

CONFERENCE COMMITTEE REPORT ON H. F. No. 1101

A bill for an act

relating to higher education; amending postsecondary education provisions; requiring reports; changing Minnesota college savings plan matching grants; making technical changes; modifying definitions; setting requirements for credit transfer; providing stable undergraduate tuition rates; modifying achieve scholarship program; modifying contract and salary provisions; prohibiting use of certain public funds to support human cloning; requiring a study of graduate education in for-profit sector; repealing certain provisions related to equipment and apparel; appropriating money; amending Minnesota Statutes 2010, sections 15A.081, subdivision 7c; 135A.51, subdivision 2; 136A.121, subdivision 6; 136F.40, subdivision 2; 136G.01; 136G.03, subdivisions 1, 18, 27; 136G.05, subdivisions 1, 6, 8; proposing coding for new law in Minnesota Statutes, chapters 136F; 137; 145; repealing Minnesota Statutes 2010, sections 135A.26; 136G.11, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 181.986; Laws 2009, chapter 95, article 2, section 39.

May 16, 2011

The Honorable Kurt Zellers  
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach  
President of the Senate

We, the undersigned conferees for H. F. No. 1101 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1101 be further amended as follows:

Delete everything after the enacting clause and insert:

**"ARTICLE 1**

**HIGHER EDUCATION APPROPRIATIONS**

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.

2.1	<u>SUMMARY BY FUND</u>			
2.2		<u>2012</u>	<u>2013</u>	<u>Total</u>
2.3	<u>General</u>	\$ <u>1,252,883,000</u>	\$ <u>1,252,634,000</u>	\$ <u>2,505,517,000</u>
2.4	<u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>	<u>4,314,000</u>
2.5	<u>Total</u>	\$ <u>1,255,040,000</u>	\$ <u>1,254,791,000</u>	\$ <u>2,509,831,000</u>

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

2.8	<u>SUMMARY BY AGENCY - ALL FUNDS</u>			
2.9		<u>2012</u>	<u>2013</u>	<u>Total</u>
2.10	<u>Minnesota Office of Higher</u>			
2.11	<u>Education</u>	\$ <u>190,694,000</u>	\$ <u>190,445,000</u>	\$ <u>381,139,000</u>
2.12	<u>Mayo Medical Foundation</u>	<u>1,351,000</u>	<u>1,351,000</u>	<u>2,702,000</u>
2.13	<u>Board of Trustees of the</u>			
2.14	<u>Minnesota State Colleges and</u>			
2.15	<u>Universities</u>	<u>540,494,000</u>	<u>540,494,000</u>	<u>1,080,988,000</u>
2.16	<u>Board of Regents of the</u>			
2.17	<u>University of Minnesota</u>	<u>522,501,000</u>	<u>522,501,000</u>	<u>1,045,002,000</u>
2.18	<u>Total</u>	\$ <u>1,255,040,000</u>	\$ <u>1,254,791,000</u>	\$ <u>2,509,831,000</u>

2.19    Sec. 2. HIGHER EDUCATION APPROPRIATIONS.

2.20        The sums shown in the columns marked "Appropriations" are appropriated to the  
2.21 agencies and for the purposes specified in this article. The appropriations are from the  
2.22 general fund, or another named fund, and are available for the fiscal years indicated  
2.23 for each purpose. The figures "2012" and "2013" used in this article mean that the  
2.24 appropriations listed under them are available for the fiscal year ending June 30, 2012, or  
2.25 June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal  
2.26 year 2013. "The biennium" is fiscal years 2012 and 2013.

2.27	<u>APPROPRIATIONS</u>	
2.28	<u>Available for the Year</u>	
2.29	<u>Ending June 30</u>	
2.30	<u>2012</u>	<u>2013</u>

2.31    Sec. 3. MINNESOTA OFFICE OF HIGHER  
2.32 EDUCATION

2.33    Subdivision 1. Total Appropriation                                \$    190,694,000    \$    190,445,000

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

2.37    Subd. 2. State Grants                                                        154,624,000                                154,625,000

3.1 (a) If the appropriation in this subdivision for  
 3.2 either year is insufficient, the appropriation  
 3.3 for the other year is available for it.

3.4 (b) For the biennium, the tuition maximum  
 3.5 is \$10,488 in each year for students in  
 3.6 four-year programs, and \$5,808 for students  
 3.7 in two-year programs.

3.8 (c) This appropriation sets the living and  
 3.9 miscellaneous expense allowance at \$7,000  
 3.10 each year.

3.11	<u>Subd. 3. <b>Safety Officers' Survivors</b></u>	<u>100,000</u>	<u>100,000</u>
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3.12 This appropriation is to provide educational  
 3.13 benefits under Minnesota Statutes, section  
 3.14 299A.45, to eligible dependent children and  
 3.15 to the spouses of public safety officers killed  
 3.16 in the line of duty.

