

1.1 A bill for an act

1.2 relating to higher education; amending higher education provisions; establishing
1.3 and modifying certain grants and programs; making technical changes; regulating
1.4 certain activities and practices; establishing and amending certain scholarships;
1.5 providing a tuition guarantee; regulating board member and trustee nominations
1.6 and elections; requiring a certificate of need; defining terms; requiring a report;
1.7 appropriating money; amending Minnesota Statutes 2008, sections 135A.08,
1.8 subdivision 1; 135A.25, subdivision 4; 136A.06; 136A.08, subdivision 1, by
1.9 adding a subdivision; 136A.101, subdivision 4; 136A.121, subdivisions 5, 6, 9;
1.10 136A.1701, subdivision 10; 136F.02, subdivision 1; 136F.04; 136F.045; 136F.46,
1.11 subdivision 3; 137.0246, subdivision 2; 137.025, subdivision 1; 179A.03,
1.12 subdivision 14; 299A.45, subdivision 4; 340A.404, subdivision 4a; proposing
1.13 coding for new law in Minnesota Statutes, chapters 135A; 136A; 136F; 137;
1.14 repealing Minnesota Statutes 2008, sections 136A.127; 136F.03; 137.0245.

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

1.16 **ARTICLE 1**

1.17 **HIGHER EDUCATION APPROPRIATIONS**

1.18 Section 1. **SUMMARY OF APPROPRIATIONS.**

1.19 Subdivision 1. Summary by fund. The amounts shown in this section summarize
1.20 direct appropriations, by fund, made in this article.

	<u>2010</u>		<u>2011</u>		<u>Total</u>
1.22 <u>General</u>	\$ 1,388,543,000	\$	1,383,285,000	\$	2,771,828,000
1.23 <u>Health Care Access</u>	2,157,000		2,157,000		4,314,000
1.24 <u>Federal Stabilization</u>	180,920,000		180,920,000		361,840,000
1.25 <u>Total</u>	\$ 1,571,620,000	\$	1,566,362,000	\$	3,137,982,000

1.26 Subd. 2. Summary by agency - all funds. The amounts shown in this subdivision
1.27 summarize direct appropriations, by agency, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
2.1			
2.2	<u>Minnesota Office of Higher</u>		
2.3	<u>Education</u>	\$ 195,358,000	\$ 190,049,000
2.4	<u>Board of Trustees of the</u>		
2.5	<u>Minnesota State Colleges and</u>		
2.6	<u>Universities</u>	665,883,000	665,883,000
2.7	<u>Board of Regents of the</u>		
2.8	<u>University of Minnesota</u>	709,079,000	709,079,000
2.9	<u>Mayo Medical Foundation</u>	1,300,000	1,351,000
2.10	<u>Total</u>	\$ 1,571,620,000	\$ 1,566,362,000

2.11 **Sec. 2. HIGHER EDUCATION APPROPRIATIONS.**

2.12 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.13 agencies and for the purposes specified in this article. The appropriations are from the
 2.14 general fund, or another named fund, and are available for the fiscal years indicated
 2.15 for each purpose. The figures "2010" and "2011" used in this article mean that the
 2.16 appropriations listed under them are available for the fiscal year ending June 30, 2010, or
 2.17 June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal
 2.18 year 2011. "The biennium" is fiscal years 2010 and 2011.

2.19	<u>APPROPRIATIONS</u>
2.20	<u>Available for the Year</u>
2.21	<u>Ending June 30</u>
2.22	<u>2010</u> <u>2011</u>

2.23 **Sec. 3. MINNESOTA OFFICE OF HIGHER**
 2.24 **EDUCATION**

2.25 Subdivision 1. **Total Appropriation** \$ **195,358,000** \$ **190,049,000**

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

2.29 Subd. 2. **State Grants** 149,721,000 144,618,000

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

2.33 The legislature intends that the Office of
 2.34 Higher Education make full grant awards in
 2.35 each year of the biennium.

3.1 For the biennium, the tuition maximum for
3.2 students in four-year programs is \$9,938 in
3.3 each year.

3.4 This appropriation sets the living and
3.5 miscellaneous expense allowance at \$6,900
3.6 each year.

3.7 **Subd. 3. Safety Officers' Survivors** 100,000 100,000

3.8 This appropriation is to provide educational
3.9 benefits under Minnesota Statutes, section
3.10 299A.45, to dependent children under age 23
3.11 and to the spouses of public safety officers
3.12 killed in the line of duty.

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

3.16 **Subd. 4. Interstate Tuition Reciprocity** 2,750,000 2,750,000

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

3.21 **Subd. 5. State Work Study** 15,500,000 15,500,000

3.22 **Subd. 6. Child Care Grants** 6,675,000 6,675,000

3.23 **Subd. 7. Indian Scholarships** 2,375,000 2,375,000

3.24 The director of the Minnesota Office of
3.25 Higher Education must contract with at least
3.26 one knowledgeable person residing in or
3.27 near the city of Bemidji to assist students
3.28 with the scholarships under Minnesota
3.29 Statutes, section 136A.126, and with other
3.30 information about financial aid for which
3.31 the students may be eligible. Bemidji State
3.32 University must provide office space at
3.33 no cost to the Minnesota Office of Higher

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4.1	<u>Education for purposes of administering the</u>		
4.2	<u>American Indian scholarship program under</u>		
4.3	<u>Minnesota Statutes, section 136A.126.</u>		
4.4	<u>Subd. 8. Minitex</u>	<u>5,631,000</u>	<u>5,631,000</u>
4.5	<u>Subd. 9. MnLINK Gateway</u>	<u>400,000</u>	<u>400,000</u>
4.6	<u>Subd. 10. Learning Network of Minnesota</u>	<u>4,800,000</u>	<u>4,800,000</u>
4.7	<u>Subd. 11. Minnesota College Savings Plan</u>	<u>700,000</u>	<u>700,000</u>
4.8	<u>Subd. 12. Midwest Higher Education Compact</u>	<u>95,000</u>	<u>95,000</u>
4.9	<u>Subd. 13. Other Small Programs</u>	<u>853,000</u>	<u>853,000</u>
4.10	<u>This appropriation includes funding for</u>		
4.11	<u>student and parent information, information</u>		
4.12	<u>for college attendance, and minority</u>		
4.13	<u>education programs.</u>		
4.14	<u>Subd. 14. TEACH Program</u>	<u>300,000</u>	<u>300,000</u>
4.15	<u>For the teacher education and compensation</u>		
4.16	<u>helps (TEACH) and the Minnesota early</u>		
4.17	<u>childhood teacher retention programs in</u>		
4.18	<u>Minnesota Statutes, section 136A.126. This</u>		
4.19	<u>is a onetime appropriation.</u>		
4.20	<u>Subd. 15. Power of You</u>	<u>2,000,000</u>	<u>2,000,000</u>
4.21	<u>For transfer to MnSCU for the existing</u>		
4.22	<u>Power of You program and for pilot sites</u>		
4.23	<u>under article 2, section 30.</u>		
4.24	<u>Subd. 16. Technical and Community College</u>		
4.25	<u>Emergency Grants</u>	<u>100,000</u>	<u>100,000</u>
4.26	<u>For transfer to the financial aid offices</u>		
4.27	<u>at each of the colleges of the Minnesota</u>		
4.28	<u>State Colleges and Universities to provide</u>		
4.29	<u>emergency aid grants to technical and</u>		
4.30	<u>community college students who are</u>		
4.31	<u>experiencing extraordinary economic</u>		
4.32	<u>circumstances that may result in the students</u>		

