post-secondary systems relating to educationally sound transfer of credit policies, including system policies on the award of credits, transferability of general education components, use of tests for determining credit or proficiency, development of a transfer curriculum to satisfy lower division requirements, and provision and use of appeals processes. Each system also shall review and update its existing credit transfer policy. The post-secondary systems shall devise and implement procedures for exchanging information that documents the performance and progress of individual students who transfer between systems. The legislature intends that credit transfer policies provide for the broadest and most simple mechanisms that are feasible while protecting the academic quality of institutions and programs.

#### Sec. 9. EFFECTIVE DATE.

Sections 3, 5, 7, and 8 are effective the day following final enactment.

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### ARTICLE 3

#### ENROLLMENT, FUNDING, AND MANAGEMENT

Section 1. Minnesota Statutes 1990, section 135A.03, is amended by adding a subdivision to read:

Subd. 1a. APPROPRIATIONS FOR CERTAIN ENROLLMENTS. The state share of the cost of instruction shall be 32 percent for the following categories:

(1) enrollment in credit bearing courses at an off campus site or center, except those courses at Cambridge and Fond du Lac centers; the Arrowhead and Rochester 2 + 2 programs; those offered through telecommunications; those

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offered by the technical colleges; and those offered as part of a joint degree program; and

(2) enrollment of students who are concurrently enrolled in a secondary school and for whom the institution is receiving any compensation under the post-secondary enrollment options act.

Sec. 2. Minnesota Statutes 1990, section 135A.03, subdivision 3, is amended to read:

Subd. 3. **DETERMINATION OF STUDENT ENROLLMENT.** Student enrollment shall be the full-year equivalent or average daily membership enrollment in each instructional category in the fiscal year two years before the fiscal year for which the appropriations are being made, except as provided in subdivision 3a. Student enrollment for the purpose of calculating appropriations for the second year of the biennium may be estimated on the basis of the latest enrollment data available. Student enrollment shall include students enrolled in courses that award credit or otherwise satisfy any of the requirements of an academic or vocational program.

Sec. 3. Minnesota Statutes 1990, section 135A.03, is amended by adding a subdivision to read:

Subd. 3a. EXCLUSIONS FROM ENROLLMENT. Student enrollment for the purposes of average cost funding shall not include:

(1) any undergraduate students who do not meet the residency criteria established under subdivision 7;

(2) enrollment in extension at the technical colleges; and

(3) students enrolled in recreational or leisure-time activity courses, except for those students enrolled in a degree-granting program for whom the credits would apply toward a baccalaureate degree.

Sec. 4. Minnesota Statutes 1990, section 135A.03, is amended by adding a subdivision to read:

Subd. 7. RESIDENCY RESTRICTIONS. In calculating student enrollment for appropriations, only the following may be included:

(1) students who resided in the state for at least one calendar year prior to applying for admission;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere; and

(3) residents of other states who are attending a Minnesota institution under a tuition reciprocity agreement.

Sec. 5. Minnesota Statutes 1990, section 135A.05, is amended to read:

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**135A.05 TASK FORCE.**

The executive director of the Minnesota higher education coordinating board shall administer a task force on average cost funding. The task force shall include representation from each of the public systems of post-secondary education, post-secondary students, the education division of the house appropriations committee, the education ~~subcommittee~~ division of the senate finance committee, ~~and the office of the commissioner of finance, the office of state auditor, and the uniform financial accounting and reporting advisory council.~~ The task force shall be convened and chaired by the executive director or a designee and staffed by the higher education coordinating board. The task force shall be convened at least annually. The task force shall review and make recommendations on the definition of instructional cost in all four systems, the method of calculating average cost for funding purposes, the method used to assign programs to the proper level of cost at each level of instruction, the adequacy of the accounting data for defining instructional cost in a uniform manner, and the biennial budget format to be used by the four systems in submitting their biennial budget requests. The task force shall submit a report on these matters to the legislature by December 1 of each odd-numbered year. The task force expires June 30, 1993.

**Sec. 6. [135A.131] LOCAL ASSESSMENT.**

Each public post-secondary governing board may pay when due any assessment by a local unit of government that is less than five percent of the board's appropriation for repair and replacement.

Sec. 7. Minnesota Statutes 1990, section 136.11, subdivision 3, is amended to read:

Subd. 3. **UNIVERSITY ACTIVITY FUND.** The state university board shall establish in each university a fund to be known as the university activity fund. The purpose of this fund shall be to provide for the administration of university activities designed for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings. The university activity fund shall encompass accounts for student activities, authorized university agencies, authorized auxiliary enterprises, ~~and student loans, gifts and endowments,~~ and in addition such other accounts as the board may prescribe.

Sec. 8. Minnesota Statutes 1990, section 136.11, is amended by adding a subdivision to read:

Subd. 3a. **SYSTEMWIDE ADMINISTRATIVE FUND.** The chancellor may establish a fund within the system office for systemwide management of employee retirement funds, contracts, student equipment purchases, and receipt and transfer of foreign program funds.

Sec. 9. Minnesota Statutes 1990, section 136.11, subdivision 5, is amended to read:

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Subd. 5. **ADMINISTRATION OF ACTIVITY FUND MONEYS.** The state university board independent of other authority and notwithstanding chapters 16A and 16B, shall administer the money collected for the university activities fund and the systemwide administrative fund. All university activity fund money collected shall be retained by the president of each state university to be administered under the rules of the state university board by the presidents of the respective universities subject to audit of the legislative auditor.

Sec. 10. Minnesota Statutes 1990, section 136.142, subdivision 1, is amended to read:

Subdivision 1. The state university board may receive and accept on behalf of the state and for the benefit of any state university any gift, bequest, devise, or endowment which any person, firm, corporation, or association may make to the board by will, deed, gift, or otherwise for the purpose of the university activity funds. The state university board may use any money heretofore given it or any of the universities under its jurisdiction by any person, firm, corporation, or association by will, deed, gift, devise, or endowment for the purpose of providing money for any aspect of the university activity funds, provided that such use of such money is not inconsistent with the terms and conditions under which the money was received by the board or a university under its jurisdiction. Gifts, bequests, devises, or endowments heretofore or hereafter so received are hereby appropriated to the board for the purposes stated. Gifts, bequests, devises or endowments of real property shall be reviewed by the chairs of the Minnesota house of representatives appropriations and the Minnesota senate finance committees ~~who shall give for their recommendations to the legislative advisory commission. The legislative advisory commission shall then recommend to the board about~~ whether or not the property should be accepted. ~~The recommendation of the committee shall be~~ recommendations are advisory only. Failure or refusal ~~of the commission~~ to make a recommendation promptly shall be deemed a negative recommendation. All taxes and special assessments constituting a lien on any real property received and accepted by the board under this section shall be paid in full before title is transferred to the state. All other moneys deposited in the university activity funds are hereby appropriated to the board for use in the respective universities where collected.