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

3.20	<u>Subd. 4. <b>Child Care Grants</b></u>	<u>6,684,000</u>	<u>6,684,000</u>
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3.21	<u>Subd. 5. <b>State Work-Study</b></u>	<u>14,502,000</u>	<u>14,502,000</u>
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3.22	<u>Subd. 6. <b>Indian Scholarships</b></u>	<u>1,850,000</u>	<u>1,850,000</u>
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3.23 This appropriation includes funding each  
 3.24 year to administer the Indian scholarship  
 3.25 program.

3.26	<u>Subd. 7. <b>Intervention for College Attendance</b></u>		
3.27	<u><b>Program Grants</b></u>	<u>671,000</u>	<u>671,000</u>

3.28 For grants under Minnesota Statutes,  
 3.29 section 136A.861. Up to \$50,000 of this  
 3.30 appropriation each year may be used for  
 3.31 administrative expenses.

3.32	<u>Subd. 8. <b>Midwest Higher Education Compact</b></u>	<u>95,000</u>	<u>95,000</u>
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4.1	<u>Subd. 9. <b>United Family Medicine Residency</b></u>		
4.2	<u><b>Program</b></u>	<u>351,000</u>	<u>351,000</u>
4.3	<u>For a grant to the United Family Medicine</u>		
4.4	<u>residency program. This appropriation</u>		
4.5	<u>shall be used to support up to 18 resident</u>		
4.6	<u>physicians each year in family practice at</u>		
4.7	<u>United Family Medicine residency programs</u>		
4.8	<u>and shall prepare doctors to practice family</u>		
4.9	<u>care medicine in underserved rural and</u>		
4.10	<u>urban areas of the state. It is intended</u>		
4.11	<u>that this program will improve health</u>		
4.12	<u>care in underserved communities, provide</u>		
4.13	<u>affordable access to appropriate medical</u>		
4.14	<u>care, and manage the treatment of patients in</u>		
4.15	<u>a cost-effective manner.</u>		
4.16	<u>Subd. 10. <b>Interstate Tuition Reciprocity</b></u>	<u>3,150,000</u>	<u>3,250,000</u>
4.17	<u>If the appropriation in this subdivision for</u>		
4.18	<u>either year is insufficient, the appropriation</u>		
4.19	<u>for the other year is available to meet</u>		
4.20	<u>reciprocity contract obligations.</u>		
4.21	<u>Subd. 11. <b>Minnesota College Savings Plan</b></u>	<u>350,000</u>	<u>-0-</u>
4.22	<u>Subd. 12. <b>MnLINK Gateway and Minitex</b></u>	<u>5,605,000</u>	<u>5,605,000</u>
4.23	<u>Subd. 13. <b>Student and Parent Information</b></u>	<u>122,000</u>	<u>122,000</u>
4.24	<u>Subd. 14. <b>Get Ready</b></u>	<u>180,000</u>	<u>180,000</u>
4.25	<u>Subd. 15. <b>Minnesota Minority Partnership</b></u>	<u>45,000</u>	<u>45,000</u>
4.26	<u>Subd. 16. <b>Agency Administration</b></u>	<u>2,365,000</u>	<u>2,365,000</u>
4.27	<u>Subd. 17. <b>Balances Forward</b></u>		
4.28	<u>A balance in the first year under this section</u>		
4.29	<u>does not cancel, but is available for the</u>		
4.30	<u>second year.</u>		
4.31	<u>Subd. 18. <b>Transfers</b></u>		

5.1     The Minnesota Office of Higher Education  
5.2     may transfer unencumbered balances from  
5.3     the appropriations in this section to the state  
5.4     grant appropriation, the interstate tuition  
5.5     reciprocity appropriation, the child care  
5.6     grant appropriation, the Indian scholarship  
5.7     appropriation, the state work-study  
5.8     appropriation, the achieve scholarship  
5.9     appropriation, the public safety officers'  
5.10    survivors appropriation, and the Minnesota  
5.11    college savings plan appropriation. Transfers  
5.12    from the child care or state work-study  
5.13    appropriations may only be made to the  
5.14    extent there is a projected surplus in the  
5.15    appropriation. A transfer may be made only  
5.16    with prior written notice to the chairs and  
5.17    ranking minority members of the senate and  
5.18    house of representatives committees with  
5.19    jurisdiction over higher education finance.

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

5.23    Subdivision 1. **Total Appropriation**                    \$     **540,494,000**    \$     **540,494,000**

5.24	<u>Appropriations by Fund</u>		
5.25		<u>2012</u>	<u>2013</u>
5.26	<u>General</u>	<u>540,494,000</u>	<u>540,494,000</u>

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

5.30    Subd. 2. **Central Office and Shared Services**  
5.31    **Unit**                                                            33,074,000                    33,074,000

5.32    For the Office of the Chancellor and the  
5.33    Shared Services Division. The reduction in  
5.34    the appropriation made by this subdivision  
5.35    from the net appropriation made for the

6.1 central office and shared services unit in the  
 6.2 biennium ending June 30, 2011, must not be  
 6.3 allocated to any institution nor charged back  
 6.4 to any campus or institution.