5.1	<u>dropping out of school without completing</u>		
5.2	<u>the term or their program.</u>		
5.3	<u>Subd. 17. Veterinary Loan Forgiveness</u>	<u>225,000</u>	
5.4	<u>For the large animal loan forgiveness</u>		
5.5	<u>program under Minnesota Statutes, section</u>		
5.6	<u>136A.1795. This appropriation is available</u>		
5.7	<u>until expended.</u>		
5.8	<u>Subd. 18. Agency Administration</u>	<u>2,685,000</u>	<u>2,685,000</u>
5.9	<u>Subd. 19. Balances Forward</u>		
5.10	<u>A balance in the first year under this section</u>		
5.11	<u>does not cancel, but is available for the</u>		
5.12	<u>second year.</u>		
5.13	<u>Subd. 20. Transfers</u>		
5.14	<u>The Minnesota Office of Higher Education</u>		
5.15	<u>may transfer unencumbered balances from</u>		
5.16	<u>the appropriations in subdivisions 2 to 7</u>		
5.17	<u>and 11 to the state grant appropriation, the</u>		
5.18	<u>safety officer survivors appropriation, the</u>		
5.19	<u>interstate tuition reciprocity appropriation,</u>		
5.20	<u>the Minnesota college savings plan</u>		
5.21	<u>appropriation, the child care appropriation,</u>		
5.22	<u>and the state work study appropriation.</u>		
5.23	<u>Subd. 21. United Family Medicine Residency</u>		
5.24	<u>Program</u>	<u>448,000</u>	<u>467,000</u>
5.25	<u>For a grant to the united family medicine</u>		
5.26	<u>residency program. This appropriation</u>		
5.27	<u>must be used to support up to 18 resident</u>		
5.28	<u>physicians each year in family practice at</u>		
5.29	<u>united family medicine residency programs</u>		
5.30	<u>and must prepare doctors to practice family</u>		
5.31	<u>care medicine in underserved rural and</u>		
5.32	<u>urban areas of the state. At least seven</u>		
5.33	<u>of the resident physicians must be at a</u>		
5.34	<u>publicly owned rural hospital that has an</u>		

6.1 attached nursing home. The legislature
6.2 intends for this program to improve health
6.3 care in underserved communities, provide
6.4 affordable access to appropriate medical
6.5 care, and manage the treatment of patients in
6.6 a more cost-effective manner.

6.7 **Subd. 22. TANF Work-Study**

6.8 Notwithstanding any rule to the contrary,
6.9 work-study jobs funded by a TANF
6.10 appropriation do not require employer
6.11 matching funds.

6.12 **Subd. 23. Reporting**

6.13 By November 1 and February 15, the
6.14 Minnesota Office of Higher Education
6.15 must provide updated state grant spending
6.16 projections, taking into account the most
6.17 current and projected enrollment and tuition
6.18 and fee information, economic conditions,
6.19 and other relevant factors. Before submitting
6.20 state grant spending projections, the office
6.21 must meet and consult with representatives of
6.22 public and private postsecondary education,
6.23 the Department of Finance, the governor's
6.24 office, legislative staff, and financial aid
6.25 administrators.

6.26 **Subd. 24. Accreditation**

6.27 The office must work with small institutions
6.28 to identify cost-effective methods to achieve
6.29 accreditation necessary to be an eligible
6.30 institution for state and federal financial aid.

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

6.34 **Subdivision 1. Total Appropriation** **\$** **665,883,000** **\$** **665,883,000**

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

7.4 **Subd. 2. Central Office and Shared Services**
7.5 **Unit**

47,328,000

47,328,000

7.6 For the Office of the Chancellor and the
7.7 Shared Services Division.

7.8 For fiscal years 2012 and 2013 the base for
7.9 the Central Office and Shared Services Unit
7.10 is \$44,823,000 each year.

7.11 **Subd. 3. Operations and Maintenance**

553,366,000

553,366,000

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

7.19 (b) Allocations to campuses from
7.20 appropriations under this section must
7.21 not be reduced below the allocations for
7.22 the biennium ending June 30, 2009, after
7.23 deducting any amount unallotted in the
7.24 biennium.

7.25 (c) The Board of Trustees shall submit
7.26 expenditure reduction plans by March 15,
7.27 2010, to the committees of the legislature
7.28 with responsibility for higher education
7.29 finance to achieve the 2012-2013 base
7.30 established in this section at the central
7.31 office and at each institution. The plan
7.32 submitted by the board must be based on
7.33 plans developed at each institution detailing
7.34 reductions to achieve lower base allocations

8.1 at that institution. Each plan must focus on
8.2 protecting direct instruction while reducing
8.3 peripheral programs and services that may
8.4 benefit students and institutions but are
8.5 not necessary to the education of students
8.6 seeking certificates, diplomas, and degrees.

8.7 (d) During the biennium ending June 30,
8.8 2011, except for positions that are essential to
8.9 the daily operation of an institution, the board
8.10 must not fill administrative and managerial
8.11 vacancies, existing on the effective date of
8.12 this section, in the central office or at any
8.13 of the campuses of the Minnesota State
8.14 Colleges and Universities or use a search firm
8.15 for any hiring. The board must not authorize
8.16 any increase in salaries for administrative and
8.17 managerial positions in the Minnesota State
8.18 Colleges and Universities in the biennium
8.19 ending June 30, 2011. The board must not
8.20 charge any of the institutions for reductions
8.21 under this section to the central office.

8.22 (e) For the biennium ending June 30, 2011,
8.23 the board must not reserve or expend
8.24 appropriations under this subdivision for
8.25 competitive salaries, awards of excellence,
8.26 campus and technology initiatives outside the
8.27 allocation model, or other board or chancellor
8.28 initiatives. All amounts saved under this
8.29 paragraph must be added to the allocation
8.30 model and distributed to the institutions.

8.31 (f) For the biennium ending June 30,
8.32 2011, expenditures under this subdivision
8.33 must not exceed \$40,000,000 for
8.34 technology initiatives, including technology
8.35 infrastructure improvements, and \$5,000,000

9.1 for initiatives to recruit and retain
9.2 traditionally underrepresented students. All
9.3 amounts saved under this paragraph must be
9.4 added to the allocation model and distributed
9.5 to the institutions.

9.6 (g) \$40,000 each year is for the Cook
9.7 County Higher Education Board to provide
9.8 educational programs and academic support
9.9 services.

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

9.18 (i) \$225,000 each year is to enhance eFolio
9.19 Minnesota and for a center to provide on-site
9.20 and Internet-based support and technical
9.21 assistance to users of the state's eFolio
9.22 Minnesota system to promote workforce and
9.23 economic development and to enable access
9.24 to workforce information generated through
9.25 the eFolio Minnesota system.

9.26 (j) For fiscal years 2012 and 2013 the base for
9.27 operations and maintenance is \$609,631,000
9.28 each year.

9.29 **Subd. 4. Federal Stimulus Appropriation** 65,189,000 65,189,000

9.30 (a) This appropriation is from the fiscal
9.31 stabilization account in the federal fund and
9.32 may be used for modernization, renovation,
9.33 or repair of facilities that are primarily used
9.34 for instruction, research, or student housing
9.35 but may not be used for maintenance of

10.1 systems, equipment, or facilities. Amounts
10.2 in this subdivision must not be allocated
10.3 to modernization, renovation, or repair of
10.4 stadiums or other facilities primarily used
10.5 for athletic contests or exhibitions or other
10.6 events for which admission is charged to the
10.7 general public and must not be allocated to
10.8 any facility used for sectarian instruction or
10.9 religious worship or in which a substantial
10.10 portion of the functions of the facilities are
10.11 subsumed in a religious mission. No amount
10.12 from this appropriation may be allocated to
10.13 increase endowment funds.

10.14 (b) Appropriations under this subdivision
10.15 must be used as a bridge for budget
10.16 reductions in the biennium ending June 30,
10.17 2013, and may be used to retain faculty
10.18 and staff jobs, to provide severance and for
10.19 early retirement incentives, and to mitigate
10.20 the rising costs of attendance through
10.21 minimizing tuition increases and the support
10.22 of student employment opportunities.

