

Sec. 124. **APPLICATION.**

Sections 94 to 115 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 125. **EFFECTIVE DATE.**

Sections 31; 32; 45; 83; 84; 85; 105; 116; 120; and 123, subdivisions 2 and 5, are effective the day following final enactment. Sections 43; 46; 117; and 123, subdivision 3, are effective July 1, 1987. Section 33 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, for the city of Hastings by the governing body of the city of Hastings, and for the city of St. Cloud by the governing body of the city of St. Cloud. Section 86 is effective for sales made after June 30, 1985. Section 123, subdivision 4, is effective August 1, 1985.

Section 68 is effective October 1, 1985, and applies to all insurance policies providing benefits for injuries arising out of the maintenance or use of a motor vehicle or motorcycle that are executed, issued, issued for delivery, delivered, continued, or renewed in this state after September 30, 1985.

Approved June 27, 1985

CHAPTER 11 — S.F.No. 17

An act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; authorizing certain boards to establish certain salaries; providing for staff assistance, Indian scholarships and school district grants, tuition determination, average cost of instruction, authority to carry over appropriations, computer sales, financial aid, credit transferability, payroll deductions, surveys, studies, reports, notices, planning, policy development, mission statements, task forces, private proprietary schools, state university parking, annual appropriations, aid payments, review of vocational capital improvements, veterans' vocational program exemptions, vocational budgets and programs, endowed chairs, emergency rules, and pilot programs; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1, and by adding a subdivision; 121.02, by adding a subdivision; 124.48, by adding a subdivision; 135A.01; 135A.03; 135A.04; 135A.05; 135A.06; 136.031; 136.24; 136.67, subdivision 5; 136A.09; 136A.095; 136A.101; 136A.121, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, and 16; 136A.132, subdivisions 3, 4, 5, and 6; 136A.15, subdivision 7; 136A.162; 136A.233, subdivision 2; 136C.04, subdivisions 4a, 15, and by adding a subdivision; 136C.07, by adding a subdivision; 136C.08, subdivision 2; 136C.13, subdivision 3, and by adding a subdivision; 136C.26, subdivisions 1, 4, and 5; 136C.28, subdivision 2; 136C.29, subdivision 5; 136C.33, subdivision 1; 136C.34; 136C.36; 137.022; 141.23; 141.25,

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subdivisions 8, 9, 10, and by adding a subdivision; 141.26, subdivisions 2 and 5; 141.28, subdivision 4; 141.32; proposing coding for new law in Minnesota Statutes, chapters 124; 135A; 136; and 136A; repealing Minnesota Statutes 1984, sections 135A.07; 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38.

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

Section 1. **EDUCATION; APPROPRIATIONS.**

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal year indicated for each purpose. The figures "1986" and "1987," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1986, or June 30, 1987, respectively.

SUMMARY BY FUND

| | 1986 | 1987 | TOTAL |
|----------------------|----------------------|----------------------|------------------------|
| General | \$748,808,300 | \$786,978,200 | \$1,535,786,500 |
| Trunk Highway | 20,300 | 20,700 | 41,000 |
| Permanent University | 3,800,000 | | 3,800,000 |
| TOTAL | \$752,628,600 | \$786,998,900 | \$1,539,627,500 |

SUMMARY BY AGENCY - ALL FUNDS

| | | | |
|--|---------------|---------------|---------------|
| Department of Education | \$ 22,632,500 | \$ 22,652,600 | \$ 45,285,100 |
| Higher Education Coordinating Board | 63,392,000 | 72,470,700 | 135,862,700 |
| State Board of Vocational Technical Education | 140,049,400 | 144,997,900 | 285,047,300 |
| State Board for Community Colleges | 61,166,800 | 60,831,300 | 121,998,100 |
| State University Board | 118,392,200 | 122,458,300 | 240,850,500 |
| Board of Regents of the University of Minnesota | 345,943,700 | 362,621,700 | 708,565,400 |
| Mayo Medical Foundation | 1,052,000 | 966,400 | 2,018,400 |

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

APPROPRIATIONS
Available for the Year
Ending June 30
1986 1987

Sec. 2. DEPARTMENT OF EDUCATION

Subdivision 1. Total

| | | |
|---------------|---------------|---------------|
| Appropriation | \$ 22,632,500 | \$ 22,652,600 |
|---------------|---------------|---------------|

 Approved Complement

 State - 1986 = 445, and 1987 = 435

 Special Revenue = 9.5

 Federal = 164.1

 Bond Proceeds = 1

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The commissioner of education with the approval of the commissioner of finance may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the senate finance and house appropriations committees. During the biennium, the commissioner of education may transfer money among the various object of expenditure categories and activities within each program, unless restricted by executive order.

The commissioner of education during the biennium may spend federal block grant money received under the Education Consolidation and Improvement Act of 1981, as amended, United States Code, title 20, chapter 51, as shown in the biennial budget. Changes may be made to accommodate adjustments in salary or other costs. The commissioner must report material changes to the senate finance committee and the house appropriations committee.

Subd. 2. Instructional Services

| | |
|--------------|--------------|
| 1986 | 1987 |
| \$ 6,294,000 | \$ 6,387,600 |

\$20,300 the first year and \$20,700 the second year is from the trunk highway fund.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

\$1,545,000 the first year and \$1,606,800 the second year is for Indian scholarships. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$306,000 the first year and \$312,100 the second year is for Indian post-secondary preparation grants.

The General Instruction Activity complement is reduced by one position in Chemical Dependency.

The Academic Excellence Foundation complement is increased by one position.

One professional state position shall be added to the Special Education Monitoring complement of Special Populations.

The department of education shall maintain the existing Minnesota Indian education scholarship office at Bemidji during the biennium ending June 30, 1987, with no reduction in general fund appropriations.

This appropriation includes \$25,000 per year for the commissioner of education to contract with the Minnesota historical society to develop and publish instructional materials on Minnesota history and government for pupils in the fifth to seventh grades. The materials shall be accurate and balanced, and shall present the contributions of various cultures and both sexes. The materials may be sold to school districts and nonpublic schools. An advisory task force of 15 members appointed by the commissioner of education, in cooperation with the director of the Minnesota historical society, shall advise the society about developing the materials. The task force shall consist of school board members, historians, educators, and staff of the department of education. The task force is subject to Minnesota Statutes, section 15.059, subdivision 6. The department of education shall test and evaluate the materials with classroom teachers in a variety of school districts. If the appropriation in either year is insuffi-

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cient, the appropriation for the other year is available.

Subd. 3. Faribault Residential Schools

\$ 5,888,200 \$ 5,736,600

\$103,200 the first year and \$107,600 the second year is for repairs, replacements, and betterments.

\$51,000 the first year and \$53,300 the second year is for repair and purchase of equipment.