6.5 Subd. 3. **Operations and Maintenance** 503,305,000 503,305,000

6.6 \$102,000 each year is for the Cook  
 6.7 County Higher Education Board to provide  
 6.8 educational programs and academic support  
 6.9 services. The base appropriation under this  
 6.10 paragraph is \$102,000.

6.11 One percent of the fiscal year 2013  
 6.12 appropriation in this subdivision is available  
 6.13 in fiscal year 2013 after the Board of  
 6.14 Trustees of the Minnesota State Colleges  
 6.15 and Universities demonstrates to the  
 6.16 commissioner of management and budget  
 6.17 that the board has achieved at least three of  
 6.18 the following five performance goals:

6.19 (1) increase by at least seven percent,  
 6.20 compared to fiscal year 2009, graduates or  
 6.21 degrees, diplomas and certificates conferred;

6.22 (2) increase by at least ten percent, compared  
 6.23 to fiscal year 2010, the number of students  
 6.24 of color;

6.25 (3) increase by at least fifteen percent,  
 6.26 compared to fiscal year 2010, the full year  
 6.27 equivalent enrollment of students taking  
 6.28 online or blended courses or the number of  
 6.29 online and blended sections;

6.30 (4) increase by at least one percent the fall  
 6.31 2011 persistence and completion rate for fall  
 6.32 2010 entering students compared to the fall  
 6.33 2010 rate for fall 2009 entering students; and

7.1 (5) decrease by at least two percent,  
7.2 compared to calendar year 2009, total energy  
7.3 consumption per square foot.

7.4 By October 1, 2011, the Board of Trustees  
7.5 and the Minnesota Office of Higher  
7.6 Education must agree on specific numerical  
7.7 indicators and definitions for each of the five  
7.8 goals that will be used to demonstrate the  
7.9 Minnesota State Colleges and Universities'  
7.10 attainment of each goal.

7.11 On or before April 1, 2012, the Board  
7.12 of Trustees must report to the legislative  
7.13 committees with primary jurisdiction over  
7.14 higher education finance and policy the  
7.15 progress of the Minnesota State Colleges and  
7.16 Universities toward attaining the goals.

7.17 Subd. 4. **Learning Network of Minnesota** 4,115,000 4,115,000

7.18 Subd. 5. **Education Priorities**

7.19 The Board of Trustees, in fulfilling the  
7.20 requirements of Minnesota Statutes, section  
7.21 136F.06, by making reductions, approving  
7.22 programs of study, establishing requirements  
7.23 for completion of programs, and approving  
7.24 course offerings and requirements for  
7.25 credentials, must place the highest priority on  
7.26 meeting the needs of Minnesota employers  
7.27 for a skilled workforce. The board must  
7.28 focus on the efficient delivery of higher  
7.29 education, eliminate duplication throughout  
7.30 the system, and streamline the operation  
7.31 of the system to provide an education that  
7.32 prepares students for the workforce needs of  
7.33 Minnesota.

8.1     **Sec. 5. BOARD OF REGENTS OF THE**  
8.2     **UNIVERSITY OF MINNESOTA**

8.3	Subdivision 1. <b>Total Appropriation</b>	\$	<b>522,501,000</b>	\$	<b>522,501,000</b>
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#### 8.4 Appropriations by Fund

8.5		<u>2012</u>	<u>2013</u>
8.6	<u>General</u>	<u>520,344,000</u>	<u>520,344,000</u>
8.7	<u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>

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

8.11	Subd. 2. <b>Operations and Maintenance</b>	458,881,000	458,881,000
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8.12 (a) This appropriation includes funding for  
8.13 operation and maintenance of the system.

8.14 (b) This appropriation includes money for  
8.15 the Veterinary Diagnostic Laboratory to  
8.16 preserve accreditation.

8.17 (c) During the biennium, the Board  
8.18 of Regents is encouraged to at least  
8.19 proportionally reduce spending for  
8.20 administration relative to spending  
8.21 reductions in other budget areas.