10.23 (c) The legislature intends that the
10.24 tuition increase for a Minnesota resident
10.25 undergraduate student in the Minnesota State
10.26 Colleges and Universities, must not exceed
10.27 five percent per year for the biennium ending
10.28 June 30, 2011. Federal stimulus money
10.29 under this subdivision must be used to buy
10.30 down the tuition increase to no more than
10.31 two percent per year for these students.

10.32 (d) An additional \$3,469,000 is appropriated
10.33 in fiscal year 2009 from the fiscal stabilization
10.34 account in the federal fund.

10.35 **Subd. 5. System Improvements**

12.1 (c) Appropriations under this subdivision
12.2 may be used for a new scholarship under
12.3 Minnesota Statutes, section 137.0225, to
12.4 complement the University's Founders
12.5 scholarship.

12.6 (d) This appropriation includes amounts for
12.7 an Ojibwe Indian language program on the
12.8 Duluth campus.

12.9 (e) This appropriation includes money for the
12.10 Dakota language teacher training immersion
12.11 program on the Twin Cities campus to
12.12 prepare teachers to teach in Dakota language
12.13 immersion programs.

12.14 (f) This appropriation includes \$600,000
12.15 each year for the Veterinary Diagnostic
12.16 Laboratory.

12.17 (g) For fiscal years 2012 and 2013, the
12.18 base for operations and maintenance is
12.19 \$598,124,000 each year.

12.20 Subd. 3. **Health Care Access Fund** 2,157,000 2,157,000

12.21 This appropriation is from the health care
12.22 access fund and is for primary care education
12.23 initiatives.

12.24 Subd. 4. **Special Appropriation** 73,468,000 73,468,000

12.25 (a) **Agriculture and Extension Service** 52,255,000 52,255,000

12.26 (1) This appropriation is for agricultural
12.27 research and extension activities as provided
12.28 in this paragraph.

12.29 (2) The Agricultural Experiment Stations
12.30 and Minnesota Extension Service must
12.31 convene agricultural advisory groups to
12.32 focus research, education, and extension
12.33 activities on producer needs and implement

- 13.1 an outreach strategy that more effectively
13.2 and rapidly transfers research results and best
13.3 practices to producers throughout the state.
- 13.4 (3) This appropriation includes funding
13.5 for research efforts that demonstrate a
13.6 renewed emphasis on the needs of the state's
13.7 production agriculture community. The
13.8 following areas should be prioritized and
13.9 carried out in consultation with Minnesota
13.10 producer organizations:
- 13.11 (i) vegetable crop research;
13.12 (ii) fertilizer and soil fertility research and
13.13 development;
- 13.14 (iii) soil, groundwater, and surface water
13.15 conservation practices and contaminant
13.16 reduction research;
- 13.17 (iv) discovering and developing plant
13.18 varieties that use nutrients more efficiently;
- 13.19 (v) breeding and development of turf seed
13.20 and other biomass resources in all three
13.21 Minnesota biomes;
- 13.22 (vi) development of new disease-resistant
13.23 and pest-resistant varieties of turf and
13.24 agronomic crops;
- 13.25 (vii) utilizing plant and livestock cells to treat
13.26 and cure human diseases;
- 13.27 (viii) the development of dairy coproducts;
- 13.28 (ix) a rapid agricultural response fund for
13.29 current or emerging animal, plant, and insect
13.30 problems affecting production or food safety;
- 13.31 (x) crop pest and animal disease research;
- 13.32 (xi) developing animal agriculture that is
13.33 capable of sustainably feeding the world;

- 14.1 (xii) consumer food safety education and
14.2 outreach; and
- 14.3 (xiii) programs to meet the research and
14.4 outreach needs of sustainable and organic
14.5 livestock and crop farmers.
- 14.6 (4) This appropriation includes funding for
14.7 research and outreach on the production of
14.8 renewable energy from Minnesota biomass
14.9 resources. The following areas should be
14.10 prioritized and carried out in consultation
14.11 with Minnesota producer and bioenergy
14.12 organizations:
- 14.13 (i) biofuel and other energy production from
14.14 perennial crops, small grains, row crops,
14.15 and forestry products in conjunction with
14.16 the Natural Resources Research Institute
14.17 (NRRI);
- 14.18 (ii) alternative bioenergy crops and cropping
14.19 systems; and
- 14.20 (iii) biofuel coproducts used for livestock
14.21 feed.
- 14.22 (5) This appropriation includes funding
14.23 for analysis of livestock facility siting and
14.24 regulatory models from other states and
14.25 countries and the following aspects of
14.26 ethanol production in Minnesota:
- 14.27 (i) water use trends as compared to other
14.28 industries and activities;
- 14.29 (ii) the carbon balance of ethanol production;
14.30 (iii) the effect of ethanol blending
14.31 requirements on transportation fuel prices;
14.32 and
- 14.33 (iv) the economic impacts of ethanol
14.34 production and use including such measures

15.1 as employment, economic output, and state
15.2 and local tax revenues.

15.3 (6) This appropriation may be used to
15.4 establish and maintain a statewide organic
15.5 research and education initiative, secure
15.6 a facility and retain current faculty levels
15.7 for poultry research currently conducted at
15.8 UMore Park, develop and implement a dairy
15.9 producer continuing education program
15.10 and for scoping a new dairy research and
15.11 teaching facility.

15.12 (7) By February 1, 2011, the Board of
15.13 Regents must submit a report to the
15.14 legislative committees with responsibility
15.15 for agriculture and higher education finance
15.16 on the status and outcomes of research and
15.17 initiatives funded in this section.

15.18 **(b) Health Sciences** 5,275,000 5,275,000

15.19 \$346,000 each year is to support up to 12
15.20 resident physicians each year in the St.
15.21 Cloud Hospital family practice residency
15.22 program. The program must prepare doctors
15.23 to practice primary care medicine in the rural
15.24 areas of the state. The legislature intends for
15.25 this program to improve health care in rural
15.26 communities, provide affordable access to
15.27 appropriate medical care, and manage the
15.28 treatment of patients in a more cost-effective
15.29 manner.

15.30 The remainder of this appropriation is for
15.31 the rural physicians associates program, the
15.32 Veterinary Diagnostic Laboratory, health
15.33 sciences research, dental care, and the
15.34 Biomedical Engineering Center.

15.35 **(c) Institute of Technology** 1,387,000 1,387,000

16.1	<u>For the Geological Survey and the talented</u>		
16.2	<u>youth mathematics program.</u>		
16.3	<u>(d) System Specials</u>	<u>6,551,000</u>	<u>6,551,000</u>
16.4	<u>For general research, student loans matching</u>		
16.5	<u>money, industrial relations education,</u>		
16.6	<u>Natural Resources Research Institute, Center</u>		
16.7	<u>for Urban and Regional Affairs, and the Bell</u>		
16.8	<u>Museum of Natural History.</u>		
16.9	<u>(e) University of Minnesota and Mayo</u>		
16.10	<u>Foundation Partnership</u>	<u>8,000,000</u>	<u>8,000,000</u>
16.11	<u>For the direct and indirect expenses of the</u>		
16.12	<u>collaborative research partnership between</u>		
16.13	<u>the University of Minnesota and the Mayo</u>		
16.14	<u>Foundation for research in biotechnology</u>		
16.15	<u>and medical genomics. This appropriation</u>		
16.16	<u>is available until expended. All parties to</u>		
16.17	<u>the partnership and chairs of the senate</u>		
16.18	<u>and house of representatives committees</u>		
16.19	<u>responsible for higher education finance</u>		
16.20	<u>must be consulted before the Board of</u>		
16.21	<u>Regents reduces the amount allocated to the</u>		
16.22	<u>partnership under this paragraph during the</u>		
16.23	<u>biennium ending June 30, 2011. An annual</u>		
16.24	<u>report on the expenditure of these funds must</u>		
16.25	<u>be submitted to the governor and the chairs</u>		
16.26	<u>of the senate and house of representatives</u>		
16.27	<u>committees responsible for higher education</u>		
16.28	<u>and economic development by June 30 of</u>		
16.29	<u>each fiscal year.</u>		
16.30	<u>Subd. 5. Federal Stimulus Appropriation</u>	<u>115,731,000</u>	<u>115,731,000</u>
16.31	<u>(a) This appropriation is from the fiscal</u>		
16.32	<u>stabilization account in the federal fund and</u>		
16.33	<u>may be used for modernization, renovation,</u>		
16.34	<u>or repair of facilities that are primarily used</u>		
16.35	<u>for instruction, research, or student housing</u>		