Sec. 11. **[136.172] LITIGATION AWARDS.**

Notwithstanding any law to the contrary, the state university board may keep money received from successful litigation by or against the board. Awards made to the state or the board resulting from litigation against or by the board must be kept by the board to the credit of the account from which the litigation was originally funded. An award that exceeds the costs incurred in the litigation shall be used by the board for repair or replacement projects. The board shall report on any awards it receives as part of its biennial budget request.

Sec. 12. **[136.653] STUDENT HOUSING MANAGEMENT.**

The state board for community colleges may contract with student housing facility owners or on-site management firms to assist in the operation, control, and management of the facility.

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Sec. 13. Laws 1990, chapter 591, article 3, section 10, is amended to read:

**Sec. 10. CONDITIONS.**

(a) The state university board, the state board for community colleges, the state board of vocational technical education, and their respective campuses must not enter into new long-term lease arrangements, significantly increase the course offerings at off-campus sites, enter any 2 + 2 arrangements, or significantly increase staffing levels for off-campus sites between the effective date of this section and the end of the ~~1990-1991~~ 1992-1993 academic year. A current long-term lease may be renewed if it expires during this period. The board of regents is requested to abide by these conditions until the end of the ~~1990-1991~~ 1992-1993 academic year.

(b) This section does not apply to actions of Metropolitan State University that are part of its plan to consolidate its sites in the seven-county metropolitan area. The state university board shall consult with the chairs of the house appropriations and senate finance committees in carrying out its plans. For purposes of this paragraph, "plan to consolidate" does not include entering into any 2 + 2 arrangements.

**Sec. 14. PROGRAM TRANSFER.**

The higher education coordinating board, in consultation with the state governing boards of the community colleges, technical colleges, and University of Minnesota, shall develop and begin to implement a plan for transferring courses and programs currently offered by the community college system in Duluth, where there is sufficient student need to warrant continuation of the course or program. Where appropriate, occupational programs shall be transferred to the technical college system; academic and remedial courses shall be transferred to the Fond du Lac center or to the continuing education and extension program at the University of Minnesota, Duluth. In developing the plan, the higher education coordinating board shall consider duplication of services, including courses provided through the Duluth school district. The board shall report the plan to the education divisions of the appropriations and finance committees by February 1, 1992.

**Sec. 15. HECB RECOMMENDATIONS TO LEGISLATURE.**

By January 15, 1993, the higher education coordinating board shall present to the education committees of the legislature recommendations for linking funding of post-secondary education systems to achievement of the system plans and missions that are required under Minnesota Statutes, section 135A.06, and to achievement by students of system and institution learner outcomes.

**Sec. 16. EFFECTIVE DATE.**

Sections 5 and 14 are effective the day following final enactment.

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## ARTICLE 4

## IRON RANGE HIGHER EDUCATION

## Section 1. [298.2214] IRON RANGE HIGHER EDUCATION.

Subdivision 1. CREATION OF COMMITTEE; PURPOSE. A committee is created to advise the commissioner of iron range resources and rehabilitation on providing higher education programs in the taconite tax relief area defined in section 273.134. The committee is subject to section 15.059.

Subd. 2. MEMBERSHIP. The members of the committee shall consist of:

- (1) one member appointed by the governor;
- (2) one member appointed by the president of the University of Minnesota;
- (3) two members appointed by the commissioner of iron range resources and rehabilitation; and
- (4) the commissioner of iron range resources and rehabilitation.

Subd. 3. ADVISORY FUNCTION. The committee shall advise the commissioner regarding development of a contract with the state university system. The contract would require the system to provide courses within the taconite tax relief area.

Subd. 4. CONTRACT. The commissioner shall prepare a contract as described in subdivision 3 and submit it to the committee for review and recommendations for approval, disapproval, or modifications. At the conclusion of the review process, the commissioner shall enter into a contract with the state university system to provide the services.

Subd. 5. HECB AND SYSTEM APPROVAL. A program may not be offered under a contract executed according to this section unless it is approved by the higher education coordinating board and the board of the system offering the program.

Sec. 2. Minnesota Statutes 1990, section 298.28, subdivision 4, is amended to read:

Subd. 4. SCHOOL DISTRICTS. (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph

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(e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, ~~and subsequent years 1990, and 1991~~, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). In 1992 and 1993, the amount distributed per ton shall be the same as that determined for distribution in 1991. In 1994, the amount distributed per ton shall be equal to the amount per ton distributed in 1991 increased in the same proportion as the increase between the fourth quarter of 1988 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. On July 15, 1995, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. Each district shall receive the product of:

(i) \$175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

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(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the north-east Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve \$25 times the number of pupil units in the district. It may use the money only for outcome-based learning programs that enhance the academic quality of the district's curriculum. The programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 3. Minnesota Statutes 1990, section 298.28, subdivision 7, is amended to read:

**Subd. 7. IRON RANGE RESOURCES AND REHABILITATION BOARD.** Three cents per taxable ton shall be paid to the iron range resources and rehabilitation board for the purposes of section 298.22. The amount determined in this subdivision shall be increased in 1981 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1, and shall be increased in 1989 ~~and subsequent years, 1990, and 1991~~ according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. In 1992 and 1993, the amount distributed per ton shall be the same as the amount distributed per ton in 1991. In 1994, the amount distributed shall be the distribution per ton for 1991 increased in the same proportion as the increase between the fourth quarter of 1988 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. That amount shall be increased in 1995 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed in 1988 shall be increased according to the increase that would have occurred in the rate of tax under section 298.24 if the rate had been adjusted according to the implicit price deflator for 1987 production. The amount distributed pursu-

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ant to this subdivision shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this subdivision may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

