

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3329

(SENATE AUTHORS: FISCHBACH)

DATE
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OFFICIAL STATUS
Introduction and first reading
Referred to Higher Education Finance and Policy

1.1 A bill for an act
1.2 relating to higher education; requesting the University of Minnesota to control
1.3 administrative costs; requiring a report; proposing coding for new law in Minnesota
1.4 Statutes, chapter 137.

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

1.6 Section 1. [137.026] ADMINISTRATIVE COSTS.

1.7 (a) The Board of Regents of the University of Minnesota is requested to maintain
1.8 administrative costs at or below 15 percent of the university's total expenditures.

1.9 (b) Administrative costs are expenditures not associated with direct mission delivery or
1.10 student aid. Administrative costs must include personnel and nonpersonnel expenses in the
1.11 university's leadership and oversight and in mission support and facilities, but must exclude
1.12 the following items:

1.13 (1) student workers;

1.14 (2) campus operations;

1.15 (3) repair and maintenance;

1.16 (4) utilities;

1.17 (5) rents or leases; and

1.18 (6) debt and capital project transfers.

1.19 (c) The accounting methods for calculating administrative costs under this section must
1.20 conform with the accounting methods used in reporting administrative costs under section
1.21 135A.031, subdivision 7, paragraph (a), clause (11), item (vii).

2.1 (d) Within 90 days of the end of the university's fiscal year, the board is requested to
2.2 report data on its administrative costs to the legislature. The report must include the ratio
2.3 of administrative costs to the university's total expenditures. The report must explain any
2.4 change in accounting methods from the previous year's report. The report must be filed in
2.5 accordance with section 3.195, with copies provided to the chairs and ranking minority
2.6 members of the committees in the house of representatives and the senate with jurisdiction
2.7 over higher education finance and policy.