17.1 but may not be used for maintenance of
17.2 systems, equipment, or facilities. Amounts
17.3 in this subdivision must not be allocated
17.4 to modernization, renovation, or repair of
17.5 stadiums or other facilities primarily used
17.6 for athletic contests or exhibitions or other
17.7 events for which admission is charged to the
17.8 general public and must not be allocated to
17.9 any facility used for sectarian instruction or
17.10 religious worship or in which a substantial
17.11 portion of the functions of the facilities are
17.12 subsumed in a religious mission. No amount
17.13 from this appropriation may be allocated to
17.14 increase endowment funds.

17.15 (b) Appropriations under this subdivision
17.16 must be used as a bridge for budget
17.17 reductions in the biennium ending June 30,
17.18 2013, and may be used to retain faculty and
17.19 staff jobs, to provide severance and for early
17.20 retirement incentives and to mitigate rising
17.21 costs of attendance through minimizing
17.22 tuition increases and support of student
17.23 employment opportunities.

17.24 (c) The legislature intends that the net
17.25 tuition increase for a Minnesota resident
17.26 undergraduate student at the University of
17.27 Minnesota must not exceed \$300 per year
17.28 for the biennium ending June 30, 2011.
17.29 Appropriations of federal stimulus money
17.30 under this subdivision must be used to
17.31 accomplish this goal.

17.32 (d) \$400,000 of this appropriation in fiscal
17.33 year 2010 is for a grant to the Minnesota
17.34 Wildlife Rehabilitation Center for their

18.1 uncompensated expenses. This is a onetime
18.2 appropriation.

18.3 (e) An additional \$27,080,000 is appropriated
18.4 in fiscal year 2009 from the stabilization
18.5 account in the federal fund.

18.6 **Subd. 6. Academic Health Center**

18.7 The appropriation for Academic Health
18.8 Center funding under Minnesota Statutes,
18.9 section 297F.10, is \$22,250,000 each year.

18.10 **Subd. 7. NRRI Research**

18.11 Notwithstanding Minnesota Statutes, section
18.12 137.022, subdivision 4, the board may
18.13 use up to \$150,000 of the income credited
18.14 to the permanent university fund from
18.15 royalties from mining under state mineral
18.16 leases to fund research at the Coleraine
18.17 Minerals Research Laboratory of the Natural
18.18 Resources Research Institute by taconite
18.19 engineers who have been laid off by the
18.20 mining industry.

18.21 **Subd. 8. Enrollment Increases**

18.22 Over the biennium ending June 30, 2011,
18.23 the Board of Regents must increase
18.24 the enrollment of Minnesota resident
18.25 freshmen with the goal of reaching at
18.26 least the proportion of Minnesota resident
18.27 undergraduates enrolled in the University of
18.28 Minnesota in the 2006-2007 academic year.

18.29 **Subd. 9. Human Cloning Prohibited**

18.30 (a) No appropriations under this section
18.31 may be used to directly or indirectly support
18.32 human cloning.

20.1 increase the number of doctors practicing in
20.2 rural Minnesota areas in need of doctors.

20.3 Subd. 3. Family Practice and Graduate
20.4 Residency Program

660,000

686,000

20.5 The state must pay stipend support for up to
20.6 27 residents each year.

20.7 **ARTICLE 2**

20.8 **RELATED HIGHER EDUCATION**

20.9 Section 1. Minnesota Statutes 2008, section 135A.08, subdivision 1, is amended to
20.10 read:

20.11 Subdivision 1. **Course equivalency.** The Board of Regents of the University of
20.12 Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities
20.13 shall develop and maintain course equivalency guides for use between institutions that
20.14 have a high frequency of transfer. The course equivalency guides must include information
20.15 on the course equivalency and awarding of credit for learning acquired as a result of
20.16 the successful completion of formal military courses and occupational training. Course
20.17 equivalency guides ~~shall~~ are not ~~be~~ required for vocational technical programs that have
20.18 not been divided into identifiable courses. The governing boards of private institutions
20.19 that grant associate and baccalaureate degrees and that have a high frequency of transfer
20.20 students are requested to participate in developing these guides.

20.21 Sec. 2. Minnesota Statutes 2008, section 135A.25, subdivision 4, is amended to read:

20.22 Subd. 4. **Minnesota Office of Higher Education responsibilities.** (a) For private
20.23 postsecondary institutions, the Minnesota Office of Higher Education must develop
20.24 educational materials considering the recommendations by the Minnesota Office of Higher
20.25 Education and others and at least annually convene and sponsor meetings and workshops
20.26 and provide educational strategies for faculty, students, administrators, institutions, and
20.27 bookstores to inform all interested parties on strategies for reducing the costs of course
20.28 materials for students attending postsecondary institutions.

20.29 ~~(b) The Minnesota Office of Higher Education must identify methods to compile and~~
20.30 ~~distribute information on publishers that sell or distribute course material for classroom use~~
20.31 ~~in postsecondary institutions in a manner that meets the requirements and complies with~~
20.32 ~~subdivision 2. The Minnesota Office of Higher Education must also evaluate ways to make~~
20.33 ~~this information available for use by students and faculty in postsecondary institutions.~~

21.1 Sec. 3. [135A.26] AMERICAN MADE CLOTHING IN COLLEGE
21.2 BOOKSTORES.

21.3 To the extent possible, a bookstore located on the campus of a public college or
21.4 university in Minnesota must only offer for sale clothing or articles of apparel that are
21.5 manufactured in the United States of America. The college or university must make a
21.6 report to the legislature on the results of efforts made to comply with this section.

21.7 Sec. 4. Minnesota Statutes 2008, section 136A.06, is amended to read:

21.8 **136A.06 FEDERAL FUNDS.**

21.9 The Minnesota Office of Higher Education is designated the state agency to apply
21.10 for, receive, accept, and disburse to both public and private institutions of higher education
21.11 all federal funds which are allocated to the state of Minnesota to support higher education
21.12 programs, construction, or other activities and which require administration by a state
21.13 higher education agency under the Higher Education Facilities Act of 1963, and any
21.14 amendments thereof, the Higher Education Act of 1965, and any amendments thereof, and
21.15 any other law which provides funds for higher education and requires administration by a
21.16 state higher education agency as enacted or may be enacted by the Congress of the United
21.17 States; provided that no commitment shall be made that shall bind the legislature to make
21.18 appropriations beyond current allocations of funds. The office may apply for, receive,
21.19 accept, and disburse all administrative funds available to the office for administering
21.20 federal funds to support higher education programs, construction, or other activities. The
21.21 office also may apply for, receive, accept, and disburse any research, planning, or program
21.22 funds which are available for purposes consistent with the provisions of this chapter. In
21.23 making application for and administering federal funds the office may comply with any
21.24 and all requirements of federal law and federal rules and regulations to enable it to receive
21.25 and accept such funds. The expenditure of any such funds received shall be governed by
21.26 the laws of the state, except insofar as federal regulations may otherwise provide. The
21.27 office may contract with both public and private institutions in administering federal
21.28 funds, and such contracts shall not be subject to the provisions of chapter 16C. All such
21.29 money received by the office shall be deposited in the state treasury and, subject to section
21.30 3.3005, are hereby appropriated to it annually for the purpose for which such funds are
21.31 received. None of such moneys shall cancel but shall be available until expended.