Any unexpended balance remaining for repairs, replacements, betterments, and repair and purchase of equipment in the first year does not cancel but is available for the second year of the biennium.

Subd. 4. Support Services

\$ 1,708,300 \$ 1,666,000

The complement for the Council on Quality Education is eliminated unless separate legislation is passed that would provide appropriations and require a portion or all of the complement to be retained to perform the duties required. This shall not affect programmatic payment obligations previously approved. The commissioner of education is authorized to request action according to Minnesota Statutes, section 3.30 for administrative needs.

The complement of the Private Vocational School Licensing section is reduced by one position in the second year.

During the biennium ending June 30, 1987, private trade school fees must not be decreased but may be increased under Minnesota Statutes, sections 14.14, 16A.128, and 214.06.

Subd. 5. District Management Services

\$ 6,209,600 \$ 6,308,200

\$981,100 the first year and \$990,900 the second year is for education data systems.

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Each year during the biennium, the commissioner of education shall submit to the elementary-secondary-vocational computer council a detailed budget and workplan for the education data systems section for review and comment. A change in the workplan must be featured in the next year's submission.

\$348,800 the first year and \$357,800 the second year is for the development and maintenance of software for the elementary-secondary-vocational information system.

\$3,200,000 in the first year and \$3,272,700 in the second year is for regional computing support for regional management information centers.

Any unexpended balance remaining in the first year for education data systems, development of the ESV-IS system, and regional computing support does not cancel but is available for the second year of the biennium.

Subd. 6. Auxiliary and General Services

\$ 2,333,300 \$ 2,352,600

The commissioner of education shall maintain no more than seven total complement in the categories of commissioner, deputy commissioner, assistant commissioner, assistant to the commissioner, or executive assistant.

\$109,900 the first year and \$111,000 the second year is for the elementary-secondary-vocational computer council.

Subd. 7. Board of Teaching

\$ 199,100 \$ 201,600

Sec. 3. HIGHER EDUCATION
COORDINATING BOARD

Subdivision 1. Total

| | | |
|---------------|------------|------------|
| Appropriation | 63,392,000 | 72,470,700 |
|---------------|------------|------------|

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

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. Agency Administration

\$ 2,638,800

\$ 2,502,800

This appropriation includes \$27,000 in fiscal year 1986 and \$54,000 in 1987 for the continuation of the optometry contract program. No more than five new students shall be admitted to the program each year. The HECB shall award the contracts to the institutions that provide the lowest cost to students for the lowest price per contract seat. Any money remaining from this appropriation shall be applied to scholarships and grants for optometry students.

This appropriation includes \$25,000 in 1986 and \$25,000 in 1987 for the purpose of scholarships and grants for eligible students of optometry. Eligible students are those who were enrolled in the 1984-1985 academic year in schools of optometry with which Minnesota has an agreement for each academic year in the 1985-1987 biennium for optometry seats. Students shall be selected for application and shall be obligated to practice in Minnesota as provided in Minnesota Statutes, section 136A.225.

The higher education coordinating board shall study the need for the continuation of financial assistance for optometry students based on the state's current and projected need for optometrists, and shall report its recommendations to the senate finance and house appropriations committees by December 1, 1986.

The higher education coordinating board shall study the policy of contracting for educational services in areas of unique need in the state. It shall develop methods to identify these needs, examine strategies to address these needs including the alternative approaches of direct institutional aid or direct student aid, develop criteria to select institutions to meet these needs, and report its findings and recommendations to the chairs of the senate finance and house appropriations committees by July 1, 1986.

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The higher education coordinating board shall review the method used to determine the need a student has for financial aid for post-secondary education. The review shall include the effect of the present method on students and parents who have various types of assets and modest incomes, such as farmers, owners of small businesses, home owners without large mortgages, and others. Alternate methods of calculating parental contributions that are more closely related to income shall be considered by the board. A report of the review and recommendations shall be submitted to the chairs of the education, finance, and appropriations committees of the legislature by January 1, 1986.

This appropriation includes \$75,000 each year for the higher education coordinating board and the board of teaching to appoint a task force on teacher education programs. If the appropriation for either year is insufficient, the appropriation for the other year is available. The task force shall include representatives of the commissioner of education, board of teaching, higher education coordinating board, teachers, school boards, administrators, and teacher education students and faculty. It shall study and recommend changes in teacher education programs to meet contemporary and anticipated teaching conditions, program outcomes, outcome measures for evaluation and approval of the programs to assure graduates are capable of being effective teachers, and other measures to meet educational needs. The report, with recommendations of each board, shall be submitted to the chairs of the education committees of the legislature by January 1, 1987.

\$100,000 in 1986 and \$100,000 in 1987 is to coordinate system missions and planning, and to coordinate the development of policy in instructional technology.

\$34,900 in 1986 and \$35,000 in 1987 is to inform secondary students beginning in the eighth grade about post-secondary opportunities and expectations, preparations necessary for post-secondary education, and re-

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sources available for planning and financial assistance. The higher education board shall submit a report to the legislature by January 1, 1987.

The average cost funding task force shall review the instructional component of the University of Minnesota hospitals and report its findings and recommendations to the legislature by October 1, 1986.

Subd. 3. State Scholarships and Grants

\$52,300,000 \$59,800,000

If the appropriation for either year is insufficient, the appropriation for the other year is available to meet scholarship and grant obligations.

For state scholarships and grants for the 1985-1986 and 1986-1987 academic years, the value per acre of a family farm shall not exceed the average value per acre of farm land in the county in which the farm is located. For a farm located in more than one county, the value to be used is the value of farm land in the county in which the largest portion of the farm is located. The average value per acre shall be as established by the agriculture extension service of the University of Minnesota or the commissioner of revenue, whichever is lower, for the year preceding the year in which application for a scholarship or grant is made. The higher education coordinating board shall notify by mail each dependent and independent applicant for aid for the 1985-1986 school year whose permanent mailing address is not within a city of the first or second class, who reported owning business or farm assets or parental business or farm assets, and who could benefit from the valuation limitation. The notice shall inform an applicant that limitations on the value of farm land have been established by law and that the applicant may reapply for aid or for additional aid. Materials to reapply shall be included with the notice.

This appropriation contains money for increasing living allowances for state scholar-

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ships and grants to \$2,850 for 1986 and \$2,960 for 1987.

\$100,000 the first year is for short-term living and transportation expenses of AVTI students.