8.22 (d) One percent of the fiscal year 2013  
8.23 appropriation in this subdivision is available  
8.24 in fiscal year 2013 when the Board of Regents  
8.25 of the University of Minnesota demonstrates  
8.26 to the commissioner of management and  
8.27 budget that the board has met at least three of  
8.28 the following five performance goals:

8.29 (1) increase the amount of institutional  
8.30 financial aid so that it is greater in fiscal year  
8.31 2012 than in fiscal year 2010, excluding  
8.32 federal stimulus funding. Institutional  
8.33 financial aid includes funds from the



9.1 University of Minnesota Foundation and the  
9.2 Minnesota Medical Foundation;

9.3 (2) produce at least 13,500 total degrees on  
9.4 all campuses in fiscal year 2012;

9.5 (3) increase the undergraduate four- and  
9.6 six-year graduation rates on the Twin Cities  
9.7 campus for 2011-2012, as reported in the  
9.8 federal completions survey, over the numbers  
9.9 for 2009-2010, as reported in the federal  
9.10 completion survey;

9.11 (4) produce total research and development  
9.12 expenditures, as reported to the National  
9.13 Science Foundation (NSF) for the University  
9.14 of Minnesota system so that the amount  
9.15 in the 2012 NSF report is not less than the  
9.16 amount in the 2010 NSF report; and

9.17 (5) produce sponsored funding from business  
9.18 and industry so that funding in fiscal year  
9.19 2012, as reported to the Board of Regents  
9.20 in December of that year, is not less than  
9.21 funding in fiscal year 2010.

9.22 By October 1, 2011, the Board of Regents and  
9.23 the Minnesota Office of Higher Education  
9.24 must agree on specific numerical indicators  
9.25 and definitions for each of the five goals that  
9.26 will be used to demonstrate the University of  
9.27 Minnesota's attainment of each goal.

9.28 On or before April 1, 2012, the Board  
9.29 of Regents must report to the legislative  
9.30 committees with primary jurisdiction over  
9.31 higher education finance and policy the  
9.32 progress of the University of Minnesota  
9.33 toward attaining the goals.

9.34 Subd. 3. **Education Priorities**

10.1	<u>The Board of Regents, in fulfilling</u>		
10.2	<u>their governance responsibilities for</u>		
10.3	<u>the University of Minnesota by making</u>		
10.4	<u>reductions, approving programs of study,</u>		
10.5	<u>establishing requirements for completion of</u>		
10.6	<u>programs, approving course offerings and</u>		
10.7	<u>requirements for credentials, and authorizing</u>		
10.8	<u>and funding research are encouraged to place</u>		
10.9	<u>the highest priority on meeting the needs of</u>		
10.10	<u>Minnesota employers for a skilled workforce.</u>		
10.11	<u>The board must focus on the efficient delivery</u>		
10.12	<u>of higher education, eliminate duplication</u>		
10.13	<u>and redundancy, streamline administration,</u>		
10.14	<u>and focus on providing an education that</u>		
10.15	<u>prepares students for the workforce needs of</u>		
10.16	<u>Minnesota.</u>		
10.17	<u>Subd. 4. <b>Primary Care Education Initiatives</b></u>	<u>2,157,000</u>	<u>2,157,000</u>
10.18	<u>This appropriation is from the health care</u>		
10.19	<u>access fund.</u>		
10.20	<u>Subd. 5. <b>Special Appropriations</b></u>		
10.21	<u>(a) <b>Agriculture and Extension Service</b></u>	<u>42,922,000</u>	<u>42,922,000</u>
10.22	<u>For the Agricultural Experiment Station and</u>		
10.23	<u>the Minnesota Extension Service:</u>		
10.24	<u>(1) the agricultural experiment stations</u>		
10.25	<u>and Minnesota Extension Service must</u>		
10.26	<u>convene agricultural advisory groups to</u>		
10.27	<u>focus research, education, and extension</u>		
10.28	<u>activities on producer needs and implement</u>		
10.29	<u>an outreach strategy that more effectively</u>		
10.30	<u>and rapidly transfers research results and best</u>		
10.31	<u>practices to producers throughout the state;</u>		
10.32	<u>(2) this appropriation includes funding for</u>		
10.33	<u>research and outreach on the production of</u>		
10.34	<u>renewable energy from Minnesota biomass</u>		

11.1 resources, including agronomic crops, plant  
11.2 and animal wastes, and native plants or trees.  
11.3 The following areas should be prioritized and  
11.4 carried out in consultation with Minnesota  
11.5 producers, renewable energy, and bioenergy  
11.6 organizations:

11.7 (i) biofuel and other energy production from  
11.8 perennial crops, small grains, row crops,  
11.9 and forestry products in conjunction with  
11.10 the Natural Resources Research Institute  
11.11 (NRRI);

11.12 (ii) alternative bioenergy crops and cropping  
11.13 systems; and

11.14 (iii) biofuel coproducts used for livestock  
11.15 feed;

11.16 (3) this appropriation includes funding  
11.17 for the College of Food, Agricultural, and  
11.18 Natural Resources Sciences to establish and  
11.19 provide leadership for organic agronomic,  
11.20 horticultural, livestock, and food systems  
11.21 research, education, and outreach and for  
11.22 the purchase of state-of-the-art laboratory,  
11.23 planting, tilling, harvesting, and processing  
11.24 equipment necessary for this project;