21.32 Sec. 5. Minnesota Statutes 2008, section 136A.08, subdivision 1, is amended to read:

21.33 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms
21.34 have the meanings given them.

22.1 (b) "Province" and "provincial" mean the Canadian province of Manitoba.

22.2 (c) "Resident of this state" means a resident student as defined in section 136A.101,
22.3 subdivision 8.

22.4 Sec. 6. Minnesota Statutes 2008, section 136A.08, is amended by adding a subdivision
22.5 to read:

22.6 Subd. 9. **Appeal; resident status.** A student who does not meet the definition of
22.7 resident after residing in Minnesota for 12 months may appeal to the director by providing
22.8 documentation on the student's reasons for residing in Minnesota. The director may
22.9 grant resident status to the student upon determining the documentation establishes that
22.10 postsecondary education was not the student's principle reason for residing in Minnesota.

22.11 Sec. 7. Minnesota Statutes 2008, section 136A.101, subdivision 4, is amended to read:

22.12 Subd. 4. **Eligible institution.** "Eligible institution" means a postsecondary
22.13 educational institution located in this state or in a state with which the office has entered
22.14 into a higher education reciprocity agreement on state student aid programs that (1)
22.15 requires, as a condition of enrollment, that each entering Minnesota resident student must
22.16 complete the federal application for student aid (FAFSA), and is either (2) operated by
22.17 this state or the Board of Regents of the University of Minnesota, or ~~(2)~~ (3) is operated
22.18 privately and, as determined by the office, meets all of the following: (i) maintains
22.19 academic standards substantially equivalent to those of comparable institutions operated
22.20 in this state; (ii) is licensed or registered as a postsecondary institution by the office or
22.21 another state agency; and (iii) by July 1, 2011, is participating in the federal Pell Grant
22.22 program under Title IV of the Higher Education Act of 1965, as amended.

22.23 Sec. 8. Minnesota Statutes 2008, section 136A.121, subdivision 5, is amended to read:

22.24 Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of
22.25 responsibility for covering the recognized cost of attendance by the applicant, the
22.26 applicant's family, and the government. The amount of a financial stipend must not
22.27 exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after
22.28 deducting the following:

- 22.29 (1) the assigned student responsibility of at least ~~46~~ 45 percent of the cost of
22.30 attending the institution of the applicant's choosing;
- 22.31 (2) the assigned family responsibility as defined in section 136A.101; and
- 22.32 (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

22.33 The minimum financial stipend is \$100 per academic year.

23.1 Sec. 9. Minnesota Statutes 2008, section 136A.121, subdivision 6, is amended to read:

23.2 Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of
23.3 allowances specified in law for living and miscellaneous expenses, and an allowance for
23.4 tuition and fees equal to the lesser of the average tuition and fees charged by the institution,
23.5 or the tuition and fee maximums ~~established in law~~. The tuition and fee maximum for a
23.6 student enrolled in a two-year program is the maximum tuition and fee amount charged at
23.7 a two-year college within the Minnesota State Colleges and Universities. The tuition and
23.8 fee maximum for a student enrolled in a four-year program shall be set in law.

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

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

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

23.19 Sec. 10. Minnesota Statutes 2008, section 136A.121, subdivision 9, is amended to read:

23.20 Subd. 9. **Awards.** An undergraduate student who meets the office's requirements
23.21 is eligible to apply for and receive a grant in any year of undergraduate study unless the
23.22 student has obtained a baccalaureate degree or previously has been enrolled full time or
23.23 the equivalent for ~~eight~~ ten semesters or the equivalent, excluding courses taken from a
23.24 Minnesota school or postsecondary institution which is not participating in the state grant
23.25 program and from which a student transferred no credit. A student who withdraws from
23.26 enrollment for active military service is entitled to an additional semester or the equivalent
23.27 of grant eligibility. A student enrolled in a two-year program at a four-year institution is
23.28 only eligible for the tuition and fee maximums established by law for two-year institutions.

23.29 Sec. 11. Minnesota Statutes 2008, section 136A.1701, subdivision 10, is amended to
23.30 read:

23.31 Subd. 10. **Prohibition on use of state money.** Except as provided in section
23.32 136A.1787, paragraph (a), no money originating from state sources in the state treasury
23.33 shall be made available for student loans under this section and all student loans shall be
23.34 made from money originating from nonstate sources.

24.1 Sec. 12. [136A.1787] SELF LOAN REVENUE BONDS ANNUAL CERTIFICATE
24.2 **OF NEED.**

24.3 (a) In order to ensure the payment of the principal of and interest on bonds and
24.4 notes of the office and the continued maintenance of the loan capital fund under section
24.5 136A.1785, the office shall annually determine and certify to the governor, on or before
24.6 December 1, the amount, if any:

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

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

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

24.17 (b) The governor shall include and submit the amounts certified by the office in
24.18 accordance with this section to the legislature in the budget for the following fiscal year, or
24.19 in a supplemental budget if the regular budget for that year has previously been approved.

24.20 Sec. 13. [136A.1795] LARGE ANIMAL VETERINARIAN LOAN
24.21 **FORGIVENESS PROGRAM.**

24.22 Subdivision 1. Definitions. (a) For purposes of this section, the following terms
24.23 have the meanings given.

24.24 (b) "Veterinarian" means an individual who has been awarded a doctor of veterinary
24.25 medicine degree from the College of Veterinary Medicine, University of Minnesota.

24.26 (c) "Designated rural area" means an area in Minnesota outside the counties of
24.27 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of
24.28 Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

24.29 (d) "Emergency circumstances" means those conditions that make it impossible for
24.30 the participant to fulfill the service commitment, including death, total and permanent
24.31 disability, or temporary disability lasting more than two years.

24.32 (e) "Qualified educational loan" means a government, commercial, or foundation
24.33 loan for actual costs paid for tuition, reasonable education expenses, and reasonable living
24.34 expenses related to the education of a veterinarian.

25.1 Subd. 2. **Establishment; administration.** (a) The director of the Minnesota Office
25.2 of Higher Education shall establish and administer a loan forgiveness program for large
25.3 animal veterinarians who:

25.4 (1) agree to practice in designated rural areas that are considered underserved; and

25.5 (2) work full time in a practice that is at least 50 percent involved with the care of
25.6 food animals.

25.7 (b) Appropriations made to the program do not cancel and are available until
25.8 expended.

25.9 Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program,
25.10 an individual must:

25.11 (1) be a veterinarian who has been awarded a veterinary medicine degree within
25.12 three years of submitting an application under this section, or be enrolled in the
25.13 veterinarian degree program and making satisfactory progress in the College of Veterinary
25.14 Medicine, University of Minnesota; and

25.15 (2) submit an application to the director of the Minnesota Office of Higher Education
25.16 in the form and manner prescribed by the director.

25.17 (b) An applicant selected to participate must sign a contract agreeing to complete a
25.18 five-year service obligation to practice as required under subdivision 2, paragraph (a).

25.19 Subd. 4. **Loan forgiveness.** (a) The director of the Minnesota Office of Higher
25.20 Education may select a maximum of five applicants each year for participation in the loan
25.21 forgiveness program, within the limits of available funding. Applicants are responsible for
25.22 securing their own qualified educational loans.

25.23 (b) The director must select participants based on their suitability for practice serving
25.24 the designated rural area, as indicated by experience or training. The director must give
25.25 preference to applicants closest to completing their training.

25.26 (c) The director must make annual disbursements directly to the participant of
25.27 \$15,000 or the balance of the participant's qualifying educational loans, whichever is less,
25.28 for each year that a participant meets the service obligation required under subdivision 3,
25.29 paragraph (b), up to a maximum of five years.