Subd. 4. Interstate Tuition Reciprocity

\$ 2,800,000 \$ 4,000,000

If the appropriation for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 5. State Work Study

\$ 4,428,600 \$ 4,428,600

Subd. 6. Income Contingent Loans

\$ 20,000 \$ 600,000

This appropriation is for an income contingent loan repayment program to assist resident graduates of Minnesota schools in medical, dental, pharmacy, and veterinary medicine in repaying their student debt by providing a repayment plan based on their annual income. The appropriation for fiscal year 1986 is for the development of the program. The appropriation for fiscal year 1987 is for payments in that year to creditors that exceed the borrowers' income contingent payments to the coordinating board, to pay defaulted principal and interest payments not covered by default insurance on the original loans, and to administer the program.

The board shall develop a plan to issue bonds to fund creditor payments that exceed a borrower's income contingent payments and shall examine the feasibility of extending the program to other graduate students. The board shall report its recommendations to the chairs of the finance and appropriations committees of the legislature by January 15, 1987.

Subd. 7. Medical Student Loans

\$ 95,000

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 8. Minitex Library Program

| | |
|------------|------------|
| \$ 909,600 | \$ 739,300 |
|------------|------------|

Subd. 9. Enterprise Development Partnerships

| | |
|------------|------------|
| \$ 200,000 | \$ 400,000 |
|------------|------------|

The board shall coordinate the grant competition and the allocation of awards and shall determine the method to be used in selecting proposals for funding. The board shall report to the legislature on the awards made by February 1, 1987.

Subd. 10. Any unexpended balances in this section remaining in the first year do not cancel but are available for the second year of the biennium.

Sec. 4. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Subdivision 1. Total

| | | |
|---------------|-------------|-------------|
| Appropriation | 140,049,400 | 144,997,900 |
|---------------|-------------|-------------|

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

Subd. 2. Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$182,381,500 for the first year and \$184,296,100 for the second year.

Subd. 3. Noninstructional Expenditures

It is estimated that the amount for noninstructional expenditures will be \$7,227,600 for the first year and \$6,764,100 for the second year.

This appropriation authorizes \$212,500 for the first year and \$250,000 for the second year for supporting up to 25 percent of tuition costs of firefighter training programs. The state board shall establish a uniform tuition schedule for the programs.

\$6,477,500 the first year and \$6,015,400 the second year is for debt service payments to school districts for AVTI buildings financed

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

with district bonds issued before January 1, 1979.

\$212,000 the first year and \$90,600 the second year is for veteran farmer cooperative training programs.

\$100,000 in 1987 is for the operation and management of the FIRE center. The board of vocational technical education and the regents of the University of Minnesota are requested to report by January 1, 1986, to the house appropriations and senate finance committees on the statutory, property, fiscal, and other related changes necessary to transfer the FIRE center from the management of the University of Minnesota to the management of the AVTI board.

The appropriation for 1986 includes money for an advisory task force on hazardous substances. The state director of vocational technical education shall appoint a nine member task force that includes representatives of: fire chiefs, professional firefighters, volunteer firefighters, independent health professionals with training in toxicology, and business and industry, including small business. Members of the task force shall be reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 6. The task force shall report its findings and recommendations to the chairs of the house appropriations and senate finance committees by February 1, 1986.

Independent school district No. 742, St. Cloud, is authorized to construct an addition to the area vocational technical institute to provide space for student services, telecommunications activities, and general instruction. The total cost of the project must not be more than \$450,000, to be paid entirely from local money. In addition, the state board of vocational technical education may authorize additional capital improvements to the St. Cloud area vocational technical institute. The total cost of the additional improvements must not be more than \$1,150,000 to be paid entirely from local money. The district may transfer money

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from the post-secondary vocational technical capital expenditure fund to the building construction fund as needed to provide the local money for these projects.

Independent school district No. 347, Willmar, is authorized to construct an addition to the area vocational technical institute for the electronics program. The total cost of the project must not be more than \$225,000, to be paid entirely from local money.

Notwithstanding Laws 1984, chapter 597, section 13, subdivision 1, the appropriation to special school district No. 1, Minneapolis, may be used to acquire and to better an existing facility or to construct a new facility for the aviation mechanics program. Renovation or expansion of an existing facility shall not proceed until such time as the purchase is complete and the title has been transferred. The state share of the cost of the project remains \$1,700,000. The total cost of the project is estimated to be \$2,000,000 and shall not exceed \$2,500,000 whether paid from state, local, or federal money. At the discretion of the state director, up to \$85,000 of the appropriation may be used to acquire facilities for other aviation related programs in the vocational institutes if sufficient money remains from the Minneapolis project. The total cost of other facility acquisition shall not exceed \$100,000 whether paid from state, local, or federal money.

The state board shall apply to the department of energy and economic development for grant money to provide the state's portion of necessary funds to establish at least two off-campus pilot alcohol fuel plant programs. State funds shall not provide more than 33 percent of the cost of equipment necessary for alcohol production and by-product utilization. The state board shall enter into agreements with alcohol fuel plant manufacturers and with farmers near area vocational technical institutes. The agreements shall provide for: (1) installation of an alcohol fuel plant, at no cost to the state for its operation, to be integrated

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into the operation of the farm, (2) instruction on the farm related to the alcohol fuel plant as determined by the state board and provided by an area vocational technical institute, (3) data, to be collected and made available for a period of five years, reporting the cost and benefit of all phases of the demonstration project, and (4) maintenance of the plant and disposition of the plant if it is no longer needed for instruction.

Subd. 4. State Council on Vocational Technical Education

\$37,500 in 1986 and \$37,500 in 1987 shall be allocated by the state board to the state council on vocational education. These funds shall be used by the council to carry out its program and duties with particular emphasis on: service to local program advisory committees, AVTI program evaluation reports and recommendations, and a survey of entrepreneurial initiatives of AVTI graduates. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 5. STATE BOARD FOR COMMUNITY COLLEGES

Subdivision 1. Total

| | | |
|---------------|------------|------------|
| Appropriation | 61,166,800 | 60,831,300 |
|---------------|------------|------------|

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

Subd. 2. Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$77,780,300 for the first year and \$76,613,100 for the second year.

Subd. 3. Noninstructional Expenditures

It is estimated that the amount for noninstructional expenditures will be \$10,230,800 for the first year and \$10,677,300 for the second year.

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\$260,000 the first year and \$285,000 the second year is for the move and rental of space for Minneapolis Community College.

Subd. 4. Cambridge Center

\$160,000 in 1986 and \$180,000 in 1987 is for operating costs of the Cambridge Center, contingent upon the opening of the new facility.

Sec. 6. STATE UNIVERSITY BOARD

Subdivision 1. Total

| | | |
|---------------|-------------|-------------|
| Appropriation | 118,392,200 | 122,458,300 |
|---------------|-------------|-------------|

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

Subd. 2. Science and Technology Resource Pilot Project at Southwest State University

The state university board shall implement a pilot project for regional economic development not to exceed \$600,300 the first year and \$524,700 the second year. The board shall submit, by January 15 of each year of the biennium, a report to the governor and to the members of the senate finance and house appropriations committees. The report shall contain an evaluation including the number of people served, businesses formed, jobs created, projects being developed, and any other criteria the board feels is essential or desirable.