11.25 (4) this appropriation includes funding  
11.26 for research efforts that demonstrate a  
11.27 renewed emphasis on the needs of the state's  
11.28 agriculture community. The following  
11.29 areas should be prioritized and carried  
11.30 out in consultation with Minnesota farm  
11.31 organizations:

11.32 (i) vegetable crop research with priority for  
11.33 extending the Minnesota vegetable growing  
11.34 season;

- 12.1 (ii) fertilizer and soil fertility research and
- 12.2 development;
- 12.3 (iii) soil, groundwater, and surface water
- 12.4 conservation practices and contaminant
- 12.5 reduction research;
- 12.6 (iv) discovering and developing plant
- 12.7 varieties that use nutrients more efficiently;
- 12.8 (v) breeding and development of turf seed
- 12.9 and other biomass resources in all three
- 12.10 Minnesota biomes;
- 12.11 (vi) development of new disease-resistant
- 12.12 and pest-resistant varieties of turf and
- 12.13 agronomic crops;
- 12.14 (vii) utilizing plant and livestock cells to treat
- 12.15 and cure human diseases;
- 12.16 (viii) the development of dairy coproducts;
- 12.17 (ix) a rapid agricultural response fund for
- 12.18 current or emerging animal, plant, and insect
- 12.19 problems affecting production or food safety;
- 12.20 (x) crop pest and animal disease research;
- 12.21 (xi) developing animal agriculture that is
- 12.22 capable of sustainably feeding the world;
- 12.23 (xii) consumer food safety education and
- 12.24 outreach;
- 12.25 (xiii) programs to meet the research and
- 12.26 outreach needs of organic livestock and crop
- 12.27 farmers; and
- 12.28 (xiv) alternative bioenergy crops and
- 12.29 cropping systems; and growing, harvesting,
- 12.30 and transporting biomass plant material; and
- 12.31 (5) by February 1, 2013, the Board of
- 12.32 Regents must submit a report to the

13.1	<u>legislative committees with responsibility</u>		
13.2	<u>for agriculture and higher education finance</u>		
13.3	<u>on the status and outcomes of research and</u>		
13.4	<u>initiatives funded in this section.</u>		
13.5	<b><u>(b) Health Sciences</u></b>	<u>4,854,000</u>	<u>4,854,000</u>
13.6	<u>\$346,000 each year is to support up to 12</u>		
13.7	<u>resident physicians in the St. Cloud Hospital</u>		
13.8	<u>family practice residency program. The</u>		
13.9	<u>program must prepare doctors to practice</u>		
13.10	<u>primary care medicine in the rural areas of</u>		
13.11	<u>the state. The legislature intends this program</u>		
13.12	<u>to improve health care in rural communities,</u>		
13.13	<u>provide affordable access to appropriate</u>		
13.14	<u>medical care, and manage the treatment of</u>		
13.15	<u>patients in a more cost-effective manner.</u>		
13.16	<u>The remainder of this appropriation is for</u>		
13.17	<u>the rural physicians associates program, the</u>		
13.18	<u>Veterinary Diagnostic Laboratory, health</u>		
13.19	<u>sciences research, dental care, and the</u>		
13.20	<u>Biomedical Engineering Center.</u>		
13.21	<b><u>(c) Institute of Technology</u></b>	<u>1,140,000</u>	<u>1,140,000</u>
13.22	<u>For the Geological Survey and the talented</u>		
13.23	<u>youth mathematics program.</u>		
13.24	<b><u>(d) System Special</u></b>	<u>5,056,000</u>	<u>5,056,000</u>
13.25	<u>For general research, industrial relations</u>		
13.26	<u>education, Natural Resources Research</u>		
13.27	<u>Institute, Center for Urban and Regional</u>		
13.28	<u>Affairs, Bell Museum of Natural History, and</u>		
13.29	<u>the Humphrey exhibit.</u>		
13.30	<b><u>(e) University of Minnesota and Mayo</u></b>		
13.31	<b><u>Foundation Partnership</u></b>	<u>7,491,000</u>	<u>7,491,000</u>
13.32	<u>For the direct and indirect expenses of the</u>		
13.33	<u>collaborative research partnership between</u>		
13.34	<u>the University of Minnesota and the Mayo</u>		

14.1 Foundation for research in biotechnology  
14.2 and medical genomics. This appropriation is  
14.3 available until expended. An annual report  
14.4 on the expenditure of these funds must be  
14.5 submitted to the governor and the chairs  
14.6 of the senate and house of representatives  
14.7 committees responsible for higher education  
14.8 and economic development by June 30 of  
14.9 each fiscal year.

14.10 Subd. 6. **Academic Health Center**

14.11 The appropriation for Academic Health  
14.12 Center funding under Minnesota Statutes,  
14.13 section 297F.10, is estimated to be  
14.14 \$22,250,000 each year.