25.30 (d) Before receiving loan repayment disbursements and as requested, the participant
25.31 must complete and return to the director an affidavit of practice form provided by the
25.32 director verifying that the participant is practicing as required under subdivision 2,
25.33 paragraph (a). The participant must provide the director with verification that the full
25.34 amount of loan repayment disbursement received by the participant has been applied
25.35 toward the designated loans. After each disbursement, verification must be received by
25.36 the director and approved before the next loan repayment disbursement is made.

26.1 (e) Participants who move their practice remain eligible for loan repayment as long
26.2 as they practice as required under subdivision 2, paragraph (a).

26.3 Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required
26.4 minimum commitment of service required under subdivision 3, paragraph (b), the director
26.5 of the Minnesota Office of Higher Education must collect from the participant the total
26.6 amount paid to the participant under the loan forgiveness program plus interest at a rate
26.7 established according to section 270C.40. The director must deposit the money collected
26.8 in the state general fund. The director must allow waivers of all or part of the money owed
26.9 the director as a result of a nonfulfillment penalty if emergency circumstances prevented
26.10 fulfillment of the service obligation.

26.11 Subd. 6. **Rules.** The director may adopt rules to implement this section.

26.12 Sec. 14. Minnesota Statutes 2008, section 136F.02, subdivision 1, is amended to read:

26.13 Subdivision 1. **Membership.** The board consists of 15 members ~~appointed by the~~
26.14 ~~governor~~ elected by the legislature in a joint convention, including three members who are
26.15 students who have attended an institution for at least one year and are currently enrolled at
26.16 least half time in a degree, diploma, or certificate program in an institution governed by
26.17 the board. The student members shall include one member from a community college, one
26.18 member from a state university, and one member from a technical college. ~~One member~~
26.19 ~~representing labor must be appointed after considering the recommendations made under~~
26.20 ~~section 136F.045. The governor is not bound by the recommendations. Appointments to~~
26.21 ~~the board are with the advice and consent of the senate.~~ At least one member of the board
26.22 must be a resident of each congressional district. All other members must be ~~appointed~~
26.23 elected to represent the state at large. ~~In selecting appointees, the governor must consider~~
26.24 ~~the needs of the board of trustees and the balance of the board membership with respect to~~
26.25 ~~labor and business representation and racial, gender, geographic, and ethnic composition.~~

26.26 Sec. 15. Minnesota Statutes 2008, section 136F.04, is amended to read:

26.27 **136F.04 STUDENT BOARD MEMBER SELECTION.**

26.28 Subdivision 1. **Responsibility.** ~~Notwithstanding section 136F.03,~~ The State
26.29 University Student Association and the State College Student Association shall each have
26.30 the responsibility for recruiting, screening, and recommending qualified candidates to the
26.31 joint committee for their student members of the board.

26.32 Subd. 2. **Criteria.** ~~After consulting with the Board of Trustees Candidate Advisory~~
26.33 ~~Council,~~ The student associations shall jointly develop a statement of the selection criteria
26.34 to be applied to potential candidates.

27.1 Subd. 3. **Recruiting and screening.** Each student association shall develop
27.2 processes for identifying and recruiting qualified candidates and for screening those
27.3 candidates.

27.4 Subd. 4. **Recommendations.** Each student association shall recommend at least
27.5 two and not more than four candidates for its student member. By ~~April 15~~ February 15
27.6 of the even-numbered year in which its members' term expires, each student association
27.7 shall submit its recommendations to the governor joint committee. ~~The governor is not~~
27.8 ~~bound by these recommendations.~~

27.9 Sec. 16. Minnesota Statutes 2008, section 136F.045, is amended to read:

27.10 **136F.045 LABOR ORGANIZATION BOARD MEMBER SELECTION**
27.11 **PROCESS.**

27.12 The Minnesota AFL-CIO shall recruit and screen qualified labor candidates to be
27.13 recommended to the ~~governor for appointment~~ joint committee for election to the board.
27.14 The organization must develop a process for selecting candidates, and a statement of
27.15 selection criteria for board membership that is consistent with the requirements under
27.16 section 136F.02, subdivision 1. The organization must recommend at least two and no
27.17 more than four candidates to the ~~governor joint committee~~ beginning in 2010 and every
27.18 six years thereafter. Recommendations must be made by ~~April 15~~ February 15 of the
27.19 even-numbered year in which the ~~governor makes appointments~~ joint committee makes
27.20 recommendations for candidates to be elected to the board. ~~The governor is not bound~~
27.21 ~~by the recommendations.~~

27.22 Sec. 17. **[136F.047] TRUSTEE NOMINATION AND ELECTION.**

27.23 Subdivision 1. **Joint legislative committee.** The joint legislative committee consists
27.24 of the members of the higher education budget and policy divisions in each body of the
27.25 legislature. The chairs of the divisions from each body shall be cochairs of the joint
27.26 legislative committee. A majority of the members from each body is a quorum of the
27.27 joint committee.

27.28 Subd. 2. **Meeting.** By March 15 of each odd-numbered year, or at a date agreed
27.29 to by concurrent resolution, the joint legislative committee shall meet to consider
27.30 recommendations for trustee of the Minnesota State Colleges and Universities for
27.31 possible presentation to a joint convention of the legislature. The joint committee
27.32 must meet as many times as necessary for the purpose of interviewing candidates,
27.33 recommending candidates for the joint committee to consider, and voting for candidates
27.34 for recommendation to the joint convention.

28.1 Subd. 3. **Recommendations** The joint committee may recommend to the joint
28.2 convention candidates nominated by the joint committee. If a vacancy exists for a
28.3 student board member or a member recommended under this section, the joint committee
28.4 must consider the recommendations made by the responsible organizations to the joint
28.5 committee for those vacancies. Candidates for any vacancy may be nominated for
28.6 consideration by the joint committee only if the nomination receives the support of at least
28.7 three house of representatives members of the committee and two senate members of the
28.8 committee. A candidate must receive a majority vote of members from the house of
28.9 representatives on the joint committee and from the senate on the joint committee to be
28.10 recommended to the joint convention. The joint committee may recommend no more than
28.11 two candidates for each vacancy. In recommending candidates to the joint convention, the
28.12 joint committee must consider the needs of the board of trustees and the balance of the
28.13 board membership with respect to gender, racial, and ethnic composition.

28.14 Sec. 18. Minnesota Statutes 2008, section 136F.46, subdivision 3, is amended to read:

28.15 Subd. 3. **Solicitation.** Efforts to secure payroll deductions authorized in subdivision
28.16 1 may not interfere with, require a modification of, nor be conducted during the period of
28.17 a payroll deduction fund drive for employees authorized by section ~~309.50~~ 43A.50.

28.18 Sec. 19. [136F.705] UNDERGRADUATE TUITION GUARANTEE.

28.19 (a) A Minnesota resident student who first enrolls in a degree program at a state
28.20 college or university beginning in the fall of 2010 or later must be offered the opportunity
28.21 to participate in a stable tuition plan, according to this section, for up to four consecutive
28.22 academic years.

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

28.30 (c) For an undergraduate student enrolled in an associate degree program at a college,
28.31 the tuition charged to the student for each semester of enrollment during a two-year period,
28.32 beginning with the first semester of enrollment, must not exceed the amount of tuition that
28.33 the student was charged for the first semester of enrollment. For a student who continues

29.1 to be enrolled after two consecutive academic years, the tuition rate for each semester in
29.2 excess of two years is equal to the tuition rate for new enrollees at the college.

29.3 Sec. 20. [137.0225] UNIVERSITY SCHOLARSHIP.

29.4 The Board of Regents may establish a scholarship to help offset the impact of
29.5 rising tuition for Minnesota students from middle-income families. To be eligible for a
29.6 scholarship under this section, a student must be a Minnesota resident undergraduate
29.7 from a family that is not Pell eligible with an annual adjusted gross income not to exceed
29.8 \$100,000.