Revenue generated from royalties, patents, licenses, or interests retained by the state university board is appropriated to the state university board and shall be allocated by the board to Southwest State University for the continued operation of the science and technology resource center.

Subd. 3. Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$163,822,300 for the first year and \$169,475,100 for the second year.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

The state university board shall continue to ensure that classroom teaching assistants for whom English is a second language are proficient in speaking, reading, and writing English. The board shall report the actions it is taking on this matter to the legislature by January 15, 1986.

Subd. 4. Noninstructional Expenditures

It is estimated that the amount for noninstructional expenditures will be \$9,017,400 for the first year and \$9,296,000 for the second year.

\$500,000 in 1986 and \$500,000 in 1987 is for the library automation cooperative project with the community college system.

Subd. 5. State University Construction

During the biennium, notwithstanding any law to the contrary, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, enlargement and the repair and betterment of state university buildings and structures. The state university board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Sec. 7. BOARD OF REGENTS
OF THE
UNIVERSITY OF MINNESOTA

Subdivision 1. Total

| | | |
|---------------|-------------|-------------|
| Appropriation | 345,943,700 | 362,621,700 |
|---------------|-------------|-------------|

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

| | | |
|-------------------------------------|-------------|-------------|
| Subd. 2. Operations and Maintenance | 284,576,900 | 298,473,700 |
|-------------------------------------|-------------|-------------|

(a) Sources

These appropriations are made from:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(1) income derived from investment of the permanent university fund, which is appropriated to the university as provided in Minnesota Statutes, section 137.022. It is estimated that this income will not exceed \$3,800,000 for the first year.

(2) the general fund. It is estimated that the amount required from the general fund will be at least \$280,776,900 for the first year and \$298,473,700 for the second year.

On December 1, 1986, and December 1, 1987, the president of the University of Minnesota shall furnish the senate finance and house appropriations committees and the commissioner of finance the following information:

the total amount of receipts during fiscal year 1986 from all sources in excess of \$116,616,300 and during the fiscal year 1987 from all sources in excess of \$118,619,400;

the sources of these receipts; and

the purposes for which any excess receipts were spent and accounts to which transferred.

In preparing the university's legislative budget request for the 1987-1989 biennium, all projected income from student tuition shall be based on a charge per credit hour schedule.

(b) Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$310,703,400 for the first year and \$319,483,800 for the second year.

This appropriation includes money for implementation of the final phase of the Duluth engineering program.

\$4,000,000 in 1986 and \$4,000,000 in 1987 is for the university's commitment to focus its efforts on academic excellence. During the biennium, it is the intention of the legislature that the university embark on a course of academic excellence in coopera-

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tion with the other post-secondary education systems.

\$960,000 the first year is the final payment for the deficit in state contributions for the faculty retirement plan.

This appropriation includes \$3,072,700 in the first year for the final payment of the fuel and utilities deficiency. The legislature intends that future costs shall be financed out of University of Minnesota appropriations.

The university is requested to continue to ensure that classroom teaching assistants for whom English is a second language are proficient in speaking, reading, and writing English. The university is requested to report the actions it is taking on this matter to the legislature by January 15, 1986.

(c) Noninstructional Expenditures

It is estimated that the amount for noninstructional expenditures will be \$90,489,800 for the first year and \$97,609,300 for the second year.

\$2,500,000 in 1987 is for the graduate fellowship program. By January 15, 1987, the University of Minnesota shall report on the distribution of graduate fellowships and their use in furthering the University of Minnesota's efforts to focus its mission and improve its programs, particularly in the liberal arts.

| | | |
|---------------------------------|------------|------------|
| Subd. 3. Special Appropriations | 61,366,800 | 64,148,000 |
|---------------------------------|------------|------------|

(a) Agricultural Extension Service

| | | |
|--------------|--------------|--|
| \$11,656,300 | \$12,114,500 | |
|--------------|--------------|--|

This appropriation includes money for agriculture extension work, county agricultural agents, home demonstration and 4-H club work, soil conservation, and consultation with extension district farmers and business operators on the business and marketing aspects of family farm operations and rural retail establishment operations. Any salary increases granted by the university to personnel paid from this appropriation must

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not result in a reduction of the county portion of the salary payments.

During the biennium, the board of regents is directed to review the functions and responsibilities of county extension agents and report to the legislature on their future role and mission.

(b) Agricultural Research

\$11,934,900 \$12,798,300

This appropriation includes money for research on aquatic plants (including wild rice), soybeans, avian disease, swine disease, corn improvement, irrigation, growing and processing grapes, plant molecular biology, and animal health (including a study of pseudorabies).

\$100,000 in 1986 is for the operation of the FIRE center. The regents of the University of Minnesota and the board of vocational technical education are requested to report by January 1, 1986, on the statutory, property, fiscal, and other related changes necessary to transfer the FIRE center from the management of the university to the management of the vocational technical board.

During the biennium, the university shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of range of size and income distributions for farms and agribusiness and must not disproportionately represent those from the upper half of the size and income distributions.

(c) Veterinary Diagnostic Laboratory

\$ 1,222,800 \$ 1,271,700

(d) Coleman Leukemia Research Center

\$ 226,300 \$ 235,300

(e) Indigent Patients (County Papers)

\$ 1,700,000 \$ 1,700,000

(f) Rural Physicians Associates Program

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

| | |
|------------|------------|
| \$ 528,500 | \$ 549,600 |
|------------|------------|

(g) Medical Research

| | |
|--------------|--------------|
| \$ 2,155,800 | \$ 2,242,200 |
|--------------|--------------|

(h) Special Hospitals, Service and Educational Offset

| | |
|--------------|--------------|
| \$13,326,900 | \$13,859,900 |
|--------------|--------------|

This appropriation includes \$7,996,100 the first year and \$8,316,000 the second year that is counted as instructional cost.

During the biennium, fees for service furnished to counties and individuals under this program must be sought to augment the money appropriated; the fees are appropriated to the university hospitals, to be available until June 30, 1987.

(i) China Center

| | |
|-----------|-----------|
| \$ 77,200 | \$ 80,300 |
|-----------|-----------|

(j) Fellowships for Minority and Disadvantaged Students

| | |
|-----------|-----------|
| \$ 51,500 | \$ 53,600 |
|-----------|-----------|

(k) General Research

| | |
|--------------|--------------|
| \$ 1,959,500 | \$ 2,037,900 |
|--------------|--------------|

This appropriation is, as the board of regents may direct, for general research, business and economic research including Duluth, center for urban and regional affairs, museum of natural history, and juvenile justice seminar.

