A bill for an act
relating to higher education; providing for supplemental funding for the Office of
Higher Education, Minnesota State Colleges and Universities, and the University
of Minnesota; requesting the establishment of special commission on intercollegiate
sports; creating and expanding workforce development programs and scholarships;
expanding and renaming the Minnesota Higher Education Facilities Authority as
the Minnesota Health and Education Facilities Authority; amending Minnesota
Statutes 2020, sections 3.732, subdivision 1; 136A.103; 136A.25; 136A.26;
136A.27; 136A.28; 136A.29, subdivisions 1, 3, 6, 9, 10, 14, 19, 20, 21, 22, by
adding a subdivision; 136A.32, subdivision 4; 136A.33; 136A.34, subdivisions 3, 4;
136A.36; 136A.38; 136A.41; 136A.42; 136F.02, subdivision 1; 136F.302,
subdivisions 1, 2; 136F.38, subdivisions 2, 4; 136F.67, subdivision 1; 137.022,
subdivision 4; 354B.20, subdivision 7; Minnesota Statutes 2021 Supplement,
sections 10A.01, subdivision 35; 136F.38, subdivision 3; Laws 2021, First Special
Session chapter 2, article 1, sections 1, 9, 19, 20, 25, 26, 27, 33,
34, 38; 3, subdivisions 1, 3; 4, subdivisions 1, 4; proposing coding for new law in
Minnesota Statutes, chapters 124D; 136A; repealing Minnesota Statutes 2020,
sections 136A.29, subdivision 4, 136F.03.

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

ARTICLE 1

HIGHER EDUCATION APPROPRIATIONS

Section 1. HIGHER EDUCATION APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are in addition to the
appropriations in Laws 2021, First Special Session chapter 2, article 1, as amended in this
act, unless otherwise specified, and are appropriated to the agencies and for the purposes
specified in this act. The appropriations are from the general fund, or another named fund,
and are available for the fiscal years indicated for each purpose. The figures "2022" and
"2023" used in this act mean that the appropriations listed under them are available for the
fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal

**APPROPRIATIONS**

**Available for the Year**

**Ending June 30**

<table>
<thead>
<tr>
<th>Year</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 2. MINNESOTA OFFICE OF HIGHER EDUCATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subdivision 1. <strong>Total Appropriation</strong></td>
<td>$</td>
<td>-0</td>
</tr>
<tr>
<td>The amounts that may be spent for each purpose are specified in the following subdivisions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subd. 2. <strong>Grants to Students Pursuing Law Enforcement</strong></td>
<td>-0</td>
<td>3,761,000</td>
</tr>
<tr>
<td>For grants to eligible students under Minnesota Statutes, section 136A.1213. Of this amount, $170,000 the first year is for administration costs. The base for this appropriation is $3,666,000 for fiscal year 2024 and later. Beginning in fiscal year 2024, the commissioner may use $75,000 for administration costs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subd. 3. <strong>Skills Path Grant Program</strong></td>
<td>-0</td>
<td>500,000</td>
</tr>
<tr>
<td>For grants to eligible institutions under Minnesota Statutes, section 136A.247. Of this amount, the commissioner may use no more than $15,000 of the appropriation for administration of the grant program. The base for this appropriation is $500,000 for fiscal year 2024 and later.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subd. 4. <strong>Owatonna Learn to Earn Coalition; Office of Higher Education</strong></td>
<td>-0</td>
<td>980,000</td>
</tr>
<tr>
<td>This appropriation is for a grant to the Owatonna Learn to Earn Coalition to help the</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Owatonna and Steele County region grow and retain a talented workforce. This is a onetime appropriation and is available until June 30, 2024. Of this amount:

1. $900,000 is to develop educational learning spaces with state-of-the-art equipment and student support services in high-demand career pathway programs. Of this amount, $306,000 is to equip the new Owatonna High School's Industrial Technology classrooms with state-of-the-art equipment to introduce students to high-skill, high-wage, technical careers, and $594,000 is to equip the Owatonna Riverland Community College Campus with state-of-the-art instructional equipment to offer credit and noncredit technical programs in automation robotics engineering technology and information technology; and

2. $80,000 is to create learn to earn opportunities for students and employers by engaging employers in the Owatonna community to offer tuition reimbursement or scholarships and part-time work and school schedules to employees who agree to continue their education while working for them.

Subd. 5. **Owatonna Learn to Earn Coalition; Department of Employment and Economic Development**

For transfer to the commissioner of employment and economic development for a grant to the Owatonna Learn to Earn Coalition to conduct a comprehensive local needs assessment to examine current and future workforce needs in the region. The
coalition shall retain a consultant and utilize state demographer resources to involve education, business, and community stakeholders to guide the high school's career pathways, the college's programs of study, and the business's support of work-based learning programs that help them recruit, develop, and retain a vibrant workforce to keep the regional economy strong. This is a onetime appropriation and is available until June 30, 2024.

Sec. 3. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation $ -0- $ 454,000

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

Subd. 2. Operations and Maintenance -0- 454,000

$454,000 in fiscal year 2023 is to improve campus safety, bolstering the technology infrastructure with cameras and strategic information accessibility, and provide a safe campus by increasing security and full-time law enforcement presence. As a condition of receiving this supplemental appropriation, a commission must be established and the duties specified under article 2, section 13, must be accomplished. If the commission is not established, the base amount for fiscal year 2024 and later is $0. The base for this appropriation is $2,390,000 for fiscal year 2024 and later.
Sec. 4. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 1, is amended to read:

Subdivision 1. Total Appropriation

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$274,269,000</td>
</tr>
<tr>
<td></td>
<td>$271,702,000</td>
</tr>
<tr>
<td></td>
<td>$275,019,000</td>
</tr>
</tbody>
</table>

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

Sec. 5. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 9, is amended to read:

Subd. 9. Intervention for College Attendance Program Grants

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,143,000</td>
</tr>
<tr>
<td></td>
<td>1,142,000</td>
</tr>
</tbody>
</table>

For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

The commissioner may use no more than three percent $34,000 each year of this appropriation to administer the intervention for college attendance program grants.

Sec. 6. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 19, is amended to read:

Subd. 19. Spinal Cord Injury and Traumatic Brain Injury Research Grant Program

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,000,000</td>
</tr>
<tr>
<td></td>
<td>3,000,000</td>
</tr>
</tbody>
</table>

For transfer to the spinal cord and traumatic brain injury grant account in the special revenue fund under Minnesota Statutes, section 136A.901, subdivision 1.

The commissioner may use no more than three percent $90,000 each year of the amount transferred under this subdivision to administer the grant program.
Sec. 7. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 20, is amended to read:

Subd. 20. **Summer Academic Enrichment Program**

For summer academic enrichment grants under Minnesota Statutes, section 136A.091.

The commissioner may use no more than three percent $8,000 each year of this appropriation to administer the grant program under this subdivision.

