

SENATE  
STATE OF MINNESOTA  
EIGHTY-SEVENTH LEGISLATURE

S.F. No. 1573

(SENATE AUTHORS: FISCHBACH)

DATE	D-PG	OFFICIAL STATUS
01/26/2012	3647	Introduction and first reading Referred to Capital Investment
02/27/2012	3966	Withdrawn and re-referred to Higher Education
03/22/2012	4789a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act  
1.2 relating to higher education; requiring the provision of textbook information  
1.3 to certain students; providing for the continued operation of Minnesota State  
1.4 Colleges and Universities in certain circumstances; increasing Minnesota State  
1.5 Colleges and Universities system revenue bond authority; prescribing uses of  
1.6 the permanent university fund; providing a graduate study benefit to certain  
1.7 safety officer survivors; making miscellaneous technical changes; appropriating  
1.8 money; amending Minnesota Statutes 2010, sections 135A.25, subdivision 5;  
1.9 136F.58, subdivision 3, by adding a subdivision; 136F.71, subdivision 3, by  
1.10 adding a subdivision; 136F.98, subdivision 1; 136G.03, subdivision 7; 137.022,  
1.11 subdivision 4; 141.35; 299A.45, subdivisions 1, 2.

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

1.13 Section 1. Minnesota Statutes 2010, section 135A.25, subdivision 5, is amended to  
1.14 read:

1.15 Subd. 5. **Bookstores; course materials.** The University of Minnesota and private  
1.16 colleges are encouraged to comply with the requirements ~~for instructors and bookstores~~  
1.17 under section 136F.58, ~~subdivision~~ subdivisions 2, 2a, and 3.

1.18 Sec. 2. Minnesota Statutes 2010, section 136F.58, is amended by adding a subdivision  
1.19 to read:

1.20 Subd. 2a. **Course schedule and material list.** (a) Each state college and university  
1.21 shall compile a course schedule indicating each course offered by the state college or  
1.22 university for each term and shall include with the course schedule a list of the required  
1.23 and recommended course materials that specifies, to the extent practicable, the information  
1.24 required in subdivision 3, paragraph (b).

(b) At or before the time required by subdivision 3, paragraph (b), a state college or university shall publish course schedules and course material lists on the state college's or university's Web site.

Sec. 3. Minnesota Statutes 2010, section 136F.58, subdivision 3, is amended to read:

Subd. 3. **Notice to purchase.** (a) An instructor or department shall ~~make reasonable efforts to~~ notify a bookstore of the final order for required and recommended course material at least ~~30~~ 45 days prior to the commencement of the term.

(b) The bookstore must make reasonable efforts to notify students of the following information concerning the required and recommended course material at least ~~15~~ 30 days prior to the commencement of the term for which the course material is required including, but not limited to:

(1) the title, edition, author, and International Standard Book Number (ISBN) of the course material;

(2) the retail price charged in the college or university bookstore for the course material, including custom textbooks;

(3) ~~whether the required course material is bundled with optional material, whether it can be unbundled, and the price for each bundled and unbundled component~~ the name of the publisher of the course material except an international textbook purchased directly from a distributor where no publisher information is readily available; and

(4) whether the material is available in an alternative format and the cost for the alternatively formatted material.

(c) For purposes of this subdivision, "custom textbooks" means course materials that are compiled by a publisher at the direction of a faculty member or, if applicable, the other adopting entity in charge of selecting course materials for courses taught at a state college or university. Custom textbooks may include items such as selections from original instructor materials, previously copyrighted publisher materials, copyrighted third-party works, or elements unique to a specific state college or university.

Sec. 4. Minnesota Statutes 2010, section 136F.71, subdivision 3, is amended to read:

Subd. 3. **Interest income.** ~~Beginning July 1, 1997,~~ Interest income attributable to general fund dedicated receipts of the board is appropriated to the board. The board shall allocate the income proportionately among the colleges and universities. The board shall report this income separately in its biennial budget requests.

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

Sec. 5. Minnesota Statutes 2010, section 136F.71, is amended by adding a subdivision to read:

Subd. 5. **Continued operation.** Notwithstanding any other law to the contrary, to the extent that the board has receipts under this section sufficient to continue operations, the commissioner of management and budget shall provide the board with statewide systems services under section 16A.1286 and access to its funds as deemed necessary by the board to continue its operations. The board shall pay for the services received in accordance with section 16A.1286, including any administrative services necessary for the commissioner of management and budget to provide the statewide systems services. In addition, the board shall pay for treasury operations services provided by the commissioner of management and budget. Payments received by the commissioner of management and budget under this subdivision are appropriated to the Department of Management and Budget for the purposes of providing those services. The commissioner of management and budget may transfer payments received under this subdivision to the chief information officer and the commissioner of administration, if necessary.

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

Sec. 6. Minnesota Statutes 2010, section 136F.98, subdivision 1, is amended to read:

Subdivision 1. **Issuance of bonds.** The Board of Trustees of the Minnesota State Colleges and Universities or a successor may issue revenue bonds under sections 136F.90 to 136F.97 whose aggregate principal amount at any time may not exceed ~~\$300,000,000~~ \$405,000,000, and payable from the revenue appropriated to the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures or portions thereof to be used for dormitory, residence hall, student union, food service, parking purposes, or for any other similar revenue-producing building or buildings of such type and character as the board finds desirable for the good and benefit of the state colleges and universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee about the facilities to be financed by the bonds.

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

Subd. 7. **Contingent account owner.** "Contingent account owner" means the ~~individual person~~ designated as the account owner, either in the participation agreement or

pursuant to a separate Minnesota college savings plan form, in the event of the death of the account owner.