14.15 Sec. 6. **MAYO MEDICAL FOUNDATION**

14.16	<u>Subdivision 1. <b>Total Appropriation</b></u>	<u>\$</u>	<u><b>1,351,000</b></u>	<u>\$</u>	<u><b>1,351,000</b></u>
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14.17 The amounts that may be spent for the  
14.18 purposes are specified in the following  
14.19 subdivisions.

14.20	<u>Subd. 2. <b>Medical School</b></u>		<u>665,000</u>		<u>665,000</u>
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14.21 The state of Minnesota must pay a capitation  
14.22 each year for each student who is a resident  
14.23 of Minnesota. The appropriation may be  
14.24 transferred between years of the biennium to  
14.25 accommodate enrollment fluctuations.

14.26 It is intended that during the biennium the  
14.27 Mayo Clinic use the capitation money to  
14.28 increase the number of doctors practicing in  
14.29 rural areas in need of doctors.

14.30	<u>Subd. 3. <b>Family Practice and Graduate</b></u>				
14.31	<u><b>Residency Program</b></u>		<u>686,000</u>		<u>686,000</u>

14.32 The state of Minnesota must pay stipend  
14.33 support for up to 27 residents each year.

Sec. 7. **TUITION LIMITATION AT MINNESOTA STATE COLLEGES AND UNIVERSITIES.**

During the biennium ending June 30, 2013, the maximum tuition rate increase for all tuition rates at a Minnesota State Colleges and Universities institution or campus to a Minnesota resident undergraduate student may not exceed:

- (1) three percent per academic year at a state college; and
- (2) five percent in the first academic year and four percent in the second academic year at a state university.

The Board of Trustees of the Minnesota State Colleges and Universities must limit the rate of increase for any mandatory fee charged to a student at a university or college to four percent per year in the biennium ending June 30, 2013, unless a higher increase is approved by a public majority vote by the recognized campus student association.

Sec. 8. **TUITION LIMITATION; UNIVERSITY OF MINNESOTA.**

The legislature expects that during the biennium ending June 30, 2013, the maximum tuition rate increase to a Minnesota resident undergraduate student enrolled at the University of Minnesota shall not exceed five percent the first academic year and four percent the second academic year.

The legislature expects that the rate of increase for any mandatory fee charged to a student at the University of Minnesota will be limited to a maximum of four percent per year in the biennium ending June 30, 2013, unless a higher increase is approved by a majority vote of the campus student association.

**ARTICLE 2**

**RELATED HIGHER EDUCATION PROVISIONS**

Section 1. **[136A.051] STUDENT RECORDS AND DATA.**

When a nonpublic institution of higher education provides the Office of Higher Education student data or records pursuant to section 136A.05, subdivision 1; 136A.121, subdivision 18; or 136A.1701, subdivision 11, the institution of higher education is not liable for a breach of confidentiality, disclosure, use, retention, or destruction of the student data or records, if the breach, disclosure, use, retention, or destruction results from actions or omissions of:

- (1) the Office of Higher Education; or
- (2) persons provided access to the data or records by the Office of Higher Education.

Sec. 2. Minnesota Statutes 2010, section 135A.51, subdivision 2, is amended to read:

Subd. 2. **Senior citizen.** "Senior citizen" means a person who has reached ~~66~~ 62 years of age before the beginning of any term, semester or quarter, in which a course of study is pursued, or a person receiving a railroad retirement annuity who has reached 60 years of age before the beginning of the term.

**EFFECTIVE DATE.** This section is effective the day after final enactment for terms beginning after July 1, 2011.

Sec. 3. Minnesota Statutes 2010, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of ~~allowances:~~ (1) an allowance specified in law for living and miscellaneous expenses, and (2) an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or the a tuition and fee maximums maximum if one is established in law. If no tuition and fee maximum is established in law, the allowance for tuition and fees is equal to the lesser of: (1) the average tuition and fees charged by the institution, and (2) for two-year programs, an amount equal to the highest tuition and fees charged at a public two-year institution, or for four-year programs, an amount equal to the highest tuition and fees charged at a public university.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Sec. 4. Minnesota Statutes 2010, section 136A.1787, is amended to read:

**136A.1787 SELF LOAN REVENUE BONDS ANNUAL CERTIFICATE OF NEED.**

(a) In order to ensure the payment of the principal of and interest on bonds and notes of the office and the continued maintenance of the loan capital fund under section 136A.1785, the office shall annually determine and certify to the governor, on or before December 1, the amount, if any:



(1) needed to restore the loan capital fund to the minimum amount required by a resolution or indenture relating to any bonds or notes of the office, not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all bonds or notes which are then outstanding;

(2) determined by the office to be needed in the current or immediately ensuing following fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all outstanding bonds and notes; and

(3) needed to restore any debt service reserve fund securing any outstanding bonds or notes of the office to the amount required in a resolution or indenture relating to such outstanding bonds or notes.