(l) Intercollegiate Athletics

| | |
|--------------|--------------|
| \$ 2,824,000 | \$ 2,896,900 |
|--------------|--------------|

This appropriation includes money to improve the programs and resources available to women and to ensure that campuses are in compliance with Title IX of the Educational Amendment Act of 1972 and Minnesota Statutes, section 126.21.

Of this appropriation, no less than the following amounts shall be allocated to each campus:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

| | | |
|-----------|---------|---------|
| Duluth | 492,600 | 504,500 |
| Morris | 59,100 | 60,500 |
| Crookston | 40,000 | 41,100 |
| Waseca | 39,500 | 40,900 |

(m) Student Loans Matching Money

| | |
|-----------|-----------|
| \$ 95,600 | \$ 99,400 |
|-----------|-----------|

(n) Talented Youth Mathematics Program

| | |
|------------|------------|
| \$ 157,800 | \$ 247,800 |
|------------|------------|

Of this appropriation, \$40,000 is to match grant funds for teacher education.

This appropriation includes money to continue the outreach sites program to ensure an opportunity for the participation of youth outside the metropolitan area.

(o) Geological Survey

| | |
|------------|------------|
| \$ 895,300 | \$ 923,100 |
|------------|------------|

(p) Mineral Resources Research Center

| | |
|------------|------------|
| \$ 719,000 | \$ 738,700 |
|------------|------------|

(q) Natural Resources Research Institute

| | |
|--------------|--------------|
| \$ 2,315,300 | \$ 2,408,000 |
|--------------|--------------|

Up to \$80,000 of this appropriation may be spent for wild rice marketing research.

(r) Plant Biomass Energy Research

| | |
|------------|------------|
| \$ 136,100 | \$ 141,500 |
|------------|------------|

(s) Sea Grant College Program

| | |
|------------|------------|
| \$ 275,200 | \$ 305,200 |
|------------|------------|

The university is requested to study the relocation of the Sea Grant program to the Duluth campus and report to the house appropriations and senate finance committees by January 1, 1986.

(t) Underground Space Center

| | |
|------------|------------|
| \$ 206,000 | \$ 214,200 |
|------------|------------|

(u) Biotechnology Center

| | |
|------------|------------|
| \$ 532,600 | \$ 599,900 |
|------------|------------|

(v) Hormel Institute

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

\$ 367,300 \$ 374,000

Up to \$200,000 per year of this appropriation shall cancel to the general fund by the amount of federal money granted by the national heart, lung, and blood institute. State money shall be matched by local money equal to at least half the state money.

(w) Industrial Relations Education

\$ 638,600 \$ 664,100

(x) Institute for Human Genetics

\$ 300,000 \$ 485,000

(y) Lake Superior Basin Studies

\$ 137,800 \$ 143,300

It is the intention of the legislature that this shall be a final and nonrecurring appropriation.

(z) Microelectronics and Information Science Center

\$ 617,500 \$ 642,200

(aa) Productivity Center

\$ 309,000 \$ 321,400

(bb) Supercomputer Institute

\$ 6,000,000 \$ 6,000,000

This appropriation includes money for the leasing of two supercomputer architectures.

The appropriations in section 7 for operations and maintenance funding for the agricultural experimental stations shall be merged with the appropriate special appropriations in fiscal years 1986 and 1987.

Sec. 8. MAYO MEDICAL
FOUNDATION

Subdivision 1. Total

| | | |
|---------------|-----------|---------|
| Appropriation | 1,052,000 | 966,400 |
|---------------|-----------|---------|

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

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. Medical School

| | |
|-----------|-----------|
| \$883,700 | \$783,000 |
|-----------|-----------|

The state of Minnesota shall pay a capitation of \$8,580 in fiscal year 1986 and \$9,000 in fiscal year 1987 for each student who is a resident of Minnesota.

Capitation money must be paid for a maximum of 20 students in each class for students who enter Mayo Medical School during the 1984-1985 academic year or thereafter, and a maximum of 40 students in each class for students who entered Mayo Medical School before the 1984-1985 academic year.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors as identified by the higher education coordinating board.

Subd. 3. Family Practice and

Graduate Residency Program

| | |
|------------|------------|
| \$ 168,300 | \$ 183,400 |
|------------|------------|

The state of Minnesota shall pay a capitation of \$14,025 in fiscal year 1986 and \$14,730 in fiscal year 1987 for a maximum of 12 students each year.

Sec. 9. Minnesota Statutes 1984, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

| | Salary Range Effective July 1, 1983 |
|--|--|
| Commissioner of education; | \$57,500-\$70,000 |
| Commissioner of finance; | |
| Commissioner of transportation; | |
| Commissioner of human services; | |
| Chancellor, community college system; | |

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

~~Chancellor, state university system;
Director, vocational technical
education~~

Executive director, state board of
investment;

Commissioner of administration; \$50,000-\$60,000

Commissioner of agriculture;
Commissioner of commerce;
Commissioner of corrections;
Commissioner of economic security;
Commissioner of employee relations;
Commissioner of energy and economic
development;

Commissioner of health;
Commissioner of labor and industry;
Commissioner of natural resources;
Commissioner of revenue;
Commissioner of public safety;
Chairperson, waste management board
Chief administrative law judge; office
of administrative hearings;

Director, pollution control agency;
Director, state planning agency;
~~Executive director, higher education
coordinating board;~~

Executive director, housing finance
agency;

Executive director, teacher's
retirement association;

Executive director, state retirement
system;

Commissioner of human rights; \$40,000-\$52,500

Director, department of public service;
Commissioner of veterans' affairs;
Director, bureau of mediation services;
Commissioner, public utilities commission;
Member, transportation regulation board;

Director, zoological gardens.

Sec. 10. Minnesota Statutes 1984, section 15A.081, is amended by adding a subdivision to read:

Subd. 7b. The state university board, the state board for community colleges, the state board of vocational technical education, and the higher education coordinating board shall set the salary rates for, respectively, the chancellor of the state universities, the chancellor of the community colleges, the state director of vocational technical education, and the executive director of the

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higher education coordinating board. At least 30 days before the respective board adopts a salary increase according to this subdivision, the board shall submit the proposed salary increase to the legislative commission on employee relations for its review. Salary rates for the positions specified in this subdivision may not exceed 95 percent of the salary set for the governor under section 15A.081, subdivision 6.

Sec. 11. Minnesota Statutes 1984, section 121.02, is amended by adding a subdivision to read:

Subd. 4. BOARD STAFF. The state board may appoint a staff assistant who shall serve in the unclassified service.