Sec. 8. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 25, is amended to read:

Subd. 25. **Grants to Student Teachers in Shortage Areas**

For grants to student teachers in shortage areas under Minnesota Statutes, section 136A.1275.

The commissioner may use no more than three percent $15,000 each year of the appropriation for administration of the program.

Sec. 9. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 26, is amended to read:

Subd. 26. **Grants to Underrepresented Student Teachers**

For grants to underrepresented student teachers under Minnesota Statutes, section 136A.1274.

The commissioner may use no more than three percent $30,000 the first year and $38,000 the second year of the appropriation for administration of the program.

The base for this appropriation is $1,125,000 in fiscal year 2024 and later.
Sec. 10. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 27, is amended to read:

Subd. 27. Teacher Shortage Loan Repayment 200,000 200,000

For transfer to the teacher shortage loan repayment account in the special revenue fund under Minnesota Statutes, section 136A.1791, subdivision 8.

The commissioner may use no more than three percent $6,000 each year of the amount transferred under this subdivision to administer the program.

Sec. 11. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 33, is amended to read:

Subd. 33. Minnesota Independence College and Community 1,250,000 1,750,000

For a grant to Minnesota Independence College and Community for need-based scholarships and tuition reduction. Beginning with students first enrolled in the fall of 2019, eligibility is limited to resident students as defined in Minnesota Statutes, section 136A.101, subdivision 8.

The base for this appropriation is $1,000,000 $1,207,000 in fiscal year 2024 and later.

Sec. 12. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 34, is amended to read:

Subd. 34. Student Loan Debt Counseling 200,000 200,000

For student loan debt counseling under Minnesota Statutes, section 136A.1788.

The Office of Higher Education may use no more than three percent $6,000 each year of
the appropriation to administer the student
loan debt counseling program.

Sec. 13. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 38, is amended to read:

Subd. 38. **Aspiring Teachers of Color Scholarship Pilot Program**
1,500,000 1,500,000

(a) This appropriation is for the aspiring teachers of color scholarship pilot program under article 2, section 45.

(b) The commissioner of the Office of Higher Education may use no more than three percent $45,000 each year of the appropriation to administer the aspiring teachers of color scholarship program.

(c) This is a onetime appropriation. The base for this appropriation is $0 in fiscal year 2024 and later. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this subdivision do not cancel until July 1, 2025.

Sec. 14. Laws 2021, First Special Session chapter 2, article 1, section 3, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation** $791,992,000 $800,140,000

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

Sec. 15. Laws 2021, First Special Session chapter 2, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. **Operations and Maintenance** 753,795,000 761,944,000
(a) The Board of Trustees must establish tuition rates as follows:

(1) for the 2021-2022 and 2022-2023 academic years, tuition rates for undergraduate students at colleges and universities must not be increased by more than 3.5 percent as compared to the previous academic year, except that a university may change base tuition to adjust for the reduction of online differential charges provided the change is revenue-neutral; and

(2) the student tuition relief may not be offset by increases in mandatory fees, charges, or other assessments to the student. Colleges and universities are permitted to increase differential tuition charges in fiscal years 2022 and 2023 where costs for course or program delivery have increased due to extraordinary circumstances beyond the control of the college or university. Rates and rationale must be approved by the Board of Trustees.

(b) The Board of Trustees must request guidance from the United States Department of Education regarding whether it is permissible to allocate federal funds received under section 314 of the Consolidated Appropriations Act, 2021, as provided by Public Law 116-260, and section 2003 of the American Rescue Plan Act, as provided by Public Law 117-2, to provide a tuition credit for enrolled students or refund for students who are no longer enrolled in an amount equal to the amount of the online differential tuition rate charged to students for courses moved online due to the coronavirus pandemic during
the 2020-2021 academic year that were not
offered as online courses during the previous
academic year. If the department advises that
this is a permissible use of the federal funds,
institutions must issue such tuition credits to
enrolled students and must inform students
who are no longer enrolled in the institution
of their eligibility for a refund. In order to
receive a refund, the student must apply for
the refund.

(c) $5,700,000 in fiscal year 2022 and
$5,700,000 in fiscal year 2023 are to provide
supplemental aid for operations and
maintenance to the president of each two-year
institution in the system with at least one
campus that is not located in a metropolitan
county, as defined in Minnesota Statutes,
section 473.121, subdivision 4. The board
shall transfer at least $158,000 for each
campus not located in a metropolitan county
in each year to the president of each institution
that includes such a campus.

(d) The Board of Trustees is requested to help
Minnesota close the attainment gap by funding
activities which improve retention and
completion for students of color.

(e) $4,500,000 in fiscal year 2022 and
$14,500,000 in fiscal year 2023
are for workforce development scholarships
under Minnesota Statutes, section 136F.38.
Of this appropriation, up to $200,000 is
available in each year to administer the
program. Of this amount, $7,500,000 in the
second year and later must be used for
scholarships to students enrolled in a law
enforcement program of study. If there is a
balance of unobligated funds to law
enforcement students by February 15 of each
year, the board may reallocate the balance to
other purposes under this paragraph. The base
for this appropriation is $9,500,000 for fiscal
year 2024 and later.

(f) $300,000 in fiscal year 2022 and $300,000
in fiscal year 2023 are for transfer to the Cook
County Higher Education Board to provide
educational programming, workforce
development, and academic support services
to remote regions in northeastern Minnesota.
The Cook County Higher Education Board
shall continue to provide information to the
Board of Trustees on the number of students
served, credit hours delivered, and services
provided to students.

(g) This appropriation includes $40,000 in
fiscal year 2022 and $40,000 in fiscal year
2023 to implement the sexual assault policies
required under Minnesota Statutes, section
135A.15.

(h) This appropriation includes $8,000,000 in
fiscal year 2022 and $8,000,000 in fiscal year
2023 for upgrading the Integrated Statewide
Record System.

(i) This appropriation includes $250,000 in
fiscal year 2022 and $250,000 in fiscal year
2023 to implement the Z-Degree program
under Minnesota Statutes, section 136F.305.
The base for this appropriation is $50,000 in
fiscal year 2024 and later.
(j) $1,500,000 in fiscal year 2022 is for the mental health awareness program for students required under Minnesota Statutes, section 136F.20, subdivision 4. Of this amount: $500,000 must be used for training opportunities under Minnesota Statutes, section 136F.20, subdivision 4, paragraph (a), clause (2); and $200,000 must be used for grants to colleges and universities to establish peer support pilot programs in Minnesota Statutes, section 136F.20, subdivision 4, paragraph (c). The Board of Trustees shall convene a committee that includes students to review and approve grant applications. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until July 1, 2025.

(k) $1,000,000 in fiscal year 2022 is for colleges and universities to comply with the student basic needs requirements under Minnesota Statutes, section 136F.202. The Board of Trustees must use at least 25 percent of this appropriation for grants to colleges and universities to comply with Minnesota Statutes, section 136F.202, subdivision 1, paragraph (a). The board must use a consultation and committee process that includes students to review and approve grant applications. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until July 1, 2025.