Sec. 4. Minnesota Statutes 1990, section 298.28, subdivision 10, is amended to read:

Subd. 10. **INCREASE.** The amounts determined under subdivisions 6, paragraph (a), and 9 shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed in 1988 shall be increased according to the increase that would have occurred in the rate of tax under section 298.24 if the rate had been adjusted according to the implicit price deflator for 1987 production. Those amounts shall be increased in 1989 ~~and subsequent years, 1990, and 1991~~ in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. In 1992 and 1993, the amounts determined under subdivisions 6, paragraph (a), and 9, shall be the distribution per ton determined for distribution in 1991. In 1994, the amounts determined under subdivisions 6, paragraph (a), and 9, shall be the distribution per ton determined for distribution in 1991 increased in the same proportion as the increase between the fourth quarter of 1988 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. Those amounts shall be increased in 1995 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

The distributions per ton determined under subdivisions 5, paragraphs (b) and (d), and 6, paragraphs (b) and (c) for distribution in 1988 and subsequent years shall be the distribution per ton determined for distribution in 1987.

Sec. 5. Minnesota Statutes 1990, section 298.28, is amended by adding a subdivision to read:

Subd. 10a. **HIGHER EDUCATION FUNDING.** In 1992 and 1993, the amount of tax attributable to the rate increase under section 298.24, subdivision 1, paragraph (b), since production year 1990, shall be paid to the commissioner of iron range resources and rehabilitation to be used to pay the cost of providing higher education services in the taconite tax relief area under the contract provided for in section 1. \* (The language of section 5 beginning "In 1992" was vetoed by the governor.)

Sec. 6. Minnesota Statutes 1990, section 298.28, subdivision 11, is amended to read:

Subd. 11. **REMAINDER.** (a) The proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in subdivisions 2 to ~~40~~ 10a, as certified by the commissioner of revenue, and paragraphs (b) and (c) have been made, together with interest earned on all money distributed under

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this section prior to distribution, shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(b) There shall be distributed to each city, town, school district, and county the amount that it received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake county and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake county and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(c) There shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22. The amount distributed under this paragraph shall be expended within or for the benefit of the tax relief area defined in section 273.134.

## ARTICLE 5

### CONSERVATION STUDY

#### Section 1. CONSERVATION AREA STUDY.

\$25,000 is appropriated from the consolidated account created under Minnesota Statutes, section 84A.51, subdivision 1, after the distribution to counties under Minnesota Statutes, section 84A.51, subdivision 3, to the commissioner of natural resources for a contract with the natural resources research institute for the study described in this section.\* (The preceding sentence beginning "\$25,000" was vetoed by the governor.) The natural resources research institute shall conduct a study of the conservation areas subject to Minnesota Statutes, chapter 84A, and address the following subjects:

- (1) land use and ownership in counties with conservation areas;
- (2) county and township services provided for utilization of conservation areas and the costs of those services;
- (3) actual utilization of conservation areas for public hunting and game management and opportunities for improvement;
- (4) forestry management of conservation areas and opportunities for improvement and joint county management;
- (5) criteria for and efficiencies of private ownership of conservation areas;

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(6) opportunities for increased revenue from conservation areas;

(7) water resource utilization and costs for conservation areas; and

(8) fiscal impacts on counties and townships resulting from conservation areas.

The natural resources research institute shall utilize existing studies and information provided by the state, counties, and other organizations. The agencies of the state and counties shall cooperate with the natural resource research institute and provide information requested to the extent possible. The natural resources research institute shall establish and consult with an advisory committee made up of residents of counties where conservation lands are located, conservation groups, and the department of natural resources. A draft report shall be prepared and submitted to the commissioner of natural resources and counties with conservation areas by December 1, 1991, for comments within 30 days after receipt. A final report shall be submitted to the legislative commission on Minnesota resources, the commissioner of natural resources, the counties with conservation lands, and the legislature by January 15, 1992.

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## ARTICLE 6

### PEACE OFFICER TRAINING

Section 1. Minnesota Statutes 1990, section 626.84, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) "Board" means the board of peace officer standards and training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol, agents of the division of gambling enforcement, and state conservation officers.

(d) "Constable" has the meaning assigned to it in section 367.40.

(e) "Deputy constable" has the meaning assigned to it in section 367.40.

(f) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active

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duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency. The limitation on the average number of hours in which the services of a part-time peace officer may be utilized shall not apply to a part-time peace officer who has formally notified the board pursuant to rules adopted by the board of the part-time peace officer's intention to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to sections 626.843, subdivision 1, clause (g), and 626.845, subdivision 1, clause (g).

(g) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer does not have full powers of arrest or authorization to carry a firearm on duty.

(h) "Law enforcement agency" means a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state.

(i) "Professional peace officer education" means a post-secondary degree program, or a nondegree program for persons who already have a college degree, that is offered by a college or university in Minnesota, designed for persons seeking licensure as a peace officer, and approved by the board.

#### Sec. 2. [626.856] SCHOOL OF LAW ENFORCEMENT.

By July 1, 1992, the state university system shall develop a school of law enforcement in the metropolitan area, as defined in section 473.121, subdivision 2, whose mission is to advance the profession of law enforcement. The school may offer professional peace officer education, graduate degree programs, and peace officer continuing education programs, and may conduct applied research.

#### Sec. 3. [626.857] ADVISORY COUNCIL.

An advisory council of no more than 12 members is established consisting of law enforcement faculty and administrators, peace officers, police chiefs, sheriffs, and citizens. The state university board, the community college board, and the technical college board shall each appoint four members. The advisory council shall meet at least once each year to advise the post-secondary systems regarding professional peace officer education. The advisory council shall include women and members of minority groups. The advisory council shall expire on June 30, 1993.

#### Sec. 4. TASK FORCE.

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Subdivision 1. CREATION. A task force is created to improve the quality and delivery of law enforcement education, and to more clearly define the mission of each post-secondary system in this delivery. The task force shall consist of a representative of the community college system, the technical college system, the state university system, private colleges offering professional peace officer education, the higher education coordinating board, and the advisory council established in section 3. The executive director of the peace officer standards and training board shall chair the task force.