Sec. 12. Minnesota Statutes 1984, section 124.48, is amended by adding a subdivision to read:

Subd. 3. INDIAN SCHOLARSHIP COMMITTEE. The Minnesota Indian scholarship committee is established. Members shall be appointed by the state board with the assistance of the Indian affairs council as provided in section 3.922, subdivision 6. Members shall be reimbursed for expenses as provided in section 15.059, subdivision 6. The state board shall determine the membership terms and duration of the committee. The committee shall provide advice to the state board in awarding scholarships to eligible American Indian students and in administering the state board's duties regarding awarding of American Indian post-secondary preparation grants to school districts.

Sec. 13. **[124.481] INDIAN POST-SECONDARY PREPARATION GRANTS.**

The state board of education, with the advice of the Minnesota Indian scholarship committee, may make grants to school districts to support post-secondary preparation for secondary pupils who are of one-fourth or more Indian ancestry and who, in the opinion of the superintendent, have the capabilities to benefit from higher education. Distribution of the grants must be in accordance with a plan prepared by the state board, with the advice of the Minnesota Indian scholarship committee, that describes the objectives and methods of implementing the grant program, including the manner in which grants will be distributed in proportion to the geographical distribution of the Indian population of the state.

Sec. 14. Minnesota Statutes 1984, section 135A.01, is amended to read:

135A.01 FUNDING POLICY.

It is the policy of the legislature that direct state appropriations, exclusive of tuition, for the instructional services at public post-secondary institutions reflect a portion of the estimated cost of providing the instructional services.

Sec. 15. Minnesota Statutes 1984, section 135A.03, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

135A.03 APPROPRIATIONS FOR INSTRUCTIONAL SERVICES.

Subdivision 1. **DETERMINATION OF APPROPRIATION.** The direct appropriation to each board for instructional services shall equal 67 percent of the estimated total cost of instruction minus the estimated tuition revenue. For the 1985-1987 biennium the estimated tuition revenue should be approximately 33 percent of instructional cost for the University of Minnesota, the state university system, and the community college system, and 25 percent and, for the area vocational-technical vocational technical institutes, 75 percent of the estimated total cost of instruction.

Subd. 2. **DETERMINATION OF TOTAL COST OF INSTRUCTION.** The total cost of instruction shall be calculated in the following manner.

(a) Determine the student enrollment, for each instructional category, for the fiscal year two years before the fiscal year for which the appropriation is to be made.

(b) Multiply the student enrollment by the average cost of instruction per student in each instructional category.

(c) Add the resulting products.

Subd. 3. **DETERMINATION OF STUDENT ENROLLMENT.** Student enrollment shall be the full-year equivalent or average daily membership enrollment in each instructional category in the fiscal year two years before the fiscal year for which the appropriations are being made. Student enrollment for the purpose of calculating appropriations for the second year of the biennium may be estimated on the basis of the latest enrollment data available. Student enrollment shall include students enrolled in courses that award credit or otherwise satisfy any of the requirements of an academic or vocational program.

Subd. 4. **DETERMINATION OF AVERAGE COST OF INSTRUCTION.** (a) The average cost of instruction shall include direct instructional costs and other costs necessary to provide instruction, such as facilities, administration, and support. The average cost of instruction shall include only those costs attributable to academic or vocational programs.

(b) Every biennium each board shall submit the average cost of instruction for each instructional category as necessary to determine appropriations as part of their biennial budget request.

Subd. 5. **INSTRUCTIONAL CATEGORIES.** Average cost of instruction shall be determined by categories of cost of program and level of instruction and student enrollment in each category.

Subd. 6. **DETERMINATION OF TUITION.** Notwithstanding anything in this chapter to the contrary, the board of regents of the University of Minnesota, state university board, state board for community colleges, and the

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state board of vocational technical education shall not be required to establish tuition at any specific percentage of instructional cost.

Sec. 16. Minnesota Statutes 1984, section 135A.04, is amended to read:

135A.04 VARIABLE TUITION.

The board of regents of the University of Minnesota, state university board, state board for community colleges, and state board for vocational education shall establish tuition. Tuition may vary by program, level of instruction, cost of instruction, or other classifications determined by each board. Tuition may be set at any percentage of instructional cost established by the respective boards.

Sec. 17. Minnesota Statutes 1984, section 135A.05, is amended to read:

135A.05 TASK FORCE.

The ~~commissioner of finance~~ executive director of the Minnesota higher education coordinating board shall ~~establish~~ administer a task force on average cost funding. The task force shall include representation from each of the public systems of post-secondary education, post-secondary students, ~~the higher education coordinating board,~~ the education division of the house appropriations committee, ~~and the education subcommittee of the senate finance committee,~~ the office of the commissioner of finance, the office of state auditor, and the uniform financial accounting and reporting advisory council. The task force shall be convened and chaired by the ~~commissioner of finance~~ executive director or his a designee and staffed by the ~~department of finance~~ higher education coordinating board. The task force shall review and make recommendations on the definition of instructional cost in all four systems, the method of calculating average cost for funding purposes, the method used to assign programs to the proper level of cost at each level of instruction, the adequacy of the accounting data for defining instructional cost in a uniform manner, and the biennial budget format to be used by the four systems in submitting their 1985-1987 biennial budget requests. The task force shall submit a report on these matters to the legislature by December 1 of each odd-numbered year.

Sec. 18. Minnesota Statutes 1984, section 135A.06, is amended to read:

135A.06 SYSTEM PLANS: UNIVERSITY OF MINNESOTA; STATE UNIVERSITY BOARD; STATE BOARD FOR COMMUNITY COLLEGES; STATE BOARD FOR VOCATIONAL EDUCATION AND MISSIONS.

Subdivision 1. **SUBMISSION OF PLANS.** It is the intent of the legislature that the planning efforts of the public post-secondary education systems be summarized and reported to the legislature. ~~These planning efforts include, but are not limited to, the on-going intrasystem and intersystem planning processes and the information provided by the systems to the governor's commission on the future of post-secondary education.~~ It is the further intent that the

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system missions be differentiated from one another to best serve the needs of the citizens of Minnesota. In order to accomplish this goal these goals, the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board ~~for~~ of vocational technical education shall each submit to the governor and the legislature on December 1 of each even-numbered year a planning report for its system. The planning report shall contain the mission of the system and short- and long-range plans for programs, staff, and facilities. The report shall specify the mission and plans for two, five, and ten years. The assumptions used in developing the plans shall be included. The report shall also include plans for and progress toward achieving mission differentiation while maintaining the state's overall post-secondary objectives.

Subd. 2. **MISSION.** Each system shall review its mission as it relates to instruction, research, and public service. The systems in cooperation with the higher education coordinating board shall jointly review their missions and develop strategies to achieve clearer mission differentiation and an overall intersystem plan that ensures achieving the state's overall post-secondary objectives.