(b) If the office determines the need under paragraph (a), clause (2), to be for the immediately following fiscal year, the governor shall include and submit the amounts certified by the office in accordance with this section to the legislature in the governor's budget for the immediately following fiscal year, ~~or.~~ If the office determines the need under paragraph (a), clause (1), (2), or (3), to be for the current fiscal year, the governor shall include and submit the amounts certified in a governor's supplemental budget if the regular budget for that year has previously been approved enacted.

Sec. 5. **[136F.705] UNDERGRADUATE TUITION GUARANTEE PLAN.**

(a) The board of trustees is encouraged to offer entering students a plan providing stable tuition for students pursuing two-year or four-year degrees that can provide students a tuition option designed to meet the goals in this section.

(b) A Minnesota resident student who first enrolls in a degree program at a state college or university beginning in the fall of 2011 or later is guaranteed a stable tuition for up to four consecutive academic years.

(c) For an undergraduate student enrolled in a baccalaureate degree program at a state university, the tuition charged to the student for each semester of enrollment during a four-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after four consecutive academic years, the tuition rate for each semester in excess of four years is equal to the tuition rate paid by new enrollees at the state university.

(d) For an undergraduate student enrolled in an associate degree program at a college, the tuition charged to the student for each semester of enrollment during a two-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that

the student was charged for the first semester of enrollment. For a student who continues to be enrolled after two consecutive academic years, the tuition rate for each semester in excess of two years is equal to the tuition rate for new enrollees at the college.

(e) Time limits for the stable tuition plan under this section do not apply to a student in the military while the student is on active military duty.

Sec. 6. Minnesota Statutes 2010, section 136G.01, is amended to read:

**136G.01 PLAN ESTABLISHED.**

A college savings plan known as the Minnesota college savings plan is established. In establishing this plan, the legislature seeks to encourage individuals to save for postsecondary education by:

- (1) providing a qualified tuition plan under federal tax law; and
- ~~(2) providing matching grants for contributions to the program by low- and middle-income families; and~~
- ~~(3)~~ (2) encouraging individuals, foundations, and businesses to provide additional grants to participating students.

**EFFECTIVE DATE.** This section is effective July 1, 2012.

Sec. 7. Minnesota Statutes 2010, section 136G.03, subdivision 1, is amended to read:

Subdivision 1. **General.** For purposes of sections 136G.01 to ~~136G.13~~ 136G.14, the following terms have the meanings given.

**EFFECTIVE DATE.** This section is effective July 1, 2012.

Sec. 8. Minnesota Statutes 2010, section 136G.03, subdivision 18, is amended to read:

Subd. 18. **Matching grant.** "Matching grant" means an amount added to a matching grant account under section 136G.11 for eligible account beneficiaries for account contributions in calendar years 2001 to 2010.

**EFFECTIVE DATE.** This section is effective July 1, 2012.

Sec. 9. Minnesota Statutes 2010, section 136G.03, subdivision 27, is amended to read:

Subd. 27. **Plan.** "Plan" refers to the plan established under sections 136G.01 to ~~136G.13~~ 136G.14.

**EFFECTIVE DATE.** This section is effective July 1, 2012.

19.1 Sec. 10. Minnesota Statutes 2010, section 136G.05, subdivision 1, is amended to read:

19.2 Subdivision 1. **Responsibilities.** (a) The director shall establish the rules, terms,  
19.3 and conditions for the plan, subject to the requirements of sections 136G.01 to ~~136G.13~~  
19.4 136G.14.

19.5 (b) The director shall prescribe the application forms, procedures, and other  
19.6 requirements that apply to the plan.

19.7 **EFFECTIVE DATE.** This section is effective July 1, 2012.

19.8 Sec. 11. Minnesota Statutes 2010, section 136G.05, subdivision 6, is amended to read:

19.9 Subd. 6. **Three-year period for withdrawal of grants.** A matching grant deposited  
19.10 in ~~the~~ a matching grant account based on account owner contributions during calendar  
19.11 years 2001 to 2010 under section 136G.11 may not be withdrawn within three years of the  
19.12 establishment of the account of the beneficiary. In calculating the three-year period, the  
19.13 period held in another account is included, if the account includes a rollover from another  
19.14 account under section 529(c)(3)(C) of the Internal Revenue Code.

19.15 **EFFECTIVE DATE.** This section is effective July 1, 2012.

19.16 Sec. 12. Minnesota Statutes 2010, section 136G.05, subdivision 8, is amended to read:

19.17 Subd. 8. **Administration.** The director shall administer the program, including  
19.18 accepting and processing applications, maintaining account records, making payments,  
19.19 ~~making matching grants under section 136G.11,~~ and undertaking any other necessary  
19.20 tasks to administer the program. The office may contract with one or more third parties to  
19.21 carry out some or all of these administrative duties, including providing incentives and  
19.22 marketing the program. The office and the board may jointly contract with third-party  
19.23 providers, if the office and board determine that it is desirable to contract with the same  
19.24 entity or entities for administration and investment management.

