

CHAPTER 177—H.F.No. 2251

An act relating to government finance; providing federal stimulus oversight funding for certain state agencies; conforming Minnesota law to the requirements necessary to receive federal stimulus money for medical assistance; modifying Hennepin County's 2009 nonfederal share of medical assistance costs to comply with federal requirements to receive enhanced FMAP; authorizing eligibility for sparsity revenue for the Deer River School District; adjusting higher education limits on tuition increases; modifying funding for the Minnesota State Colleges and Universities; appropriating money; amending Laws 2009, chapter 95, article 1, sections 1; 4; 5, subdivision 4.

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

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amount shown in this section summarizes direct appropriations, by fund, made in this act.

	<u>2009</u>
<u>General</u>	<u>\$ 1,084,000</u>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the column marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund. The figure "2009" used in this act means that the appropriations listed under it are available for the fiscal year ending June 30, 2009.

APPROPRIATIONS
Available for the Year
Ending June 30

	<u>2009</u>
Sec. 3. <u>FINANCE</u>	<u>\$ 700,000</u>

Federal Stimulus Money Reporting and Oversight

This appropriation is to provide for staff, computers, professional and technical services, and other operating expenses necessary to comply with the reporting,

monitoring, and financial control and transparency requirements of the American Recovery and Reinvestment Act (ARRA) of 2009. This appropriation may be used to cover costs incurred by other state agencies and financial partners working in cooperation with the commissioner of finance to comply with the ARRA transparency requirements, including local units of government, higher education institutions, and nonprofit organizations. This appropriation must not be used to support the costs of administering specific programs funded by the ARRA. This is a onetime appropriation and is available until June 30, 2011.

Sec. 4. **STATE AUDITOR**

§ **384,000**

Federal Stimulus Money Reporting and Oversight

This appropriation is to provide temporary funding for staff, computers, and other operating expenses necessary to conduct special investigations and other oversight related to ensuring compliance with the reporting, monitoring, and financial control and transparency requirements of the American Recovery and Reinvestment Act (ARRA) of 2009. This is a onetime appropriation and is available until June 30, 2011.

Sec. 5. **LOCAL SHARE PAYMENT MODIFICATION REQUIRED FOR ARRA COMPLIANCE.**

Effective retroactively from October 1, 2008, through June 30, 2009, the state shall reduce Hennepin County's monthly contribution to the nonfederal share of medical assistance costs to the percentage required on September 1, 2008, to meet federal requirements for enhanced federal match under the American Reinvestment and Recovery Act of 2009. Notwithstanding the requirements of Minnesota Statutes 2008, section 256B.19, subdivision 1c, paragraph (d), for the period beginning October 1, 2008, to June 30, 2009, Hennepin County's monthly payment under that provision is reduced to \$434,688.

Sec. 6. **CAPITATION PAYMENTS.**

Effective retroactively from October 1, 2008, through December 31, 2010, and notwithstanding the requirements of Minnesota Statutes 2008, section 256B.19, subdivision 1c, paragraph (c), the commissioner of human services shall increase capitation payments made to the Metropolitan Health Plan under Minnesota Statutes 2008, section 256B.69, by \$6,800,000. The increased amount includes federal matching funds.

Sec. 7. COUNTY CD SHARE OF MA COSTS FOR ARRA COMPLIANCE.

Notwithstanding the provisions of Minnesota Statutes 2008, chapter 254B, for chemical dependency services provided during the period October 1, 2008, to June 30, 2009, and reimbursed by medical assistance at the enhanced federal matching rate provided under the American Recovery and Reinvestment Act of 2009, the county share is 30 percent of the nonfederal share.

Sec. 8. DEER RIVER SCHOOL CLOSING.

Independent School District No. 317, Deer River, is eligible for sparsity revenue calculated under Minnesota Statutes, section 126C.10, subdivision 8a, for fiscal years 2010 and later if the board has adopted the required written resolution at any time prior to the start of the 2009-2010 school year.

Sec. 9. Laws 2009, chapter 95, article 1, section 1, is amended to read:

Section 1. SUMMARY OF APPROPRIATIONS.

Subdivision 1. **Summary By Fund.** The amounts shown in this subdivision summarize direct appropriations, by fund, made in this article.

SUMMARY BY FUND			
	2010	2011	Total
General	1,426,422,000 \$ 1,426,639,000	1,532,467,000 \$ 1,532,170,000	2,958,889,000
Health Care Access	2,157,000	2,157,000	4,314,000
Federal	137,943,000	0	137,943,000
State Government Special Revenue	93,000	17,000	110,000
Total	1,566,615,000 \$ 1,566,832,000	1,534,641,000 \$ 1,534,344,000	3,101,256,000

Subd. 2. **Summary By Agency - All Funds.** The amounts shown in this subdivision summarize direct appropriations, by agency, made in this article.