Subd. 3. **SYSTEM PLANS.** (a) Each system shall review its develop a program plan for instruction, research, and public service. Program plans shall include Each system shall consult with the higher education coordinating board and with the other systems throughout the planning process. The higher education coordinating board shall coordinate intersystem efforts in the development of the program plans to achieve intersystem cooperation and differentiation.

Each planning report shall consider at least the following elements:

(a) A statement of program priorities for undergraduate, graduate, and professional education. Program plans shall also include data about program cost and average class size within each institution.

(b) Each system shall A review its plan of plans for adjusting the number of facilities, staff, and programs to projected level of demand. Plans for adjustments shall consider campus and program mergers, campus and program closings, new governance structures, the relationship between fixed costs and projected enrollment changes, and other methods including consolidation of institutions, services, and programs with institutions serving that serve the same geographic area which are operated by under different governing boards.

(c) Each system shall consult with the higher education coordinating board throughout the planning process.

Subd. 4. **PLANNING FACTORS.** Each planning report shall consider the following factors at a minimum.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(a) (c) Enrollment projections for two, five, and ten years. If a system uses projections which are different from the most recent available projections produced by the higher education coordinating board, the system shall compare its projections with enrollment projections prepared by the higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections;

(b) (d) Estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to declining enrollments and fiscal resources;

(e) (e) Opportunities for providing services cooperatively with other public and private institutions in the same geographic area.

(f) Differentiating and coordinating missions to reduce or eliminate duplication of services and offerings.

Subd. 4. CAPITAL REQUESTS. A capital budget request submitted by a system must specifically relate a proposed capital project to the plans required under this section.

Subd. 5. HECB REVIEW AND COMMENT. The higher education coordinating board shall review and comment on the reports prepared by the systems. In order to provide sufficient time for this review, systems shall submit the reports to the coordinating board on September 1 prior to the December 1 submission to the governor and legislature. Before the higher education coordinating board forwards its review and comment to the legislature, each system shall be given the opportunity by the higher education coordinating board to respond to the higher education coordinating board review. In order to provide sufficient time for the systems to respond, the HECB shall provide copies of its review and comment to the systems by October 15 and the systems shall submit any responses to the higher education coordinating board by November 15, prior to the January 2 December 1 submission to the governor and the legislature. The system responses shall accompany the higher education coordinating board review and comment when it is submitted to the governor and the legislature. As part of its review and comment, the higher education coordinating board shall present information on the costs, enrollment, and participation in public post-secondary institutions and on the progress the systems and the board are making toward an integrated intersystem planning effort.

Sec. 19. [135A.08] CREDIT TRANSFER.

Subdivision 1. COURSE EQUIVALENCY. The regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, in conjunction with the higher education coordinating board, shall develop and maintain course equivalency guides for use between institutions that have a high frequency of transfer. Subject to the determination of the higher education coordinating board made in

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consultation with the state board of vocational technical education, course equivalency guides shall not be required for vocational technical programs that have not been divided into identifiable courses. The governing boards of private institutions that grant associate and baccalaureate degrees and that have a high frequency of transfer students are requested to participate in developing these guides.

Subd. 2. COMMON NUMBERING. The regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, in conjunction with the higher education coordinating board, shall develop and maintain a common numbering convention to distinguish remedial, lower division, upper division, and graduate level coursework. The governing boards of private institutions that grant associate and baccalaureate degrees are requested to cooperate in the development of this numbering convention.

Subd. 3. GENERAL EDUCATION REQUIREMENTS. The state board for community colleges, in conjunction with the regents of the University of Minnesota, state university board, boards of private institutions that grant baccalaureate degrees, and the higher education coordinating board, shall develop a system-wide standard of distributed general education requirements for the associate of arts degree. The boards shall ensure that the associate of arts degree fulfills the entire general education requirement for the baccalaureate degree if the intent of the degree program is that the general education component be completed in the first two years of study.

Sec. 20. Minnesota Statutes 1984, section 136.031, is amended to read:

136.031 CARRY-OVER AUTHORITY.

The state university board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over an any unexpended balance up to a maximum of two percent of its biennial appropriation into the following biennium. These moneys shall The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Sec. 21. Minnesota Statutes 1984, section 136.24, is amended to read:

136.24 TECHNICAL EQUIPMENT.

Subdivision 1. PROPRIETARY PURCHASES. Technical educational equipment may be procured for the state universities on request of the state university board either by brand designation or in accordance with standards and specifications the board may promulgate, notwithstanding the provisions of chapter 16 to the contrary.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. COMPUTER MARKETING AND SUPPORT. The state university board may sell computers and related products to its staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

Sec. 22. [136.311] STATE UNIVERSITY PARKING RULES.

Notwithstanding section 169.966, the state university board may authorize a state university to adopt and enforce rules about parking on property owned or leased by the university. The rules may enable a university to assess and collect a fine and a towing fee for a violation of a rule. Money collected under this section by a state university is annually appropriated to the university for parking lot maintenance, improvement, and rule enforcement. A state university, with the approval of the state university board, shall establish procedures to resolve a dispute arising from enforcement of a rule. Chapter 14 does not apply to this section.

Sec. 23. [136.58] STATE UNIVERSITY NONPROFIT FOUNDATION PAYROLL DEDUCTIONS.

Subdivision 1. REQUEST; WARRANT. The commissioner of finance, upon the written request of an employee of a state university or the state university board, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit university foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation.

Subd. 2. FOUNDATION APPLICATION; APPROVAL. A nonprofit foundation that desires to receive contributions through payroll deductions shall apply to the state university board for approval to participate in the payroll deduction plan. The board may approve the application for participation if the foundation:

(1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1954, as amended;

(2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1954, as amended;

(3) secures funding solely for distribution to that state university; and

(4) has been incorporated according to chapter 317 for at least one calendar year prior to the date it applies to the state university board for approval.

Subd. 3. SOLICITATION. Efforts to secure payroll deductions authorized in subdivision 1 must not interfere with, require a modification of, nor be

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conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.

Sec. 24. Minnesota Statutes 1984, section 136.67, subdivision 5, is amended to read:

Subd. 5. **CARRY-OVER AUTHORITY.** The community college board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over ~~an any~~ unexpended balance up to a maximum of two percent of its biennial ~~appropriation~~ into the following biennium. ~~These moneys shall~~ The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Sec. 25. [136.622] **COMPUTER SALES AND MAINTENANCE.**

The state board for community colleges may sell computers and related products to its staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

Sec. 26. [136A.043] **INFORMATION TECHNOLOGY.**

The higher education coordinating board shall initiate activities to coordinate state policy development regarding the use of information technology in post-secondary education instruction and administration. These activities shall include at least the following: a survey, conducted in collaboration with the post-secondary education systems, of existing information technology use and needs of institutions and regions; initiation of collaborative activities to share information and resources; and provision of opportunities for post-secondary education policymakers to review issues and needs for policy development.