(l) The total operations and maintenance base for fiscal year 2024 and later is $756,095,000.
Sec. 16. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 1, is amended to read:

Subdivision 1. **Total Appropriation** $692,813,000 $694,813,000

<table>
<thead>
<tr>
<th>Appropriations by Fund</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>690,656,000</td>
<td>692,656,000</td>
</tr>
<tr>
<td>Health Care Access</td>
<td>2,157,000</td>
<td>2,157,000</td>
</tr>
</tbody>
</table>

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

Sec. 17. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. **Special Appropriations**

(a) **Agriculture and Extension Service** 42,922,000 42,922,000

For the Agricultural Experiment Station and the Minnesota Extension Service:

(1) the agricultural experiment stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;

(2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota...
producers, renewable energy, and bioenergy organizations:

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

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

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

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

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

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;
(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2023, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this paragraph.

(b) Health Sciences

9,204,000 9,204,000
$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

(c) **College of Science and Engineering**

1,140,000

(d) **System Special**

7,431,000

$2,250,000 in fiscal year 2022 and $2,250,000 in fiscal year 2023 are for the Natural Resources Research Institute to invest in applied research for economic development.

The base for this appropriation is $7,181,000 in fiscal year 2024 and later and, of this
amount, $2,000,000 per fiscal year is for the
Natural Resources Research Institute to invest
in applied research for economic development.

(e) University of Minnesota and Mayo
Foundation Partnership

This appropriation is for the following activities:

(1) $7,491,000 in fiscal year 2022 and
$7,491,000 in fiscal year 2023 are for the
direct and indirect expenses of the
collaborative research partnership between the
University of Minnesota and the Mayo
Foundation for research in biotechnology and
medical genomics. An annual report on the
expenditure of these funds must be submitted
to the governor and the chairs of the legislative
committees responsible for higher education
finance by June 30 of each fiscal year.

(2) $500,000 in fiscal year 2022 and $500,000
in fiscal year 2023 are to award competitive
grants to conduct research into the prevention,
treatment, causes, and cures of Alzheimer's
disease and other dementias.

Sec. 18. EDUCATION APPROPRIATIONS.

Subdivision 1. Department of Education. The sum indicated in this section is
appropriated from the general fund to the Department of Education for the fiscal year
designated. This sum is in addition to appropriations made for the same purpose in any other
law.

Subd. 2. General education aid. For general education aid under Minnesota Statutes,
section 126C.13, subdivision 4:

$ 24,000 .... 2023

The 2023 appropriation includes $0 for 2022 and $24,000 for 2023.

EFFECTIVE DATE. This section is effective the day following final enactment.
ARTICLE 2

HIGHER EDUCATION PROVISIONS

Section 1. [124D.351] SKILLS PATH PROGRAM.

Subdivision 1. **Purpose.** The purpose of the skills path program is to provide students with clear pathways from high school to careers in skilled work and the trades and create opportunities for students to enter postsecondary programs and employment-based training in high school.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Career and technical education dual credit program" means a postsecondary career or technical education course under section 124D.09, subdivision 5a; a secondary course that has a current articulation agreement for postsecondary credit hours with a participating institution; or a youth skills training program that awards postsecondary credit to students.

(c) "Employment-based training" means a registered apprenticeship or apprenticeship readiness program, a dual-training program, a workforce training program at an opportunities industrialization center, or other work-based learning programs in which the student has paid employment.

Subd. 3. **Eligible institutions.** (a) A secondary public school, an American Indian-controlled Tribal contract or grant school eligible for aid under section 124D.83, a vocational center school, a nonpublic school, or any combination of schools is eligible to apply for a skills path program designation.

(b) A Minnesota state college or university, an institution licensed or registered as a postsecondary institution by the Office of Higher Education, or an institution exempt from the provisions of sections 136A.61 to 136A.71 or 136A.822 to 136A.834, as approved by the Office of Higher Education, may partner with an institution in paragraph (a) to provide a postsecondary options enrollment career and technical education course for eligible students in a skills path program.

(c) An eligible institution may work in partnership with one or more postsecondary programs designated in paragraph (b) to create a two-year program that incorporates secondary and postsecondary credit along with employment-based training to award an associate degree in skilled occupations.

Subd. 4. **Skills path programs.** The commissioner of higher education must develop an application consistent with section 136A.247, and may consult with the commissioners...
of education and labor and industry, for programs that provide students with clear pathways
from high school to careers in skilled work and the trades to be designated as skills path
programs. Skills path programs must include career-connected learning options, career and
technical education dual credit program options, and employment-based training opportunities
to be eligible for this designation. Applicants must demonstrate how skills path programs
will be marketed to students and what other local partners and employers are involved in
developing career pathway opportunities. Skills path programs may be identified in skilled
occupations and the trades, including manufacturing, construction, health care services,
information technology, agriculture, transportation, child care, law enforcement, energy,
and other related industries.

Subd. 5. Interaction with education finance. For the purpose of computing state aids
for the school district, students participating in the skills path programs under this section
shall be counted in the average daily membership of the school district.

Subd. 6. Academic credit. A school district may grant academic credit for skills path
programs under this section in accordance with local requirements.

Sec. 2. Minnesota Statutes 2020, section 136A.103, is amended to read:

136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.

(a) A postsecondary institution is eligible for state student aid under chapter 136A and
sections 197.791 and 299A.45, if the institution

(1) is operated by this state or the Board of Regents of the University of Minnesota; or

(2) is operated privately, is located in the state, and, as determined by the office, meets
the requirements of paragraph (b); or

(3) is a university that:

(i) is a nonprofit entity as defined by Internal Revenue Code, section 501(c)(3);

(ii) is accredited by the institutional accreditor, Northwest Commission on Colleges and Universities;

(iii) provides online education;

(iv) offers exclusively competency-based education; and

(v) as determined by the office, meets the requirements of paragraph (b).

For purposes of this clause, competency-based education means an educational delivery
model which organizes academic content by competency rather than more traditional
methods, such as by course, and measures a student's academic progress by assessing learning outcomes, typically on the basis of mastery of a defined set of competency standards.

(b) A private institution must:

(1) maintain academic standards substantially equivalent to those of comparable institutions operated in this state;

(2) be licensed or registered as a postsecondary institution by the office; and

(3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, Public Law 89-329, as amended; or

(ii) if an institution was participating in state student aid programs as of June 30, 2010, and the institution did not participate in the federal Pell Grant program by June 30, 2010, the institution must require every student who enrolls to sign a disclosure form, provided by the office, stating that the institution is not participating in the federal Pell Grant program.

(c) An institution that offers only graduate-level degrees or graduate-level nondegree programs is an eligible institution if the institution is licensed or registered as a postsecondary institution by the office.