Subd. 2. ACTIONS. By January 1, 1992, the task force shall develop and implement actions to:

(1) recruit and retain women and minorities in professional peace officer education;

(2) increase the amount of general education in the professional peace officer education program for associate degrees, to allow for maximum credit transfer from community colleges and technical colleges; and

(3) provide information to students enrolling in professional peace officer education concerning transferability of credits and the peace officer licensing process, and develop a form that the students must sign that acknowledges receipt of the information.

Subd. 3. PLAN FOR PILOT PROJECT. The task force shall develop a plan for a pilot project for an integrated peace officer education program in the metropolitan area to be implemented by the beginning of the 1992-1993 academic year. The pilot shall provide for the needs of students seeking associate and baccalaureate degrees. It shall include general education and integrated professional peace officer education which is appropriately managed and located. Upon appointment by the state university board, the director of the school of law enforcement shall serve as the coordinator of the pilot project and shall work with the task force in developing and implementing the pilot.

Subd. 4. REPORTS. The task force shall report on its actions and its progress in developing its plans by February 1, 1992, to the higher education policy and funding divisions of the legislature.

#### **Sec. 5. REPEALER.**

Minnesota Statutes 1990, section 626.86, is repealed.

## ARTICLE 7

## ACADEMIC EXCELLENCE SCHOLARSHIP

## Section 1. [135A.30] MINNESOTA ACADEMIC EXCELLENCE SCHOLARSHIP.

Subdivision 1. CREATION. The Minnesota academic excellence scholarship program is created to reward students who have demonstrated outstanding ability, achievement, and potential in one of the following subjects: English/creative writing, fine arts, foreign language, math, science, or social science.

Subd. 2. ELIGIBILITY. To be eligible to receive a scholarship under this section, a student must:

(1) graduate from a Minnesota public or nonpublic high school in the academic year in which the scholarship is awarded;

(2) successfully complete a college preparatory curriculum and demonstrate outstanding ability, achievement, and potential in one of the specified subjects;

(3) be admitted to enroll full time in a nonsectarian, baccalaureate degree-granting program at the University of Minnesota or at a Minnesota state university, or at a Minnesota private, baccalaureate degree-granting college or university; and

(4) pursue studies in the subject for which the award is made.

Subd. 3. SELECTION OF RECIPIENTS. The governing board of an eligible institution shall determine, in consultation with its campuses, application dates and procedures, criteria to be considered, and methods of selecting students to receive scholarships. A campus, with the approval of its governing board, may award a scholarship in any of the specified fields of study (1) in which the campus offers a program that is of the quality and rigor to meet the needs of the talented student, and (2) that is pertinent to the mission of the campus.

Subd. 4. AMOUNT OF SCHOLARSHIP. The amount of the scholarship must be (1) at public institutions, the cost of tuition and fees for full-time attendance for one academic year, or (2) at private institutions, an amount equal to the lesser of the actual tuition and fees charged by the institution or the tuition and fees in comparable public institutions. Scholarships awarded under this section must not be considered in determining a student's financial need as provided in section 136A.101, subdivision 5.

Subd. 5. RENEWALS. The scholarship shall be renewed yearly, for up to three additional academic years, if the student:

(1) maintains full-time enrollment with a grade point average of at least 3.0 on a four point scale;

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(2) pursues studies and continues to demonstrate outstanding ability, achievement, and potential in the field for which the award was made; and

(3) is achieving satisfactory progress toward a degree.

Subd. 6. NUMBER OF AWARDS. The number of scholarships awarded each year shall be determined by the amount of contributions received under subdivision 8 plus the money available in the scholarship account, as provided in section 168.129, subdivision 6, that is credited to a post-secondary institution or system through sales of its license plates. The number of new awards must be determined after subtracting the actual and projected amount necessary for renewals.

Subd. 7. DISTRIBUTION AMONG CAMPUSES. Post-secondary systems with more than one campus shall allocate at least three-fourths of the revenue available from the sale of license plates to the campuses to which the revenue is attributable. The governing board annually shall determine the distribution of the remaining portion among the campuses, after consideration of special needs or circumstances.

Subd. 8. ADDITIONAL CONTRIBUTIONS. A post-secondary system or campus may accept contributions, beyond those raised through the sale of license plates, to supplement the campus fund for academic excellence scholarships.

## **Sec. 2. [168.129] SPECIAL COLLEGIATE LICENSE PLATES.**

Subdivision 1. GENERAL REQUIREMENTS AND PROCEDURES. The commissioner of public safety shall issue special collegiate license plates to an applicant who:

(1) is an owner or joint owner of a passenger automobile, pickup truck, or van;

(2) pays a fee determined by the commissioner to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.12;

(4) pays the fees required under this chapter;

(5) contributes at least \$100 to the scholarship account established in subdivision 6; and

(6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Subd. 2. DESIGN. After consultation with each participating college, university or post-secondary system, the commissioner shall design the special collegiate plates.

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In consultation with the commissioner, a participating college or university annually shall indicate the anticipated number of plates needed. Plates will be produced when the commissioner has received at least 200 applications.

Subd. 3. NO REFUND. Contributions under this section must not be refunded.

Subd. 4. PLATE TRANSFERS. Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger vehicle, pickup, or van owned or jointly owned by the person to whom the special plates were issued.

Subd. 5. FEES CREDITED. The fees collected under this section must be deposited in the state treasury and credited to the highway user tax distribution fund. Fees collected under this section do not include the contributions collected for the scholarship account.

Subd. 6. SCHOLARSHIP ACCOUNT. A scholarship account is created in the state treasury. Except for one percent that may be retained by the commissioner of public safety for administrative costs, all contributions received under this section must be deposited by the commissioner in the scholarship account. Money in the scholarship account is appropriated to the governing board of the institution to which it is attributable, as provided in subdivision 7.

Subd. 7. RECORD. The commissioner shall maintain a record of the number of license plates issued for each post-secondary institution or system in order to determine the amount of scholarship funds available to that institution or system.

### **Sec. 3. GOVERNING BOARD DUTIES.**

The board of regents of the University of Minnesota, the state university board, and the governing boards of eligible private colleges and universities are requested to cooperate with the higher education coordinating board, the Minnesota academic excellence foundation, public and nonpublic Minnesota high schools, and school districts to publicize the availability of the scholarships and to identify qualified students.