29.9 Sec. 21. Minnesota Statutes 2008, section 137.0246, subdivision 2, is amended to read:

29.10 Subd. 2. **Regent nomination joint committee.** (a) The joint legislative committee
29.11 consists of the members of the higher education budget and policy divisions in each house
29.12 of the legislature. The chairs of the divisions from each body shall be cochairs of the
29.13 joint legislative committee. A majority of the members from each house is a quorum of
29.14 the joint committee.

29.15 (b) By February 28 of each odd-numbered year, or at a date agreed to by concurrent
29.16 resolution, the joint legislative committee shall meet to consider ~~the advisory council's~~
29.17 recommendations for regent of the University of Minnesota for possible presentation to a
29.18 joint convention of the legislature.

29.19 (c) The joint committee may recommend to the joint convention candidates
29.20 ~~recommended by the advisory council and the other candidates~~ nominated by the joint
29.21 committee. A candidate ~~other than those recommended by the advisory council~~ may be
29.22 nominated for consideration by the joint committee only if the nomination receives the
29.23 support of at least three house of representatives members of the committee and two senate
29.24 members of the committee. A candidate must receive a majority vote of members from the
29.25 house of representatives and from the senate on the joint committee to be recommended to
29.26 the joint convention. The joint committee may recommend no more than ~~one candidate~~
29.27 two candidates for each vacancy. In recommending nominees, the joint committee must
29.28 consider the needs of the board of regents and the balance of the board membership with
29.29 respect to gender, racial, and ethnic composition.

29.30 ~~(d) The joint committee must meet twice, approximately one week apart. The first~~
29.31 ~~meeting is for the purpose of interviewing candidates and recommending candidates for~~
29.32 ~~the joint committee to consider. The second meeting is for the purpose of voting for~~
29.33 ~~candidates for recommendation to the joint convention.~~

30.1 Sec. 22. Minnesota Statutes 2008, section 137.025, subdivision 1, is amended to read:

30.2 Subdivision 1. **Appropriations not for buildings.** ~~The commissioner of finance~~
30.3 ~~shall pay no money to the University of Minnesota pursuant to a direct appropriation, other~~
30.4 ~~than an appropriation for buildings, until the university first certifies to the commissioner~~
30.5 ~~of finance that its aggregate balances in the temporary investment pool, cash, or separate~~
30.6 ~~investments, resulting from all state maintenance and special appropriations do not~~
30.7 ~~exceed \$7,000,000, or any other amount specified in the act making the appropriation,~~
30.8 ~~plus one-third of all tuition and fee payments from the previous fiscal year. Upon this~~
30.9 ~~certification, The commissioner of finance shall pay 1/12 of the annual appropriation to~~
30.10 ~~the university shall be paid at the beginning on the 21st day of each month. Additional~~
30.11 ~~payments shall be made by the commissioner of finance whenever the state appropriations~~
30.12 ~~and tuition aggregate balances in the temporary investment pool, cash, or separate~~
30.13 ~~investments are reduced below the indicated levels. If the 21st day of the month falls on~~
30.14 ~~a Saturday or Sunday, the monthly payment shall be made on the Monday immediately~~
30.15 ~~following the 21st.~~

30.16 Sec. 23. **[137.105] UNDERGRADUATE TUITION GUARANTEE.**

30.17 A Minnesota resident student who first enrolls in a degree program at the University
30.18 of Minnesota beginning in the fall of 2010 or later must be offered the opportunity to
30.19 participate in a stable tuition plan, according to this section, for up to four consecutive
30.20 academic years. For an undergraduate student enrolled in a baccalaureate degree program,
30.21 the tuition charged to the student for each semester of enrollment during a four-year
30.22 period, beginning with the first semester of enrollment, must not exceed the amount of
30.23 tuition that the student was charged for the first semester of enrollment. For a student
30.24 who continues to be enrolled after four consecutive academic years, the tuition rate for
30.25 each semester in excess of four years is equal to the tuition rate paid by new enrollees
30.26 at the University of Minnesota.

30.27 Sec. 24. **[137.701] UNIVERSITY NEIGHBORHOOD DEVELOPMENT.**

30.28 Subdivision 1. **Purpose.** In order to support and create environments surrounding
30.29 the campuses of the University of Minnesota in Minneapolis and Duluth that are
30.30 conducive to the purposes of higher education and vital communities, the Board of
30.31 Regents, the city of Minneapolis, and the city of Duluth are requested to create with
30.32 surrounding neighborhoods an appropriate organization in each city, to cooperate in the
30.33 development of those neighborhoods. The purpose of each organization is to improve

31.1 the university's Minneapolis and Duluth campus area neighborhoods including, without
31.2 limitation, the following:

31.3 (1) providing and supporting the development of good quality university
31.4 neighborhood housing, including housing for students, faculty, employees, alumni, and
31.5 others who may wish to live in the university area neighborhoods;

31.6 (2) encouraging and assisting university faculty, staff, students, and others to live in
31.7 the neighborhood as long-term residents;

31.8 (3) supporting and assisting appropriate business development in commercial areas
31.9 of the neighborhood; and

31.10 (4) cooperating and coordinating planning and development in all matters affecting
31.11 the neighborhood with local government, businesses, residents, and other stakeholders in
31.12 the neighborhood.

31.13 Subd. 2. **Membership.** The organization created by the Board of Regents and
31.14 the city of Minneapolis shall include representatives from the organizations currently
31.15 represented on the University District Alliance Steering Committee. The Board of
31.16 Regents and the city of Duluth may establish the membership of an organization for the
31.17 purposes of subdivision 1.

31.18 Subd. 3. **Report.** The Board of Regents, the city of Minneapolis, and the city
31.19 of Duluth are requested to report by January 15, 2010, to the chairs of the legislative
31.20 committees with primary jurisdiction over higher education policy and finance on the
31.21 status and activities of the organization that is created.

31.22 Sec. 25. Minnesota Statutes 2008, section 179A.03, subdivision 14, is amended to read:

31.23 Subd. 14. **Public employee or employee.** "Public employee" or "employee" means
31.24 any person appointed or employed by a public employer except:

31.25 (a) elected public officials;

31.26 (b) election officers;

31.27 (c) commissioned or enlisted personnel of the Minnesota National Guard;

31.28 (d) emergency employees who are employed for emergency work caused by natural
31.29 disaster;

31.30 (e) part-time employees whose service does not exceed the lesser of 14 hours per
31.31 week or 35 percent of the normal work week in the employee's appropriate unit;

31.32 (f) employees whose positions are basically temporary or seasonal in character and:

31.33 (1) are not for more than 67 working days in any calendar year; or (2) are not for more

31.34 than 100 working days in any calendar year and the employees are under the age of 22, are

31.35 full-time students enrolled in a nonprofit or public educational institution prior to being

32.1 hired by the employer, and have indicated, either in an application for employment or by
32.2 being enrolled at an educational institution for the next academic year or term, an intention
32.3 to continue as students during or after their temporary employment;

32.4 (g) employees providing services for not more than two consecutive quarters to the
32.5 Board of Trustees of the Minnesota State Colleges and Universities under the terms of a
32.6 professional or technical services contract as defined in section 16C.08, subdivision 1;

32.7 (h) employees of charitable hospitals as defined by section 179.35, subdivision 3;

32.8 (i) full-time undergraduate students employed by the school which they attend under
32.9 a work-study program or in connection with the receipt of financial aid, irrespective
32.10 of number of hours of service per week;

32.11 (j) an individual who is employed for less than 300 hours in a fiscal year as an
32.12 instructor in an adult vocational education program;

32.13 (k) an individual hired by the Board of Trustees of the Minnesota State Colleges and
32.14 Universities to teach one course for three or fewer credits for one semester in a year;

32.15 (l) with respect to court employees:

32.16 (1) personal secretaries to judges;

32.17 (2) law clerks;

32.18 (3) managerial employees;

32.19 (4) confidential employees; and

32.20 (5) supervisory employees;

32.21 (m) with respect to employees of Hennepin Healthcare System, Inc., managerial,
32.22 supervisory, and confidential employees.