SUMMARY BY AGENCY - ALL FUNDS			
	2010	2011	Total
Minnesota Office of Higher Education	\$ 187,753,000	\$ 187,547,000	375,300,000
Mayo Medical Foundation	1,300,000	1,351,000	2,651,000
Board of Trustees of the Minnesota State Colleges and Universities	677,845,000 678,062,000	666,258,000 665,961,000	1,344,103,000
Board of Regents of the University of Minnesota	699,624,000	679,468,000	1,379,092,000

Board of Dentistry		93,000	17,000	110,000
		1,566,615,000	1,534,641,000	
Total	\$	<u>1,566,832,000</u>	\$ <u>1,534,344,000</u>	3,101,256,000

Sec. 10. Laws 2009, chapter 95, article 1, section 4, is amended to read:

**Sec. 4. BOARD OF TRUSTEES OF THE
MINNESOTA STATE COLLEGES AND
UNIVERSITIES**

Subdivision 1. Total Appropriation		677,845,000	666,258,000
	\$	<u>678,062,000</u>	\$ <u>665,961,000</u>

Appropriations by Fund

	2010	2011
General	613,952,000	666,258,000
	<u>614,169,000</u>	<u>665,961,000</u>
Federal	63,893,000	0

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

Subd. 2. American Recovery and Reinvestment Act of 2009

63,893,000 0

(a) This appropriation is from the fiscal stabilization account in the federal fund and may be used for modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing but may not be used for maintenance of systems, equipment, or facilities. Amounts in this subdivision must not be allocated to modernization, renovation, or repair of stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public and must not be allocated to any facility used for sectarian instruction or religious worship or in which a substantial portion of the functions of the facilities are subsumed in a religious mission. No amount from this appropriation may be allocated to increase endowment funds.

(b) Appropriations under this subdivision must be used as a bridge for budget

reductions in the biennium ending June 30, 2013. These appropriations may be used for, but are not limited to the following purposes: education and general expenses; to retain faculty and staff jobs; to provide severance and for early retirement incentives; to mitigate the rising costs of attendance through minimizing tuition increases; and for the support of student employment opportunities.

(c) The legislature intends that the tuition increase for a Minnesota resident undergraduate student in the Minnesota State Colleges and Universities, must not exceed five percent per year for the biennium ending June 30, 2011. Federal stimulus money under this subdivision must be used to buy down the tuition increase in fiscal year 2010 to no more than three percent ~~per year~~ for a net increase of six eight percent.

(d) An additional \$15,273,000 is appropriated in fiscal year 2009 from the fiscal stabilization account in the federal fund.

Subd. 3. Central Office and Shared Services Unit

	47,328,000	47,328,000
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For the Office of the Chancellor and the Shared Services Division.

	561,824,000	614,130,000
	<u>562,041,000</u>	<u>613,833,000</u>

Subd. 4. Operations and Maintenance

(a) It is the intention of the legislature to increase the amount of funding distributed to colleges and universities through the allocation model to provide direct support of instruction and related functions necessary to protect the core mission of educating students.

(b) The Board of Trustees shall submit expenditure reduction plans by March 15, 2010, to the committees of the legislature with responsibility for higher education finance to achieve the 2012-2013 base established in this section at the central office and at each institution. The plan submitted by the board must be based on plans developed at each institution detailing

reductions to achieve lower base allocations at that institution. Each plan must focus on protecting direct instruction.

(c) For the biennium ending June 30, 2011, expenditures under this subdivision must not exceed \$40,000,000 for technology initiatives, including technology infrastructure improvements.

~~(d) \$40,000 each year is for the Cook County Higher Education Board to provide educational programs and academic support services.~~

~~(e)~~ \$1,000,000 each year is for the Northeast Minnesota Higher Education District and high schools in its area. Students from area high schools may also access the facilities and faculty of the Northeast Minnesota Higher Education District for state-of-the-art technical education opportunities, including MnSCU's 2+2 Pathways initiative.

~~(f)~~ (e) \$225,000 each year is to enhance eFolio Minnesota and for a center to provide on-site and Internet-based support and technical assistance to users of the state's eFolio Minnesota system to promote workforce and economic development and to enable access to workforce information generated through the eFolio Minnesota system.

~~(g)~~ (f) For fiscal years 2012 and 2013 the base for operations and maintenance is \$602,759,000 each year.

Subd. 5. Learning Network of Minnesota

4,800,000

4,800,000

Subd. 6. System Improvements

To increase efficiencies and equity for faculty and staff, the Board of Trustees is encouraged to place a priority on identifying and implementing measures to improve the human resources system used by the Minnesota State Colleges and Universities. One of the goals of improving the human resources system is to provide seamless information on faculty and employees to facilitate transfers between institutions.

Sec. 11. Laws 2009, chapter 95, article 1, section 5, subdivision 4, is amended to read:

**Subd. 4. American Recovery and Reinvestment
Act of 2009**

74,050,000

0

(a) This appropriation is from the fiscal stabilization account in the federal fund and may be used for modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing but may not be used for maintenance of systems, equipment, or facilities. Amounts in this subdivision must not be allocated to modernization, renovation, or repair of stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public and must not be allocated to any facility used for sectarian instruction or religious worship or in which a substantial portion of the functions of the facilities are subsumed in a religious mission. No amount from this appropriation may be allocated to increase endowment funds.

(b) Appropriations under this subdivision must be used as a bridge for budget reductions in the biennium ending June 30, 2013. These appropriations may be used for, but are not limited to the following purposes: education and general expenses; to retain faculty and staff jobs; to provide severance and for early retirement incentives; to mitigate the rising costs of attendance through minimizing tuition increases; and for the support of student employment opportunities.

(c) The legislature intends that the net tuition increase for a Minnesota resident undergraduate student at the University of Minnesota must not exceed \$300 ~~per year for the biennium ending June 30,~~ in fiscal year 2010 and \$450 in fiscal year 2011. Appropriations of federal stimulus money under this subdivision must be used toward accomplishing this goal.

(d) An additional \$15,273,000 is appropriated in fiscal year 2009 from the stabilization account in the federal fund.

Sec. 12. **EFFECTIVE DATE.**

This act is effective the day following final enactment.

Presented to the governor May 21, 2009

Signed by the governor May 21, 2009, 4:53 p.m.