(d) An eligible institution under paragraph (b), clause (3), item (ii), that changes ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell Grant program within four calendar years of the first ownership change to continue eligibility.

(e) An institution that loses its eligibility for the federal Pell Grant program is not an eligible institution. The office may terminate an institution's eligibility to participate in state student aid programs effective the date of the loss of eligibility for the federal Pell Grant program.

(f) An institution must maintain adequate administrative and financial standards and compliance with all state statutes, rules, and administrative policies related to state financial aid programs.

(g) The office may terminate a postsecondary institution's eligibility to participate in state student aid programs if the institution is terminated from participating in federal financial aid programs by the United States Department of Education for a violation of laws, regulations, or participation agreements governing federal financial aid programs.

**EFFECTIVE DATE.** This section is effective July 1, 2023.
Sec. 3. [136A.1213] GRANTS FOR STUDENTS PURSUING LAW ENFORCEMENT.

Subdivision 1. Grant amount; eligibility. (a) A student is eligible for a $3,000 annual grant, awarded at the beginning of the academic term and distributed evenly between two terms, if the student:

(1) meets the eligibility requirements in section 136A.121, subdivision 2;

(2) is enrolled for at least nine credits in a law enforcement degree program or a nondegree program under section 626.84, subdivision 1, paragraph (g);

(3) attends an eligible institution as defined in section 136A.103; and

(4) is making satisfactory academic progress as defined under section 136A.101, subdivision 10.

(b) The lifetime limit for:

(1) nondegree students is $3,000;

(2) associate degree students is $6,000; and

(3) baccalaureate degree students is $12,000.

Subd. 2. Application. To receive a grant under this section, a student must apply in the form and manner specified by the commissioner.

Sec. 4. [136A.247] SKILLS PATH GRANT PROGRAM.

Subdivision 1. Grant amount. The commissioner of higher education shall award grants up to $50,000 per grant to up to ten secondary schools annually for skills path programs under section 124D.351 that align career and technical education dual credit program options with employment-based training opportunities. Applications must demonstrate how grant funding will provide students with clear pathways from high school to postsecondary training that lead to careers in skilled work and the trades. The commissioner of higher education may work with the commissioner of education and the commissioner of labor and industry to develop the grant application and administer the grants.

Subd. 2. Grant uses. (a) A secondary school awarded a grant under this section must use the grant award for any of the following implementation and coordination activities:

(1) marketing efforts to students about skills path program opportunities;

(2) coordinating academic, vocational, and occupational learning; school-based and work-based learning; and secondary and postsecondary education for participants in the program;
(3) reimbursement of tuition, books, required tools, and other expenses necessary for
participation in the program; and

(4) any other implementation or coordination activity that the commissioner may direct
or permit the eligible institution to perform.

(b) Grant awards may not be used to pay the wages of a student directly or indirectly.

Subd. 3. Grant application. The following information must be included in the grant
application:

(1) the identity of each secondary school that is a participant in the skills path program;

(2) the identity of each registered apprenticeship program or apprenticeship readiness
program, dual-training program, workforce training program at an opportunities
industrialization center, or other work-based learning program in which the student has the
opportunity for paid employment that is a participant in the skills path program;

(3) the identity of each postsecondary institution, intermediate school district, public
agency, nonprofit organization, union, career and technical education consortium, or
workforce development authority that is a participant in the skills path program;

(4) the identity of any employers participating in the skills path program;

(5) a description of any career-connected learning components;

(6) a description of the career and technical education dual-credit program options;

(7) a description of any postsecondary education components in the skills path program;

(8) a description of employment-based training opportunities; and

(9) applicable career planning information.

Sec. 5. Minnesota Statutes 2020, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. Membership. The board consists of 15 members appointed by the
governor, including three members who are students who have attended an institution for
at least one year and are enrolled at the time of appointment at least half time in a degree,
diploma, or certificate program in an institution governed by the board. The student members
shall include one member from a community college, one member from a state university,
and one member from a technical college. One member representing labor must be appointed
after considering the recommendations made under section 136F.045. The governor is not
bound by the recommendations. Appointments to the board are with the advice and consent
of the senate. At least one member of the board must be a resident of each congressional
district. All other members must be appointed to represent the state at large. In selecting
appointees, the governor must consider the needs of the board and the balance of the board
membership with respect to labor and business representation and, racial, gender, geographic,
and ethnic composition; and occupation and experience. In selecting appointees, the governor
must consider the needs of the board for skills relevant to the governance of the Minnesota
State Colleges and Universities and the candidate's ability to discharge the responsibilities
of the board.

A commissioner of a state agency may not serve as a member of the board.

Sec. 6. Minnesota Statutes 2020, section 136F.302, subdivision 1, is amended to read:

Subdivision 1. ACT or SAT college ready score; Minnesota Comprehensive
Assessment career and college ready benchmarks. (a) A state college or university must
not require an individual to take a remedial developmental, noncredit course in a subject
area if the individual has received a college ready ACT or SAT score or met a career and
college ready Minnesota Comprehensive Assessment benchmark in that subject area. Only
the ACT and SAT scores an individual received and the Minnesota Comprehensive
Assessment benchmarks an individual met in the previous five years are valid for purposes
of this section. Each state college and university must post notice of the exemption from
remedial developmental course taking on its website explaining student course placement
requirements. Prior to enrolling an individual in a developmental course, a college or
university must (1) determine if the individual's performance on the ACT, SAT, or Minnesota
Comprehensive Assessments exempts the individual from the developmental course under
this paragraph, and (2) inform the individual if a developmental course is required.

(b) When deciding if an individual is admitted to or if an individual may enroll in a state
college or university, the state college or university must consider the individual's scores
on the high school Minnesota Comprehensive Assessments, in addition to other factors
determined relevant by the college or university.

Sec. 7. Minnesota Statutes 2020, section 136F.302, subdivision 2, is amended to read:

Subd. 2. Testing Process for determining if remediating developmental education
is necessary. (a) A college or university must not determine if an individual is placed in a
developmental, noncredit course based solely on a testing process. A state college or
university may use multiple measures to make a holistic determination on whether to place
an individual in a developmental course. Multiple measures may include:

(1) testing under paragraph (b):
(2) the individual's scores on the high school Minnesota Comprehensive Assessments, the ACT, or the SAT;

(3) high school grade point average;

(4) teacher recommendations; and

(5) other factors determined relevant by the college or university.

(b) A college or university testing process used to determine whether an individual is placed in a remedial developmental, noncredit course must comply with this subdivision. Prior to taking a test, an individual must be given reasonable time and opportunity to review materials provided by the college or university covering the material to be tested which must include a sample test. An individual who is required to take a remedial developmental, noncredit course as a result of a test given by a college or university must be given an opportunity to retake the test at the earliest time determined by the individual when testing is otherwise offered. The college or university must provide an individual with study materials for the purpose of retaking and passing the test.