### **Sec. 4. EFFECTIVE DATES.**

Section 1 is effective for high school graduates beginning in the 1991-1992 school year. Section 2 is effective for vehicle registrations after June 30, 1991.

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## ARTICLE 8

## FINANCIAL AID

Section 1. Minnesota Statutes 1990, section 136A.101, subdivision 7, is amended to read:

Subd. 7. Until June 30, 1993, "student" means a person who is enrolled at least half time, as defined by the board, in a program or course of study that applies to a degree, diploma, or certificate, except that for purposes of section 136A.132, student may include a person enrolled for at least three credits per quarter or semester, or the equivalent, but less than half time.

Beginning July 1, 1993, "student" means a person who is enrolled for at least three credits per quarter or semester, or the equivalent, in a program or course of study that applies to a degree, diploma, or certificate.

Sec. 2. Minnesota Statutes 1990, section 136A.101, is amended by adding a subdivision to read:

Subd. 7a. "Full time" means enrollment in a minimum of 15 credits per quarter or semester, or the equivalent.

Sec. 3. Minnesota Statutes 1990, section 136A.101, is amended by adding a subdivision to read:

Subd. 7b. "Half time" means enrollment in a minimum of eight credits per quarter or semester, or the equivalent.

Sec. 4. Minnesota Statutes 1990, section 136A.101, subdivision 8, is amended to read:

Subd. 8. "Resident student" means a student who meets one of the following conditions:

(1) an independent student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school, unless the student is a resident of a bordering state attending a Minnesota high school; or

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Sec. 5. Minnesota Statutes 1990, section 136A.101, is amended by adding a subdivision to read:

Subd. 10. "Satisfactory academic progress" means that at the end of a student's second academic year of attendance at an institution:

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(1) The student has at least a cumulative grade point average of C or its equivalent, or academic standing consistent with its graduation requirements; or

(2) The student's failure to have at least a cumulative grade point average of C or its equivalent, or academic standing consistent with its graduation requirements, was caused by (a) the death of a relative of the student; (b) an injury or illness of the student; or (c) other special circumstances.

Sec. 6. Minnesota Statutes 1990, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **COST OF ATTENDANCE.** The cost of attendance consists of allowances specified by the board for room and board and miscellaneous expenses, and

(1) for public institutions, tuition and fees charged by the institution; or

(2) for private institutions, an allowance for tuition and fees equal to the lesser of the actual tuition and fees charged by the institution, or the instructional costs per full-year equivalent student in comparable public institutions.

For students attending less than full time, the board shall prorate the cost of attendance.

Sec. 7. Minnesota Statutes 1990, section 136A.121, subdivision 11, is amended to read:

Subd. 11. **RENEWAL CONDITIONS.** Each grant is renewable, contingent on continued residency in Minnesota, satisfactory academic ~~standing~~ progress, recommendation of the eligible institution currently attended, and evidence of continued need.

Sec. 8. Minnesota Statutes 1990, section 136A.121, subdivision 16, is amended to read:

Subd. 16. **HOW APPLIED; ORDER.** Grants awarded under sections ~~136A.095 to 136A.131~~ 136A.121 and 136A.132 to 136A.1354 must be applied to educational costs in the following order: tuition, fees, books, supplies, and other expenses. Unpaid portions of the awards revert to the grant account.

Sec. 9. Minnesota Statutes 1990, section 136A.125, subdivision 2, is amended to read:

Subd. 2. **ELIGIBLE STUDENTS.** An applicant is eligible for a child care grant if the applicant:

(1) is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who

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is handicapped as defined in section 120.03, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is within the sliding fee scale income guidelines set under section 256H.10, subdivision 2, as determined by a standardized financial aid needs analysis in accordance with the board's policies and rules, but is not a recipient of aid to families with dependent children;

(4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters, 12 quarters, or the equivalent;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;

(6) is enrolled at least half time in an eligible institution; and

(7) is in good academic standing and making satisfactory academic progress; ~~as determined by the institution.~~

Sec. 10. Minnesota Statutes 1990, section 136A.125, subdivision 3, is amended to read:

Subd. 3. **ELIGIBLE INSTITUTION.** A Minnesota public post-secondary institution or a private, ~~residential, two-year or four-year, liberal arts, baccalaureate~~ degree granting college or university located in Minnesota is eligible to receive child care funds from the board and disburse them to eligible students.

Sec. 11. Minnesota Statutes 1990, section 136A.125, subdivision 4, is amended to read:

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

- (1) the financial need of the applicant;
- (2) the number of the applicant's children; and
- (3) the cost of the child care,

as determined by the institution in accordance with board policies and rules. The amount of the grant must cover the cost of child care for all eligible children for the full number of hours of education per week and may cover up to 20 hours per week of employment for which child care is needed. The grant must be awarded for one academic year. The minimum financial stipend is \$100.

Sec. 12. Minnesota Statutes 1990, section 136A.125, is amended by adding a subdivision to read:

Subd. 4a. **RATES CHARGED.** Child care providers may not charge students receiving grants under this section a rate that is higher than the rate charged to private paying clients.

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Sec. 13. Minnesota Statutes 1990, section 136A.125, subdivision 6, is amended to read:

Subd. 6. **YEARLY ALLOCATIONS TO INSTITUTIONS.** The board shall base yearly allocations on the need for ~~and use of the funds in the last academic year, and other~~ using relevant factors as determined by the board in consultation with the institutions. Up to five percent of the allocation, as determined by the board, may be used for an institution's administrative expenses related to the child care grant program. Any money designated, but not used, for this purpose must be reallocated to child care grants.

Sec. 14. [136A.131] **CASH FLOW.**

The higher education coordinating board may ask the commissioner of finance to lend general fund money to the grant account to ease cash flow difficulties. The higher education coordinating board must first certify to the commissioner that there will be adequate refunds to the account to repay the loan. The commissioner shall use the refunds to make repayment to the general fund of the full amount loaned. Money necessary to meet cash flow difficulties in the state grant program is appropriated to the commissioner of finance for loans to the higher education coordinating board.