Sec. 8. Minnesota Statutes 2010, 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) ~~Fifty~~ Beginning January 1, 2012, 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, 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, and. 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, or related engineering degree program offered through the University of Minnesota at Mesabi Range Community and Technical College and for scholarships for students to attend the mining, metallurgical, or related engineering program. The maximum scholarship awarded to attend the mining, metallurgical, or related engineering degree program funded under this paragraph cannot exceed \$6,500 per academic year and may be awarded a maximum of four academic years.

(2) The remainder of the income under paragraph (a) and the amount of any income over the \$25,000,000 for the engineering program under 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.

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2012.

Sec. 9. Minnesota Statutes 2010, section 141.35, is amended to read:

**141.35 EXEMPTIONS.**

Sections 141.21 to 141.32 shall not apply to the following:

- (1) public postsecondary institutions;
- (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;
- (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- (5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;
- (6) schools exclusively engaged in training physically or mentally disabled persons for the state of Minnesota;
- (7) schools licensed by boards authorized under Minnesota law to issue licenses except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- (8) schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;
- (9) schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names unless the school used "academy" or "institute" in its name prior to August 1, 2008;
- (10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;
- (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making

this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;

(12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;

(13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

(14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

(15) classes, courses, or programs providing instruction in personal development, modeling, or acting;

(16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; and

(17) schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions.

**EFFECTIVE DATE.** This section is effective retroactively from August 1, 2008.

Sec. 10. Minnesota Statutes 2010, section 299A.45, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** A person is eligible to receive educational benefits under this section if the person:

(1) is certified under section 299A.44 and in compliance with this section and rules of the commissioner of public safety and the Minnesota Office of Higher Education;

(2) is enrolled in an undergraduate degree or certificate program after June 30, 1990 or a graduate degree or certificate program after June 30, 2011, at an eligible Minnesota institution as provided in section 136A.101, subdivision 4;

(3) has not received a ~~baccalaureate degree or been enrolled full time for nine semesters or the equivalent, except that a student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of eligibility~~ benefits for the maximum duration specified in subdivision 4; and

(4) is related in one of the following ways to a public safety officer killed in the line of duty on or after January 1, 1973:

- (i) as a dependent child less than 23 years of age;
- (ii) as a surviving spouse; or
- (iii) as a dependent child less than 30 years of age who has served on active military duty 181 consecutive days or more and has been honorably discharged or released to the dependent child's reserve or National Guard unit.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2011.

Sec. 11. Minnesota Statutes 2010, section 299A.45, subdivision 2, is amended to read:

Subd. 2. **Award amount.** (a) The amount of the award is the lesser of:

- (1) the average tuition and fees charged by the institution; or
- (2) the tuition maximums established by law for the state grant program under section 136A.121. The tuition maximum for graduate study is the maximum established by law for the state grant program for four-year programs.

(b) An award under this subdivision must not affect a recipient's eligibility for a state grant under section 136A.121.

(c) For the purposes of this subdivision, "fees" include only those fees that are mandatory and charged to all students attending the institution.

(d) For the purpose of benefits awarded under this section, full time for a graduate program is eight or more credits per term or the equivalent.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2011.

Sec. 12. **MINNESOTA STATE COLLEGES AND UNIVERSITIES TEXTBOOK WORK GROUP.**

The Board of Trustees of the Minnesota State Colleges and Universities shall establish a work group to study methods that result in lower textbook costs for students. Methods include studying alternative textbook delivery methods, including a cross-campus shared delivery system for textbooks, the expansion of electronic textbooks with an assessment of effective methods for delivering e-books to students, and other technology-based, innovative, or best practices methods to bring real cost-savings to students. The goal of this work group is to help assess current practices, present a stable of business strategies, technologies and campus deployment plans that are effective in driving down the cost of learning resources for students while offering greater access to no- or low-cost academic content for faculty.

8.1        Sec. 13. **UNIVERSITY OF MINNESOTA APPROPRIATION TRANSFER TO**  
8.2 **HENNEPIN COUNTY MEDICAL CENTER.**

8.3        The regents of the University of Minnesota must transfer \$645,000 in fiscal year  
8.4 2012 and \$645,000 in fiscal year 2013 from the appropriations made to it for operations  
8.5 and maintenance in Laws 2011, First Special Session chapter 5, article 1, section 5, to the  
8.6 Hennepin County Medical Center for graduate family medicine education programs at  
8.7 Hennepin County Medical Center.

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

8.9        Sec. 14. **APPROPRIATION; MINNESOTA STATE COLLEGES AND**  
8.10 **UNIVERSITIES LEVERAGED EQUIPMENT ACQUISITION.**

8.11        \$..... is appropriated from the general fund for the fiscal year ending June 30,  
8.12 2013, to the Board of Trustees of the Minnesota State Colleges and Universities for  
8.13 leveraged equipment acquisition. For the purpose of this section, "equipment" means  
8.14 equipment for instructional purposes for programs that the board has determined would  
8.15 produce graduates with skills for which there is a high employer need within the state. An  
8.16 equipment acquisition may be made using this appropriation only if matched by cash or  
8.17 in-kind contributions from nonstate sources.

8.18        Sec. 15. **APPROPRIATION; MINNESOTA STATE COLLEGES AND**  
8.19 **UNIVERSITIES PROGRAM WORKFORCE ALIGNMENT.**

8.20        \$..... is appropriated from the general fund for the fiscal year ending June 30, 2013,  
8.21 to the Board of Trustees of the Minnesota State Colleges and Universities for the purpose  
8.22 of aligning its programs to meet the needs of Minnesota employers for a skilled workforce.