Sec. 8. Minnesota Statutes 2020, section 136F.38, subdivision 2, is amended to read:

Subd. 2. Scholarship awards. The program shall award scholarships at the beginning of an academic term, in the amount of $2,500, or $5,000 for law enforcement students, to be distributed evenly between two terms.

Sec. 9. Minnesota Statutes 2021 Supplement, section 136F.38, subdivision 3, is amended to read:

Subd. 3. Program eligibility. (a) Scholarships shall be awarded only to a student eligible for resident tuition, as defined in section 135A.043, who is enrolled in any of the following programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health care services; (4) information technology; (5) early childhood; (6) transportation; or (7) construction; (8) law enforcement; or (9) a program of study under paragraph (b).

(b) Each institution may add one additional area of study or certification, based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the institution's specific region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region in which the institution is located. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in a region is...
higher than the state average vacancy rate for that same occupation. The institution may
change the area of study or certification based on new data once every two years.

(c) The student must be enrolled for at least nine credits in a two-year college in the
Minnesota State Colleges and Universities system to be eligible for first- and second-year
scholarships.

(d) The student is eligible for a one-year transfer scholarship if the student transfers from
a two-year college after two or more terms, and the student is enrolled for at least nine
credits in a four-year university in the Minnesota State Colleges and Universities system.

Sec. 10. Minnesota Statutes 2020, section 136F.38, subdivision 4, is amended to read:

Subd. 4. Renewal; cap. A student who has received a scholarship may apply again but
total lifetime awards are not to exceed $7,500 per student, or $15,000 for law enforcement
students. Students may only be awarded a second scholarship upon completion of two
academic terms. Students may be awarded a third scholarship if the student transfers to a
 Corresponding program at a Minnesota state university.

Sec. 11. Minnesota Statutes 2020, section 137.022, subdivision 4, is amended to read:

Subd. 4. Mineral research; scholarships. (a) All income credited after July 1, 1992,
to the permanent university fund from royalties for mining under state mineral leases from
and after July 1, 1991, must be allocated as provided in this subdivision.

(b)(1) Beginning January 1, 2013, 50 percent of the income must be allocated according
to this paragraph. One-half of the income under this paragraph, up to $50,000,000
$100,000,000, must be credited to the mineral research account of the fund to be allocated
for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral
and mineral-related research including mineral-related environmental research. The other
one-half of the income under this paragraph, up to $25,000,000, is credited to an endowment
for the costs of operating a mining, metallurgical mineral, mineral-related, or related
engineering science, technology, engineering, and mathematics (STEM) degree program
programs offered through the University of Minnesota at Mesabi Range Community and
Technical College and the Swenson College of Science and Engineering at Duluth to support
workforce development and collaborations benefiting regional academics, industry, and
natural resources on the Iron Range in northeast Minnesota and for scholarships for
Minnesota students to attend the mining, metallurgical, or related engineering program
mineral, mineral-related, or STEM programs. The maximum scholarship awarded to attend
the mining, metallurgical, or related engineering degree program programs funded under
(2) The remainder of the income under paragraph (a) plus the amount of any income under clause (1) after $50,000,000 $100,000,000 has been credited to the mineral research account for the Natural Resources Research Institute and the amount of any income over the $25,000,000 for the engineering program in clause (1) must be credited to the endowed scholarship account of the fund for distribution annually for scholastic achievement as provided by the Board of Regents to undergraduates enrolled at the University of Minnesota who are resident students as defined in section 136A.101, subdivision 8.

(c) The annual distribution from the endowed scholarship account must be allocated to the various campuses of the University of Minnesota in proportion to the number of undergraduate resident students enrolled on each campus.

(d) The Board of Regents must report to the education committees of the legislature biennially at the time of the submission of its budget request on the disbursement of money from the endowed scholarship account and to the environment and natural resources committees on the use of the mineral research account.

(e) Capital gains and losses and portfolio income of the permanent university fund must be credited to its three accounts in proportion to the market value of each account.

(f) The endowment support from the income and capital gains of the endowed mineral research and endowed scholarship accounts of the fund must not total more than six percent per year of the 36-month trailing average market value of the account from which the support is derived.

Sec. 12. OWATONNA LEARN TO EARN COALITION GRANT FUNDS REPORT.

By February 1, 2026, the Owatonna Learn to Earn Coalition must report to the commissioner of the Office of Higher Education and to the chairs and ranking minority members of the committees with jurisdiction over higher education on activities funded under article 1, section 2, subdivisions 4 and 5. The report must include but is not limited to information regarding:

(1) the impact of the grant funds on high school and technical college student enrollment in technical education courses receiving equipment funded through the grant;

(2) the number of grant-related degrees awarded by Owatonna Riverland Community College;
(3) the results of the Department of Employment and Economic Development grant to conduct a needs assessment examining current and future workforce needs in the region;

and

(4) employment impacted in the area associated with the grant, including recruitment and retention.

Sec. 13. UNIVERSITY OF MINNESOTA SPECIAL COMMISSION ON INTERCOLLEGIATE SPORTS.

It is requested that the Board of Regents of the University of Minnesota establish a special commission to conduct a comprehensive review and evaluation of the role of intercollegiate athletics at the University of Minnesota. If the commission is established, the duties of the commission must include but are not limited to determining the value of athletics and the preservation of intercollegiate sports opportunities for university students, exploring reasonable financing models for nonrevenue sports, and establishing evidence-based proposals to guide decisions affecting the future of athletics at the University of Minnesota. If the commission is established, it is requested that the research and findings of the commission be provided to members of the legislative committees with jurisdiction over higher education issues.

Sec. 14. REVISOR INSTRUCTION.

The revisor of statutes shall substitute the term "developmental" for "remedial" wherever the term refers to remedial education courses at a postsecondary institution. The revisor shall also make grammatical changes related to the changes in terms to preserve the meaning of the text.

Sec. 15. REPEALER.

Minnesota Statutes 2020, section 136F.03, is repealed.

ARTICLE 3

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

Section 1. Minnesota Statutes 2020, section 136A.25, is amended to read:

136A.25 CREATION.

A state agency known as the Minnesota Higher Health and Education Facilities Authority is hereby created.
Sec. 2. Minnesota Statutes 2020, section 136A.26, is amended to read:

136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.

Subdivision 1. Membership. The Minnesota Higher Health and Education Facilities Authority shall consist of eight nine members appointed by the governor with the advice and consent of the senate, and a representative of the Office of Higher Education.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; and at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education; and at least one of the members shall be a trustee, director, officer, or employee of a health care organization.

Subd. 1a. Private College Council member. The president of the Minnesota Private College Council, or the president's designee, shall serve without compensation as an advisory, nonvoting member of the authority.