Sec. 15. Minnesota Statutes 1990, section 136A.132, subdivision 3, is amended to read:

Subd. 3. **STUDENT ELIGIBILITY.** An applicant is eligible to be considered for a part-time student grant if the applicant:

- (1) is a resident of the state of Minnesota;
- (2) is an undergraduate student who has not earned a baccalaureate degree;
- (3) is pursuing a program or course of study that applies to a degree, diploma, or certificate;
- (4) is attending an eligible institution either less than half time as defined by the board, or as a new or returning student enrolled at least half time but less than full time as defined by the board; and
- (5) is not in default, as defined by the board, of any federal or state student educational loan.

Sec. 16. Minnesota Statutes 1990, section 136A.132, subdivision 5, is amended to read:

Subd. 5. **AMOUNT.** The amount of any part-time student grant award must be based on the need of the applicant determined by the institution in accordance with policies and rules established by the higher education coordinating board. The minimum financial stipend is \$100.

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Sec. 17. Minnesota Statutes 1990, section 136A.132, subdivision 6, is amended to read:

Subd. 6. **LENGTH OF AWARD.** Part-time student grants must be awarded for a single term as defined by the institution in accordance with guidelines and policies of the higher education coordinating board. Awards are not renewable, but the recipient of an award may apply for additional awards for subsequent terms contingent on continued eligibility, need, and satisfactory academic progress.

A new or returning student enrolled at least half time but less than full time; ~~as defined by the board,~~ and pursuing a program or course of study that applies to a degree, diploma, or certificate is eligible for an award for only one term.

Sec. 18. Minnesota Statutes 1990, section 136A.1352, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** The higher education coordinating board shall provide grants to students who are entering or enrolled in registered nurse or licensed practical nurse programs, who have no previous nursing training or education, and who agree to practice in a designated rural area, as defined by the board.

Sec. 19. Minnesota Statutes 1990, section 136A.1353, subdivision 4, is amended to read:

Subd. 4. **RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.** The higher education coordinating board shall distribute funds each year to the schools, colleges, or programs of nursing applying to participate in the nursing grant program based on the last academic year's enrollment of students in educational programs that would lead to licensure as a ~~licensed practical registered~~ nurse. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested schools, colleges, or programs of nursing. Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant school, college, or program of nursing of its approximate allocation of funds in order to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute funds to the schools, colleges, or programs of nursing by August 1, 1991, and by August 1 of each later year.

Sec. 20. Minnesota Statutes 1990, section 136A.1355, subdivision 1, is amended to read:

Subdivision 1. **CREATION OF ACCOUNT.** A rural physician education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for medical students agreeing to practice in designated rural areas, as defined by the board.

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Sec. 21. Minnesota Statutes 1990, section 136A.233, subdivision 3, is amended to read:

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

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

(b) No eligible student shall be employed under the state work-study program while not a full-time student; provided, with the approval of the institution, a full-time student who becomes a part-time student during an academic year may continue to be employed under the state work-study program for the remainder of the academic year.

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

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

(e) ~~Not less than 20 percent of the compensation paid to the student under the state work-study program shall be paid by the eligible employer~~ An eligible employer shall pay at least 30 percent of the student's compensation.

(f) Each post-secondary institution receiving ~~funds~~ money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution.

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

Sec. 22. Minnesota Statutes 1990, section 299A.45, subdivision 1, is amended to read:

Subdivision 1. **ELIGIBILITY.** Following certification under section 299A.44 and compliance with this section and rules of the commissioner of public safety and the higher education coordinating board, dependent children less than 23 years of age and the surviving spouse of a public safety officer killed in the line of duty on or after January 1, 1973, are eligible to receive educational benefits under this section. To qualify for an award, they must be enrolled in undergraduate degree or certificate programs after June 30, 1990, at ~~a~~ an eligible Minnesota public post-secondary institution or a private, residential, two-year or four-year, liberal arts, degree granting college or university located in Minnesota as provided in section 136A.101, subdivision 4. Persons who have received a baccalaureate degree or have been enrolled full time or the equivalent of eight semesters or 12 quarters, whichever occurs first, are no longer eligible.

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**Sec. 23. CHILD CARE INNOVATION GRANTS.**

Subdivision 1. PROGRAM. The higher education coordinating board shall establish a grant program to encourage innovative approaches in providing or financing child care services to post-secondary students.

Subd. 2. QUALIFICATIONS. Grants may be awarded to the governing board of a post-secondary system, to a specific college campus or organization, or to a private, nonprofit organization. No grant may exceed \$25,000.

Subd. 3. APPLICATIONS. The board shall determine procedures to solicit and evaluate proposals and to award grants. The board must consider the way in which a proposal would aid students needing child care, considering the limited funds available for the state child care grant program. The grants may also fund programs to assure that child care funding and delivery is part of a student's overall package of support services.

The board must not award a grant unless the proposal demonstrates a strong likelihood that the value of the services to be generated as a result of the grant substantially exceeds the amount of the grant.

Subd. 4. REPORT. The higher education coordinating board shall report to the appropriations and finance committees on its distribution of the grants by February 1, 1992. The board shall evaluate the projects and make its final report by January 1, 1993.

**Sec. 24. REPEALER.**

Subdivision 1. Minnesota Statutes 1990, section 136A.1351, is repealed.

Subd. 2. Minnesota Statutes 1990, section 136A.132, is repealed.

**Sec. 25. EFFECTIVE DATE.**

Section 23 is effective the day following final enactment. Sections 1 to 3, 6, and 15 are effective July 1, 1992. Section 24, subdivision 2, is effective July 1, 1993.

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**ARTICLE 9****HIGHER EDUCATION BOARD**

Section 1. Minnesota Statutes 1990, section 15A.081, subdivision 7b, is amended to read:

Subd. 7b. HIGHER EDUCATION OFFICERS. The higher education board, state university board, the state board for community colleges, the state board of technical colleges, and the higher education coordinating board shall set the salary rates for, respectively, the chancellor of the higher education system, the chancellor of the state universities, the chancellor of the community

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colleges, the state director of vocational technical education, and the executive director of the higher education coordinating board. The respective board shall submit the proposed salary increase to the legislative commission on employee relations for approval, modification, or rejection in the manner provided in section 43A.18, subdivision 2. Salary rates for the positions specified in this subdivision may not exceed 95 percent of the salary of the governor under section 15A.082, subdivision 3. In deciding whether to recommend a salary increase, the governing board shall consider the performance of the chancellor or director, including the chancellor's or director's progress toward attaining affirmative action goals.