32.23 The following individuals are public employees regardless of the exclusions of
32.24 clauses (e) and (f):

32.25 (i) An employee hired by a school district or the Board of Trustees of the Minnesota
32.26 State Colleges and Universities except at the university established in ~~section 136F.13~~
32.27 the Twin Cities metropolitan area under section 136F.10 or for community services or
32.28 community education instruction offered on a noncredit basis: (A) to replace an absent
32.29 teacher or faculty member who is a public employee, where the replacement employee
32.30 is employed more than 30 working days as a replacement for that teacher or faculty
32.31 member; or (B) to take a teaching position created due to increased enrollment, curriculum
32.32 expansion, courses which are a part of the curriculum whether offered annually or not, or
32.33 other appropriate reasons;

32.34 (ii) An employee hired for a position under clause (f)(1) if that same position has
32.35 already been filled under clause (f)(1) in the same calendar year and the cumulative
32.36 number of days worked in that same position by all employees exceeds 67 calendar days

33.1 in that year. For the purpose of this paragraph, "same position" includes a substantially
33.2 equivalent position if it is not the same position solely due to a change in the classification
33.3 or title of the position; and

33.4 (iii) an early childhood family education teacher employed by a school district.

33.5 Sec. 26. Minnesota Statutes 2008, section 299A.45, subdivision 4, is amended to read:

33.6 Subd. 4. **Renewal.** Each award must be given for one academic year and is
33.7 renewable for a maximum of ~~eight~~ ten semesters or the equivalent. A student who
33.8 withdraws from enrollment for active military service is entitled to an additional semester
33.9 or the equivalent of grant eligibility. An award must not be given to a dependent child
33.10 who is 23 years of age or older on the first day of the academic year.

33.11 Sec. 27. Minnesota Statutes 2008, section 340A.404, subdivision 4a, is amended to
33.12 read:

33.13 Subd. 4a. **State-owned recreation; entertainment facilities.** Notwithstanding any
33.14 other law, local ordinance, or charter provision, the commissioner may issue on-sale
33.15 intoxicating liquor licenses:

33.16 (1) to the state agency administratively responsible for, or to an entity holding a
33.17 concession or facility management contract with such agency for beverage sales at, the
33.18 premises of any Giants Ridge Recreation Area building or recreational improvement area
33.19 owned by the state in the ~~town of White~~ city of Biwabik, St. Louis County;

33.20 (2) to the state agency administratively responsible for, or to an entity holding a
33.21 concession or facility management contract with such agency for beverage sales at, the
33.22 premises of any Ironworld Discovery Center building or facility owned by the state at
33.23 Chisholm; and

33.24 (3) to the Board of Regents of the University of Minnesota for events at Northrop
33.25 Auditorium, the intercollegiate football stadium, or at no more than seven other locations
33.26 within the boundaries of the University of Minnesota, provided that the Board of Regents
33.27 has approved an application for a license for the specified location and provided that
33.28 the application for a stadium or arena location allows for the legal sale of intoxicating
33.29 liquor throughout the stadium or arena and does not limit the sale of intoxicating liquor to
33.30 premium seating areas or suites.

33.31 The commissioner shall charge a fee for licenses issued under this subdivision in an
33.32 amount comparable to the fee for comparable licenses issued in surrounding cities.

33.33 **EFFECTIVE DATE.** This section is effective the day following final enactment
33.34 and applies to applications for an on-sale liquor license made after December 1, 2008.

34.1 Sec. 28. **REPORT; FEDERAL TEXTBOOK INFORMATION**
34.2 **REQUIREMENTS.**

34.3 By January 15, 2010, the Minnesota Office of Higher Education must report
34.4 to the committees of the legislature responsible for higher education finance on the
34.5 implementation of textbook information requirements under United States Code, title 20,
34.6 section 1015b, effective July 1, 2010. In preparing the report, the office must work with
34.7 representatives of textbook publishers, the Student Advisory Council, Minnesota State
34.8 Colleges and Universities, the University of Minnesota, and the Private College Council.
34.9 At a minimum, the report must include a template that publishers may use to provide
34.10 the required information in a consistent format to all Minnesota campuses, and make
34.11 recommendations of methods to disseminate pricing information to support students and
34.12 faculty in making well informed decisions about course materials.

34.13 Sec. 29. **MINNESOTA STATE COLLEGE - SOUTHEAST TECHNICAL;**
34.14 **AVIATION TRAINING CENTER.**

34.15 Notwithstanding Minnesota Statutes, section 136F.60, subdivision 5, the net
34.16 proceeds of the sale or disposition of the Aviation Training Center in Winona operated by
34.17 Minnesota State College - Southeast Technical, after paying all expenses incurred in selling
34.18 the property and retiring any remaining debt attributable to the project, are appropriated to
34.19 the Board of Trustees of the Minnesota State Colleges and Universities for use in a capital
34.20 project at the Winona campus and need not be paid to the commissioner of finance, as
34.21 would otherwise be required by Minnesota Statutes, section 16A.695, subdivision 3.

34.22 When the sale is complete and the sale proceeds have been applied as provided in
34.23 this section, Minnesota Statutes, section 16A.695, no longer applies to the property and
34.24 the property is no longer state bond financed property.

34.25 Sec. 30. **MINNESOTA STATE COLLEGES AND UNIVERSITIES DEGREE**
34.26 **REQUIREMENTS.**

34.27 Until July 2, 2012, an associate of applied science degree offered by a college in
34.28 the Minnesota State Colleges and Universities system is exempt from the 60-semester
34.29 credit length limit for an associate degree specified in the Minnesota State Colleges and
34.30 Universities Board Policy number 3.36, part 3, subpart C. The chancellor may consider
34.31 criteria for waiving the credit length limits under this board policy for emerging or
34.32 innovative programs. By January 2, 2012, the Minnesota State College Faculty and the
34.33 Minnesota State College Student Association must present a joint report to the house of

35.1 representatives and senate committees with jurisdiction over higher education policy on a
35.2 process for reviewing the credit requirements for an associate of applied science degree.

35.3 **EFFECTIVE DATE.** This section is effective the day following final enactment
35.4 and applies to associate of applied science degrees whether first offered before, on, or
35.5 after that date.

35.6 Sec. 31. **POWER OF YOU PILOT PROGRAMS.**

35.7 Subdivision 1. **Power of you pilot programs.** The Board of Trustees of the
35.8 Minnesota State Colleges and Universities shall establish power of you pilot programs in
35.9 suburban and rural sites. The pilots shall comply with Minnesota Statutes, section 136F.19.

35.10 Subd. 2. **Suburban pilot selection.** By July 1, 2009, the board of trustees shall
35.11 select one technical college and one community college or community-technical college
35.12 in the Minneapolis-St. Paul suburban area to develop a new power of you pilot program
35.13 in conjunction with Metropolitan State University. Each college in the pilot program
35.14 must work with a high school partner selected by the board in the Minneapolis-St. Paul
35.15 suburban area.

35.16 Subd. 3. **Rural pilot selection.** By July 1, 2009, the Board of Trustees shall select
35.17 two rural colleges to participate in the power of you pilot programs. One of the pilot
35.18 programs must be a multicampus college in an agricultural part of the state and the other a
35.19 multicampus college in a nonagricultural part of the state dependent on natural resources.
35.20 Each college in the pilot program must work with a high school partner selected by the
35.21 board.

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

35.23 Sec. 32. **REPEALER.**

35.24 Minnesota Statutes 2008, sections 136A.127; 136F.03; and 137.0245, are repealed.

35.25 Sec. 33. **EFFECTIVE DATE.**

35.26 Sections 1 to 5 are effective the day following final enactment.