Subd. 1b. Nonprofit health care association member. The chief executive officer of a Minnesota nonprofit membership association whose members are primarily nonprofit health care organizations, or the chief executive officer's designee, shall serve without compensation as an advisory, nonvoting member of the authority. The identity of the Minnesota nonprofit membership association shall be determined and may be changed from time to time by the members of the authority in accordance with and as shall be provided in the bylaws of the authority.

Subd. 2. Term; compensation; removal. The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the representative of the office, and the president of the Private College Council, or the chief executive officer of the Minnesota nonprofit membership association described in subdivision 1b shall be as provided in section 15.0575.

Sec. 3. Minnesota Statutes 2020, section 136A.27, is amended to read:

136A.27 POLICY.

It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that health care organizations within the state be provided with appropriate
additional means to establish, acquire, construct, improve, and expand health care facilities
in furtherance of their purposes; that this and future generations of youth be given the fullest
opportunity to learn and to develop their intellectual and mental capacities; that it is essential
that institutions of higher education within the state be provided with appropriate additional
means to assist such youth in achieving the required levels of learning and development of
their intellectual and mental capacities; and that health care organizations and institutions
of higher education be enabled to refinance outstanding indebtedness incurred to provide
existing facilities used for such purposes in order to preserve and enhance the utilization of
facilities for purposes of health care and higher education, to extend or adjust maturities in
relation to the resources available for their payment, and to save interest costs and thereby
reduce health care costs or higher education tuition, fees, and charges; and. It is hereby
further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure
of assistance and an alternative method to enable health care organizations and institutions
of higher education in the state to provide the facilities and structures which are sorely
needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit
and good, to the extent and manner provided herein.

Sec. 4. Minnesota Statutes 2020, section 136A.28, is amended to read:

136A.28 DEFINITIONS.

Subdivision 1. Scope. In sections 136A.25 to 136A.42, the following words and terms
shall, unless the context otherwise requires, have the meanings ascribed to them.

Subd. 1a. Affiliate. "Affiliate" means an entity that directly or indirectly controls, is
controlled by, or is under common control with, another entity. For the purposes of this
subdivision, "control" means either the power to elect a majority of the members of the
governing body of an entity or the power, whether by contract or otherwise, to direct the
management and policies of the entity. Affiliate also means an entity whose business or
substantially all of whose property is operated under a lease, management agreement, or
operating agreement by another entity, or an entity who operates the business or substantially
all of the property of another entity under a lease, management agreement, or operating
agreement.

Subd. 2. Authority. "Authority" means the Higher Education Facilities
Authority created by sections 136A.25 to 136A.42.

Subd. 3. Project. "Project" means a structure or structures available for use as a dormitory
or other student housing facility, a dining hall, student union, administration building,
avoiding building, library, laboratory, research facility, classroom, athletic facility, health
care facility, child care facility, and maintenance, storage, or utility facility and other
structures or facilities related thereto or required or useful for the instruction of students or
the conducting of research or the operation of an institution of higher education, whether
proposed, under construction, or completed, including parking and other facilities or
structures essential or convenient for the orderly conduct of such institution for higher
education, and shall also include landscaping, site preparation, furniture, equipment and
machinery, and other similar items necessary or convenient for the operation of a particular
facility or structure in the manner for which its use is intended but shall not include such
items as books, fuel, supplies, or other items the costs of which are customarily deemed to
result in a current operating charge, and shall a health care facility or an education facility
whether proposed, under construction, or completed, and includes land or interests in land,
appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures,
furniture, machinery, equipment, and parking. Project also includes other structures, facilities,
improvements, machinery, equipment, and means of transport of a capital nature that are
necessary or convenient for the operation of the facility. Project does not include: (1) any
facility used or to be used for sectarian instruction or as a place of religious worship nor;
(2) any facility which is used or to be used primarily in connection with any part of the
program of a school or department of divinity for any religious denomination; nor (3) any
books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are
customarily deemed to result in a current operating charge.

Subd. 4. Cost. "Cost," as applied to a project or any portion thereof financed under the
provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction,
acquisition, alteration, enlargement, reconstruction and remodeling of a project including
all lands, structures, real or personal property, rights, rights-of-way, franchises, easements
and interests acquired or used for or in connection with a project, the cost of demolishing
or removing any buildings or structures on land so acquired, including the cost of acquiring
any lands to which such buildings or structures may be moved, the cost of all machinery
and equipment, financing charges, interest prior to, during and for a period after completion
of such construction and acquisition, provisions for reserves for principal and interest and
for extensions, enlargements, additions and improvements, the cost of architectural,
engineering, financial and legal services, plans, specifications, studies, surveys, estimates
of cost and of revenues, administrative expenses, expenses necessary or incidental to
determining the feasibility or practicability of constructing the project and such other
expenses as may be necessary or incident to the construction and acquisition of the project,
the financing of such construction and acquisition and the placing of the project in operation.
Subd. 5. Bonds. "Bonds," or "revenue bonds" means revenue bonds of the authority issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution for higher education or any other lawfully pledged security of a participating institution for higher education.

Subd. 6. Institution of higher education. "Institution of higher education" means a nonprofit educational institution within the state authorized to provide a program of education beyond the high school level.

Subd. 6a. Health care organization. (a) "Health care organization" means a nonprofit organization located within the state and authorized by law to operate a nonprofit health care facility in the state. Health care organization also means a nonprofit affiliate of a health care organization as defined under this paragraph, provided the affiliate is located within the state or within a state that is geographically contiguous to Minnesota.

(b) Health care organization also means a nonprofit organization located within another state that is geographically contiguous to Minnesota and authorized by law to operate a nonprofit health care facility in that state, provided that the nonprofit organization located within the contiguous state is an affiliate of a health care organization located within the state.

Subd. 6b. Education facility. "Education facility" means a structure or structures available for use as a dormitory or other student housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, student health care facility, or child care facility, and includes other facilities or structures related thereto essential or convenient for the orderly conduct of an institution of higher education.

Subd. 6c. Health care facility. (a) "Health care facility" means a structure or structures available for use within this state as a hospital, clinic, psychiatric residential treatment facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility, medical office building, residence for nurses or interns, nursing home, boarding care home, assisted living facility, residential hospice, intermediate care facility for persons with developmental disabilities, supervised living facility, housing with services establishment, board and lodging establishment with special services, adult day care center, day services facility, prescribed pediatric extended care facility, community residential setting, adult
foster home, or other facility related to medical or health care research, or the delivery or administration of health care services, and includes other structures or facilities related thereto essential or convenient for the orderly conduct of a health care organization.

(b) Health care facility also means a facility in a state that is geographically contiguous to Minnesota operated by a health care organization that corresponds by purpose, function, or use with a facility listed in paragraph (a).

Subd. 7. Participating institution of higher education. "Participating institution of higher education" means a health care organization or an institution of higher education that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42. Community colleges and technical colleges may be considered participating institutions of higher education for the purpose of financing and constructing child care facilities and parking facilities.