**Sec. 2. [136E.01] HIGHER EDUCATION BOARD.**

Subdivision 1. MEMBERSHIP. The higher education board, referred to in sections 2 to 6 as "the board," consists of 13 members appointed by the governor with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. One member must be a student or have graduated from an institution governed by the board within one year of the date of appointment. The remaining members must be appointed to represent the state at large.

Subd. 2. TERM; COMPENSATION; REMOVAL; VACANCIES. The compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. Members are appointed for a term of six years, except that the term of the student member is two years. Terms end on June 30.

Subd. 3. BOARD ADMINISTRATION. The board shall elect a chair and other officers as it may desire. It shall determine its meeting dates and places.

**Sec. 3. [136E.02] HIGHER EDUCATION BOARD CANDIDATE ADVISORY COUNCIL.**

Subdivision 1. PURPOSE. A higher education board candidate advisory council shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, membership on the higher education board.

Subd. 2. MEMBERSHIP. The advisory council consists of 24 members. Twelve members are appointed by the subcommittee on committees of the committee on rules and administration of the senate. Twelve members are appointed by the speaker of the house of representatives. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of a member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 governs the advisory council, except that the members must be appointed to six-year terms.

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**Subd. 3. DUTIES.** The advisory council shall:

(1) develop a statement of the selection criteria to be applied and a description of the responsibilities and duties of a member of the higher education board and shall distribute this to potential candidates; and

(2) for each position on the board, identify and recruit qualified candidates for the board, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board.

**Subd. 4. RECOMMENDATIONS.** The advisory council shall recommend at least two and not more than four candidates for each seat. By January 2 of each even-numbered year, the advisory council shall submit its recommendations to the governor. The governor is not bound by these recommendations.

**Subd. 5. SUPPORT SERVICES.** The legislative coordinating commission shall provide administrative and support services for the advisory council.

**Sec. 4. [136E.03] MISSION.**

The mission of the board is to provide programs of study that meet the needs of students for occupational, general, baccalaureate, and graduate education. The board shall develop administrative arrangements that make possible the efficient use of the facilities and staff of the former technical colleges, community colleges, and state universities for providing these several different programs of study, so that students may have the benefit of improved and broader course offerings, ease of transfer among schools and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. In carrying out the merger of the three separate systems, the board shall control administrative costs by eliminating duplicative administrative positions and course offerings.

**Sec. 5. [136E.04] POWERS AND DUTIES.**

**Subdivision 1. GENERAL AUTHORITY.** The board shall manage, supervise, and control the former technical colleges, community colleges, and state universities and all related property. It shall prescribe courses of study and conditions of admission, prepare and confer diplomas, and adopt suitable policies for the institutions it manages. Sections 14.01 to 14.47 do not apply to policies and procedures of the board.

**Subd. 2. PERSONNEL.** The board shall appoint all presidents, teachers, and other necessary employees. Salaries and benefits of employees must be determined according to chapters 43A and 179A.

**Subd. 3. BUDGET.** The board shall submit to the governor and the legislature the budget request for its several different programs of study.

**Subd. 4. OCCUPATIONAL AND VOCATIONAL PROGRAM INFORMATION.** In its biennial budget request, the board shall provide to the governor and legislature information on its occupational and vocational programs specifying revenues, expenditures, trends for expenditures, expenditures for

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instructional equipment, and other relevant information related to those programs. The board shall provide the governor and legislature in its biennial budget request information on the accountability measures it uses to determine the efficiency and effectiveness of the occupational and vocational programs.

Subd. 5. PROGRAM DELIVERY. The board shall avoid duplicate program offerings. After consulting with the local advisory committees, the board shall develop programs to meet the needs of students and the state.

Subd. 6. TRANSFERABILITY. The board shall place a high priority on ensuring the transferability of credit among the institutions it governs.

Subd. 7. REGISTRATION AND FINANCIAL AID. The board shall devise a registration system that simplifies and combines registration for the institutions it governs, improves the financial aid application process for students, and provides registration at common locations.

#### Sec. 6. [136E.05] LOCAL ADVISORY COMMITTEES.

The president, with the approval of the chancellor and the board, may appoint a local advisory committee for each campus. Committee members must be qualified people who have knowledge of and interest in the campus. The board shall define the role and authority of the advisory committees and establish procedures for the appointment, terms, and termination of members. The president or an appointee of the president shall regularly meet and consult with the local advisory committee.

Sec. 7. Minnesota Statutes 1990, section 179A.10, subdivision 2, is amended to read:

Subd. 2. **STATE EMPLOYEES.** Unclassified employees, unless otherwise excluded, are included within the units which include the classifications to which they are assigned for purposes of compensation. Supervisory employees shall only be assigned to units 12 and 16. The following are the appropriate units of executive branch state employees:

- (1) law enforcement unit;
- (2) craft, maintenance, and labor unit;
- (3) service unit;
- (4) health care nonprofessional unit;
- (5) health care professional unit;
- (6) clerical and office unit;
- (7) technical unit;
- (8) correctional guards unit;

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- (9) state university instructional unit;
- (10) community college instructional unit;
- (11) technical college instructional unit;
- (12) state university administrative unit;
- ~~(12)~~ (13) professional engineering unit;
- ~~(13)~~ (14) health treatment unit;
- (14) (15) general professional unit;
- ~~(15)~~ (16) professional state residential instructional unit; and
- ~~(16)~~ (17) supervisory employees unit.

Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may only make changes in the schedule in existence on the day prior to the effective date of this section as required by law or as provided in subdivision 4.

#### Sec. 8. TRANSITIONAL PROVISIONS.

Subdivision 1. APPOINTMENTS TO BOARD. Appointments to the higher education board must be made by July 1, 1991. Notwithstanding section 2, the initial higher education board consists of two members each from the state board of technical colleges, state board for community colleges, and the state university board, appointed by their respective boards and six members appointed by the governor. The governor's appointees may also be members of the current governing boards. The members appointed by boards must have been confirmed by the senate to the board from which they are appointed and served for at least one year on the board from which they were appointed. Initial higher education board members appointed by boards are not subject to further senate confirmation. Initial appointees of the governor are not subject to section 3. The governor shall appoint the student member July 1, 1995. Notwithstanding section 2, subdivision 2, the initial members of the higher education board must be appointed so that an equal number will have terms expiring in three, five, and seven years. To the extent possible, the initial board must have the geographic balance required by section 2.