19.25 **EFFECTIVE DATE.** This section is effective July 1, 2012.

19.26 Sec. 13. **[137.105] UNDERGRADUATE TUITION GUARANTEE PLAN.**

19.27 The Board of Regents is encouraged to offer students a guaranteed tuition plan  
19.28 that can provide students a tuition option designed to meet the goals in this section.  
19.29 A Minnesota resident student who first enrolls in a degree program at the University  
19.30 of Minnesota beginning in the fall of 2011 or later may be offered guaranteed stable  
19.31 tuition for up to four consecutive academic years. Under the guaranteed plan, for an  
19.32 undergraduate student enrolled in a baccalaureate degree program, the tuition charged to

the student for each semester of enrollment during a four-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after four consecutive academic years, the tuition rate for each semester in excess of four years is equal to the tuition rate paid by new enrollees at the University of Minnesota. Time limits for the stable tuition plan under this section do not apply to a student in the military while the student is on active military duty.

Sec. 14. **[145.4221] STATE FUNDS; PROHIBITED USE FOR HUMAN CLONING.**

Subdivision 1. **Prohibited use of state funds.** No state funds or federal funds the state receives for state programs may be used to either support human cloning or to pay for any expenses incidental to human cloning. For purposes of this section, "cloning" means generating a genetically identical copy of an organism at any stage of development by combining an enucleated egg and the nucleus of a somatic cell to make an embryo.

Subd. 2. **Scientific research.** Nothing in this section shall affect areas of scientific research not specifically addressed by this section, including research in the use of nuclear transfer or other cloning techniques to produce molecules, DNA, cells other than human embryos, tissues, organs, plants, or animals other than humans. In addition, notwithstanding section 145.422, nothing in this section shall affect the scientific field of stem cell research, unless explicitly prohibited.

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

Sec. 15. **STUDY OF GRADUATE EDUCATION IN FOR-PROFIT SECTOR.**

The Minnesota Office of Higher Education must study graduate education in for-profit institutions with a physical presence in the state. The study must examine the rights and responsibilities of graduate students attending those institutions. At a minimum, the study must include an analysis of graduate student disciplinary processes; processes and policies adopted for the protection of graduate students' intellectual property rights; policies and guidelines addressing academic freedom of inquiry for students; and administrative processes in place to address disputes. The office must report on the findings of this study by January 15, 2013, to the committees of the legislature with responsibility for higher education finance. The report must include recommendations for any changes to improve graduate education in the for-profit sector.

21.1       Sec. 16. **CREDIT TRANSFER WITHIN MINNESOTA STATE COLLEGES**  
21.2 **AND UNIVERSITIES.**

21.3       When providing the report required by Laws 2010, chapter 364, section 38,  
21.4 the Board of Trustees of the Minnesota State Colleges and Universities shall provide  
21.5 information about progress made toward achieving the goals described in the system's  
21.6 smart transfer plan, and shall provide information about the number of students  
21.7 transferring between and among the system's two- and four-year institutions during the  
21.8 previous fiscal year. In addition, the Board of Trustees shall include a system study of  
21.9 mechanisms for effective transfer in other states.

21.10      Sec. 17. **REPEALER.**

21.11       (a) Minnesota Statutes 2010, sections 135A.26; and 181.986, are repealed.

21.12       (b) Minnesota Statutes 2010, section 136G.11, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9,  
21.13 and 10, are repealed effective July 2, 2012.

21.14       (c) Laws 2009, chapter 95, article 2, section 39, is repealed effective July 1, 2011."

21.15       Delete the title and insert:

21.16                               "A bill for an act  
21.17 relating to higher education; amending postsecondary education provisions;  
21.18 prohibiting use of certain funds to support human cloning; requiring a study;  
21.19 requiring reports; making technical changes; appropriating money; amending  
21.20 Minnesota Statutes 2010, sections 135A.51, subdivision 2; 136A.121,  
21.21 subdivision 6; 136A.1787; 136G.01; 136G.03, subdivisions 1, 18, 27; 136G.05,  
21.22 subdivisions 1, 6, 8; proposing coding for new law in Minnesota Statutes,  
21.23 chapters 136A; 136F; 137; 145; repealing Minnesota Statutes 2010, sections  
21.24 135A.26; 136G.11, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 181.986; Laws 2009,  
21.25 chapter 95, article 2, section 39."

22.1 We request the adoption of this report and repassage of the bill.

22.2 House Conferees:

22.3	.....	.....
22.4	Bud Nornes	Bob Dettmer

22.5	.....	.....
22.6	Kurt Daudt	Pat Mazorol

22.7	.....
22.8	David Hancock

22.9 Senate Conferees:

22.10	.....	.....
22.11	Michelle L. Fischbach	John J. Carlson

22.12	.....	.....
22.13	David M. Brown	Claire A. Robling

22.14	.....
22.15	David H. Senjem