Sec. 5. Minnesota Statutes 2020, section 136A.29, subdivision 1, is amended to read:

Subdivision 1. Purpose. The purpose of the authority shall be to assist health care organizations and institutions of higher education in the construction, financing, and refinancing of projects. The exercise by the authority of the powers conferred by sections 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the powers and duties set forth in subdivisions 2 to 23.

Sec. 6. Minnesota Statutes 2020, section 136A.29, subdivision 3, is amended to read:

Subd. 3. Employees. The authority is authorized and empowered to appoint and employ employees as it may deem necessary to carry out its duties, determine the title of the employees so employed, and fix the salary of its employees. Employees of the authority shall participate in retirement and other benefits in the same manner that employees in the unclassified service of the office managerial plan under section 43A.18, subdivision 3, participate.

Sec. 7. Minnesota Statutes 2020, section 136A.29, subdivision 6, is amended to read:

Subd. 6. Projects; generally. (a) The authority is authorized and empowered to determine the location and character of any project to be financed under the provisions of sections 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge,
alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into contracts for any or all of such purposes, to enter into contracts for the management and operation of a project, and to designate a participating institution of higher education as its agent to determine the location and character of a project undertaken by such participating institution of higher education under the provisions of sections 136A.25 to 136A.42 and as the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the agent of the authority, to enter into contracts for any or all of such purposes, including contracts for the management and operation of such project.

(b) Notwithstanding paragraph (a), a project involving a health care facility within the state financed under sections 136A.25 to 136A.42, must comply with all applicable requirements in state law related to authorizing construction of or modifications to a health care facility, including the requirements of sections 144.5509, 144.551, 144A.071, and 252.291.

(c) Contracts of the authority or of a participating institution of higher education to acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other public contract or competitive bid law.

Sec. 8. Minnesota Statutes 2020, section 136A.29, subdivision 9, is amended to read:

Subd. 9. Revenue bonds; limit. (a) The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed $1,300,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

(b) Of the $4,000,000,000 limit in paragraph (a), the aggregate principal amount used to fund education facilities may not exceed $1,750,000,000 at any time, and the aggregate principal amount used to fund health care facilities may not exceed $2,250,000,000 at any time.

Sec. 9. Minnesota Statutes 2020, section 136A.29, subdivision 10, is amended to read:

Subd. 10. Revenue bonds; issuance, purpose, conditions. The authority is authorized and empowered to issue revenue bonds to acquire projects from or to make loans to participating institutions of higher education and thereby refinance outstanding indebtedness
incurred by participating institutions of higher education to provide funds for the acquisition, construction or improvement of a facility before or after the enactment of sections 136A.25 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the authority finds that such refinancing will enhance or preserve such participating institutions and such facilities or utilization thereof for health care or educational purposes or extend or adjust maturities to correspond to the resources available for their payment, or reduce charges or fees imposed on patients or occupants, or the tuition, charges, or fees imposed on students for the use or occupancy of the facilities of such participating institutions of higher education or costs met by federal or state public funds, or enhance or preserve health care or educational programs and research or the acquisition or improvement of other facilities eligible to be a project or part thereof by the participating institution of higher education. The amount of revenue bonds to be issued to refinance outstanding indebtedness of a participating institution of higher education shall not exceed the lesser of (a) the fair value of the project to be acquired by the authority from the institution or mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness including any premium thereon and any interest accrued or to accrue to the date of redemption and any legal, fiscal and related costs in connection with such refinancing and reasonable reserves, as determined by the authority. The provisions of this subdivision do not prohibit the authority from issuing revenue bonds within and charged against the limitations provided in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of the project refinanced.

Sec. 10. Minnesota Statutes 2020, section 136A.29, subdivision 14, is amended to read:

Subd. 14. Rules for use of projects. The authority is authorized and empowered to establish rules for the use of a project or any portion thereof and to designate a participating institution of higher education as its agent to establish rules for the use of a project undertaken for such participating institution of higher education.

Sec. 11. Minnesota Statutes 2020, section 136A.29, subdivision 19, is amended to read:

Subd. 19. Surety. Before the issuance of any revenue bonds under the provisions of sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution of the authority to handle funds or sign checks of the authority shall be covered under a surety or fidelity bond in an amount to be determined by the authority. Each such bond shall be conditioned upon the faithful performance of the duties of the office of the member or officer, and shall be executed by a surety company authorized to transact business in the state of Minnesota as surety. The cost of each such bond shall be paid by the authority.
Sec. 12. Minnesota Statutes 2020, section 136A.29, subdivision 20, is amended to read:

Subd. 20. Sale, lease, and disposal of property. The authority is authorized and empowered to sell, lease, release, or otherwise dispose of real and personal property or interests therein, or a combination thereof, acquired by the authority under authority of sections 136A.25 to 136A.42 and no longer needed for the purposes of this chapter or of the authority, and grant such easements and other rights in, over, under, or across a project as will not interfere with its use of the property. Such sale, lease, release, disposition, or grant may be made without competitive bidding and in the manner and for such consideration as the authority in its judgment deems appropriate.

Sec. 13. Minnesota Statutes 2020, section 136A.29, subdivision 21, is amended to read:

Subd. 21. Loans. The authority is authorized and empowered to make loans to any participating institution of higher education for the cost of a project in accordance with an agreement between the authority and the participating institution of higher education, provided that no such loan shall exceed the total cost of the project as determined by the participating institution of higher education and approved by the authority.

Sec. 14. Minnesota Statutes 2020, section 136A.29, subdivision 22, is amended to read:

Subd. 22. Costs, expenses, and other charges. The authority is authorized and empowered to charge to and apportion among participating institutions of higher education its administrative costs and expenses incurred in the exercise of the powers and duties conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment deems appropriate.

Sec. 15. Minnesota Statutes 2020, section 136A.29, is amended by adding a subdivision to read:

Subd. 24. Determination of affiliate status. The authority is authorized and empowered to determine whether an entity is an affiliate as defined in section 136A.28, subdivision 1a. A determination by the authority of affiliate status shall be deemed conclusive for the purposes of sections 136A.25 to 136A.42.

Sec. 16. Minnesota Statutes 2020, section 136A.32, subdivision 4, is amended to read:

Subd. 4. Provisions of resolution authorizing bonds. Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:
(1) pledging all or any part of the revenues of a project or projects, any revenue producing contract or contracts made by the authority with any individual partnership, corporation or association or other body, one or more partnerships, corporations or associations, or other bodies, public or private, to secure the payment of the revenue bonds or of any particular issue of revenue bonds, subject to such agreements with bondholders as may then exist; (2) the rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues; (3) the setting aside of reserves or sinking funds, and the regulation and disposition thereof; (4) limitations on the right of the authority or its agent to restrict and regulate the use of the project; (5) limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds; (6) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding bonds; (7) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given; (8) limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority; (9) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default; or (10) the mortgaging of a project and the site thereof for the purpose of securing the bondholders.