Subd. 2. INTERIM CHANCELLOR. By November 1, 1991, the board shall hire a chancellor on an interim basis for the period ending June 30, 1995. Thereafter, the board shall conduct a search and hire a chancellor to serve on a continuing basis.

Subd. 3. PERSONNEL. The chancellor may hire employees necessary to carry out the transitional duties imposed by this section. The commissioner of

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employee relations shall cooperate with the chancellor to expedite hiring these employees.

**Subd. 4. TRANSITIONAL PLANNING PROCESS.** The board shall immediately after appointment commence planning for the merger of the technical college, community college, and state university systems. As part of the planning process, the board shall consult with the local advisory committees, representatives of student government organizations, and exclusive representatives of the employees of the state universities, community colleges, and technical colleges. The board shall complete a preliminary merger plan and timetable for the plan on or before March 1, 1992. Copies of the plan shall be submitted to the chairs of the education, appropriation, and finance committees of the legislature.

**Subd. 5. RESTRUCTURING.** The board shall submit a proposal to the legislature concerning the appropriate administrative structure for the educational institutions it governs. The board shall give special attention to the need to integrate the administration of programs of study now offered at institutions from different systems. The board, in cooperation with the department of employee relations and the department of administration, shall give special attention to the need to integrate administrative functions of the educational institutions it governs, including: (1) personnel, labor, and compensation policies; (2) purchases of supplies; and (3) management of property, and construction and repair of facilities.

**Subd. 6. SCHOOL DISTRICTS.** The board shall, in cooperation with the commissioner of employee relations, submit proposals to the legislature concerning labor and other issues related to the transfer of technical colleges from school board governance.

The board shall, in cooperation with the commissioner of administration, submit a proposal to the legislature concerning reimbursement to school districts for technical college property transferred to the board pursuant to section 9.

**Subd. 7. LEGAL SERVICES.** The board shall submit to the legislature proposals for providing the board with adequate legal services.

**Subd. 8. ACCOUNTING SYSTEM.** The commissioner of finance shall submit proposals to the legislature that will enable the board to use a single accounting system in accord with generally accepted accounting principles for colleges and universities and eliminate the need to have a second system to account for its money in the state treasury.

**Subd. 9. BUDGET REQUESTS.** The board shall consult with the commissioner of finance, the chair of the senate finance committee, and the chair of the house appropriations committee and submit to the legislature a proposed format for its 1995 budget request. The higher education board shall use the format, as revised in accordance with instructions from the legislature, to present its budget request to the governor and the 1995 legislature.

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Subd. 10. INITIAL ADVISORY COUNCIL APPOINTMENTS. Notwithstanding section 3, the initial members of the higher education board candidate advisory council must be appointed so that an equal number will have terms expiring in two, four, and six years.

**Sec. 9. TRANSFER OF POWERS.**

The state board of technical colleges, the state board for community colleges, and the state university board and their respective chancellors retain responsibility for operating and managing their systems until July 1, 1995. On July 1, 1995, the authority, duties, responsibilities, related property of the state board of technical colleges, school boards, intermediate school boards, and joint vocational technical boards with respect to technical colleges, the state board for community colleges, and the state university board are transferred to the higher education board under Minnesota Statutes, section 15.039. The state board of technical colleges, state board for community colleges, and state university board are abolished, effective July 1, 1995.

**Sec. 10. CURRENT EMPLOYEES.**

It is the policy of the state of Minnesota that any restructuring of the higher education systems be accomplished while ensuring that fair and equitable arrangements are carried out to protect the interests of higher education system employees, and while facilitating the best possible service to the public. The higher education board shall make every effort to train and retrain existing employees for a changing work environment.

For employees whose positions will be eliminated by merging higher education systems, options presented to employees must include but not be limited to job and training opportunities necessary to qualify for another job within their current institution or a similar job in another institution.

Implementation of this section, as well as procedures for notifying employees affected by the merger, must be negotiated in good faith under Minnesota Statutes, chapter 179A. Nothing in this section shall be construed as diminishing any rights defined in collective bargaining agreements under this chapter or Minnesota Statutes, chapter 179A.

**Sec. 11. TECHNICAL COLLEGE COLLECTIVE BARGAINING.**

For purposes of collective bargaining, faculty of the technical colleges will initially be assigned to the new technical college instructional unit provided for in Minnesota Statutes, section 179A.10, subdivision 2, as amended by this act. The new bargaining unit may begin to organize on or after July 1, 1993, for negotiating contracts that become effective on or after July 1, 1995. Other technical college employees must be assigned to the appropriate existing state bargaining unit.

**Sec. 12. EFFECT OF CURRENT COLLECTIVE BARGAINING AGREEMENTS.**

New language is indicated by underline, deletions by ~~strikeout~~.

The terms and conditions of a collective bargaining agreement covering an employee transferred to the higher education board remains in effect until a successor agreement becomes effective. This section applies to all employees transferred to the board.

**Sec. 13. TRANSITIONAL PERIOD COLLECTIVE BARGAINING.**

Contracts for the period commencing July 1, 1995, for employees transferred to the higher education board shall be negotiated with the higher education board. Negotiations for those contracts can begin anytime after July 1, 1994, and may be initiated by either party notifying the other of the desire to begin the negotiating process.

**Sec. 14. COOPERATION.**

The state university board, state board of technical colleges, and state board for community colleges shall cooperate with the higher education board. Each of those boards may transfer money, personnel, or equipment to the higher education board.

**Sec. 15. REVENUE FUND; OUTSTANDING REVENUE BONDS.**

Nothing in this article shall in any way alter or amend Minnesota Statutes, sections 136.35 through 136.41, or any contract entered into by the board pursuant to those sections, or the pledge and appropriation of revenues from the revenue fund and any covenants made for the security of revenue bonds authorized to be issued by the state university board.

**Sec. 16. EFFECTIVE DATE.**

This article is effective the day following final enactment, except that section 7 is effective July 1, 1993, for collective bargaining of contracts that become effective on or after July 1, 1995, and sections 5 and 6 are effective July 1, 1995.

Presented to the governor May 31, 1991

Signed by the governor June 4, 1991, 9:07 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.