Sec. 17. Minnesota Statutes 2020, section 136A.33, is amended to read:

136A.33 TRUST AGREEMENT.

In the discretion of the authority any revenue bonds issued under the provisions of sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state.
providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged and may convey or mortgage the project or any portion thereof. Such The trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the authority authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledges such pledge securities as may be required by the authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such the trust agreement or resolution may be treated as a part of the cost of the operation of a project.

Sec. 18. Minnesota Statutes 2020, section 136A.34, subdivision 3, is amended to read:

Subd. 3. Investment. Any such escrowed proceeds, pending such use, may be invested and reinvested in direct obligations of the United States of America, or in certificats of deposit or time deposits secured by direct obligations of the United States of America, or in shares or units in any money market mutual fund whose investment portfolio consists solely of direct obligations of the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to the payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner.

Sec. 19. Minnesota Statutes 2020, section 136A.34, subdivision 4, is amended to read:

Subd. 4. Additional purpose; improvements. The portion of the proceeds of any such revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of a project
may be invested or deposited in time deposits as provided in section 136A.32, subdivision 7.

Sec. 20. Minnesota Statutes 2020, section 136A.36, is amended to read:

**136A.36 REVENUES.**

The authority may fix, revise, charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by each project and to may contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. Such The rates, rents, fees, and charges may vary between projects involving an education facility and projects involving a health care facility and shall be fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from the project so as to provide funds sufficient with other revenues, if any:

1. to pay the cost of maintaining, repairing and operating the project and each and every portion thereof, to the extent that the payment of such cost has not otherwise been adequately provided for;

2. to pay the principal of and the interest on outstanding revenue bonds of the authority issued in respect of such project as the same shall become due and payable; and

3. to create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, such revenue bonds of the authority. Such The rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this state other than the authority. A sufficient amount of the revenues derived in respect of a project, except such part of such the revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in such the resolution or trust agreement in a sinking or other similar fund which that is hereby pledged to, and charged with, the payment of the principal of and the interest on such revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such The pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such the pledge without physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind against the authority, irrespective of whether such
parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such the resolution or such trust agreement, such the sinking or other similar fund shall be a fund for all such revenue bonds issued to finance a project or projects at one or more participating institutions of higher education without distinction or priority of one over another; provided the authority in any such resolution or trust agreement may provide that such sinking or other similar fund shall be the fund for a particular project at an a participating institution of higher education and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of such the subordinate lien bonds.

Sec. 21. Minnesota Statutes 2020, section 136A.38, is amended to read:

136A.38 BONDS ELIGIBLE FOR INVESTMENT.

Bonds issued by the authority under the provisions of sections 136A.25 to 136A.42, are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes 1969, section 50.14. Such The bonds are hereby made securities which that may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.
Sec. 22. Minnesota Statutes 2020, section 136A.41, is amended to read:

136A.41 CONFLICT OF INTEREST.

Notwithstanding any other law to the contrary it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of any participating institution of higher education, financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architecture firm, insurance company, construction company, or any other firm, person or corporation to serve as a member of the authority, provided such trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority in each instance where the business affiliation of any such trustee, director, officer or employee is involved.

Sec. 23. Minnesota Statutes 2020, section 136A.42, is amended to read:

136A.42 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures and shall annually report to the office. Each year, the authority shall submit to the Minnesota Historical Society and the Legislative Reference Library a report of the authority's activities in the previous year, including all financial activities.

Sec. 24. REVISOR INSTRUCTION.

The revisor of statutes shall renumber the law establishing and governing the Minnesota Higher Education Facilities Authority, renamed the Minnesota Health and Education Facilities Authority in this act, as Minnesota Statutes, chapter 16F, coded in Minnesota Statutes 2020, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor of statutes shall also duplicate any required definitions from Minnesota Statutes, chapter 136A, revise any statutory cross-references consistent with the recoding, and report the history in Minnesota Statutes, chapter 16F.

Sec. 25. REPEALER.

Minnesota Statutes 2020, section 136A.29, subdivision 4, is repealed.
ARTICLE 4

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY
CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2020, section 3.732, subdivision 1, is amended to read:

Subdivision 1. Definitions. As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the Health and Education Facilities Authority, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.
Sec. 2. Minnesota Statutes 2021 Supplement, section 10A.01, subdivision 35, is amended to read:

Subd. 35. Public official. "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;
(15) member or executive director of the Higher Health and Education Facilities Authority;

(16) member of the board of directors or president of Enterprise Minnesota, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism;

(23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056;

(24) citizen member of the Clean Water Council established in section 114D.30;

(25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.07;

(26) district court judge, appeals court judge, or supreme court justice;

(27) county commissioner;

(28) member of the Greater Minnesota Regional Parks and Trails Commission;

(29) member of the Destination Medical Center Corporation established in section 469.41; or

(30) chancellor or member of the Board of Trustees of the Minnesota State Colleges and Universities.

Sec. 3. Minnesota Statutes 2020, section 136F.67, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A technical college or a community college must not seek financing for child care facilities or parking facilities through the Higher Health and Education Facilities Authority, as provided in section 136A.28, subdivision 7, without the explicit authorization of the board.
Sec. 4. Minnesota Statutes 2020, section 354B.20, subdivision 7, is amended to read:

Subd. 7. Employing unit. "Employing unit," if the agency employs any persons covered by the individual retirement account plan under section 354B.211, means:

(1) the board;

(2) the Minnesota Office of Higher Education; and

(3) the Health and Education Facilities Authority.
136A.29 POWERS; DUTIES.

Subd. 4. Mutual agreement; staff, equipment, office space. By mutual agreement between the authority and the office, authority staff employees may also be members of the office staff. By mutual agreement, authority employees may be provided office space in the office of the Office of Higher Education, and said employees may make use of equipment, supplies, and office space, provided that the authority fully reimburses the office for salaries and for space, equipment, supplies, and materials used. In the absence of such mutual agreement between the authority and the office, the authority may maintain an office at such place or places as it may designate.

136F.03 CANDIDATE ADVISORY COUNCIL.

Subdivision 1. Purpose. A Candidate Advisory Council for the board shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, nonstudent membership on the 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. 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.

Subd. 3. Duties. (a) 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 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.

(b) Selection criteria developed under this section must include the requirement that trustees represent diversity in geography, gender, race, occupation, and experience.

(c) Selection criteria developed under this section must also include the identification of the membership needs of the board for individual skills relevant to the governance of the Minnesota State Colleges and Universities and the needs for certain individual characteristics that include geographic location, gender, race, occupation, and experience.

Subd. 4. Recommendations. Except for seats filled under sections 136F.04 and 136F.045, the advisory council shall recommend at least two and not more than four candidates for each seat. By April 15 of each even-numbered year in which the governor makes appointments to the board, the advisory council shall submit its recommendations to the governor and to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance. 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.