Sec. 27. Minnesota Statutes 1984, section 136A.09, is amended to read:

136A.09 **STUDENT SCHOLARSHIPS, PURPOSE.**

The legislature has found finds and hereby declares that ~~the~~ identification of the talented young men and women of the state and ~~the~~ encouragement of their maximum educational development is in the best interest of the state. The state scholarship program ~~provided for herein~~ is designed to encourage such able and worthy students to continue their education in the eligible institutions of their own choosing and to provide financial assistance for those ~~who would not~~ otherwise be not able to do so.

Sec. 28. Minnesota Statutes 1984, section 136A.095, is amended to read:

136A.095 **GRANTS-IN-AID; PURPOSE.**

The legislature has found finds and hereby declares that the identification of young men and women of the state who are economically disadvantaged and

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the encouragement of their educational development in eligible institutions of their choosing are in the best interests of the state and of the students.

Sec. 29. Minnesota Statutes 1984, section 136A.101, is amended to read:

136A.101 DEFINITIONS.

Subdivision 1. For purposes of sections 136A.09 to 136A.131, the terms defined in this section have the meanings ascribed to them:

Subd. 2. "Board" means the Minnesota higher education coordinating board.

Subd. 3. "Director" means the executive director of the Minnesota higher education coordinating board.

Subd. 4. "Eligible institution" means ~~an~~ a post-secondary educational institution of higher education located in this state or in a state with which the board has entered into a higher education reciprocity agreement on state student aid programs ~~which provides an organized course of instruction of at least two years duration in the sciences or liberal arts, including performing and visual arts, or a combination of these, at the collegiate level which that~~ either (1) is operated by this state, or (2) is operated publicly or privately and, as determined by the board, maintains academic standards substantially equivalent to those of comparable institutions operated in this state ~~or an area vocational-technical school or other vocational school approved by the board.~~

Subd. 5. "Financial need" means the demonstrated need of the applicant for financial assistance to meet the actual costs of attending the eligible institution of his choice as determined from financial information on the applicant and, if required, on the applicant's parents, by a college scholarship service or equivalent service under criteria established by the board.

Subd. 6. "Qualified applicant" means ~~those students~~ a person who ranked in the upper quarter of the class at the end of the junior year in high school according to academic standards prescribed by the board for purposes of the state scholarship program and. It also means all any eligible students person regardless of academic rank for ~~purposes of~~ the state grant-in-aid program.

Subd. 7. "Student" means a student person who ~~meets the requirements for full time student status as defined by the eligible institution he attends is enrolled at least half time, as defined by the board, in a program or course of study that applies to a degree, diploma, or certificate.~~

Subd. 8. "Resident student" includes a student who graduated from a Minnesota high school and has not since established residence in another state.

Sec. 30. Minnesota Statutes 1984, section 136A.121, subdivision 1, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **ELIGIBILITY FOR SCHOLARSHIPS.** An applicant ~~shall be~~ is eligible to be considered for a scholarship under the provisions of sections 136A.09 to 136A.131 if the board finds that the applicant:

- (1) is a resident of the state of Minnesota;
- (2) has met all the requirements for admission as a ~~full-time~~ student to an eligible institution of ~~his~~ choice as defined in sections 136A.09 to 136A.131;
- (3) has demonstrated capacity for superior achievement at the institutional level as measured by standards prescribed by the board;
- (4) is a qualified applicant as defined ~~herein~~.

Sec. 31. Minnesota Statutes 1984, section 136A.121, subdivision 2, is amended to read:

Subd. 2. **ELIGIBILITY FOR GRANTS-IN-AID.** An applicant ~~shall be~~ is eligible to be considered for a grant-in-aid, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under the provisions of sections 136A.09 to 136A.131 if the board finds that the applicant:

- (1) is a resident of the state of Minnesota;
- (2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a ~~full-time~~ student to an eligible college or vocational school of ~~his~~ choice as defined in sections 136A.09 to 136A.131;
- (3) has met ~~such~~ the financial need criteria ~~pertaining to financial need as the board shall make by regulation established in rules.~~

Sec. 32. Minnesota Statutes 1984, section 136A.121, subdivision 3, is amended to read:

Subd. 3. **ALLOCATION.** Scholarships and grants-in-aid shall be awarded ~~annually~~ on a funds available basis to those applicants ~~for initial awards and applicants for renewal awards~~ who meet the board's requirements.

Sec. 33. Minnesota Statutes 1984, section 136A.121, subdivision 4, is amended to read:

Subd. 4. **SCHOLARSHIP STIPENDS.** An eligible scholarship applicant shall be considered for a financial stipend if the applicant demonstrates financial need. ~~An eligible scholarship applicant who does not demonstrate financial need under criteria prescribed by the board shall be awarded an honorary scholarship.~~ The amount of a financial stipend shall must not exceed a scholarship applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(a) a contribution by the scholarship applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) a contribution by the scholarship applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the scholarship applicant is eligible.

The minimum financial stipend ~~shall be~~ is \$100.

Sec. 34. Minnesota Statutes 1984, section 136A.121, subdivision 5, is amended to read:

Subd. 5. **GRANTS-IN-AID STIPENDS.** A financial stipend based on financial need ~~shall~~ must accompany grants-in-aid. The amount of a financial stipend ~~shall~~ must not exceed a grant applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) a contribution by the grant applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) a contribution by the grant applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend ~~shall be~~ is \$100.

Sec. 35. Minnesota Statutes 1984, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **COST OF ATTENDANCE.** The cost of attendance ~~shall consist~~ consists of allowances specified by the board for room and board and miscellaneous expenses, and

(a) for public institutions, tuition and fees charged by the institution; or

(b) for private institutions, ~~beginning July 1, 1985,~~ an allowance for tuition and fees equal to the lesser of (1) the actual tuition and fees charged by the institution, or (2) the instructional costs per full-year equivalent student in comparable public institutions. ~~Prior to July 1, 1985, the tuition and fees allowance shall not exceed the instructional costs per full-year equivalent student in comparable public institutions.~~

Sec. 36. Minnesota Statutes 1984, section 136A.121, subdivision 7, is amended to read:

Subd. 7. **INSUFFICIENT APPROPRIATION.** If the amount appropriated is determined by the board to be insufficient to make full awards to

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applicants pursuant to subdivision under subdivisions 4 and 5, before any award for that year has been disbursed, then awards shall be reduced by

- (a) adding a surcharge to the contribution of the applicant's parents, and
- (b) a percentage increase in the applicant's contribution.

Sec. 37. Minnesota Statutes 1984, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **INITIAL AWARDS.** ~~Only first year students shall be eligible to apply for and receive initial scholarship awards. Any~~ An undergraduate student who has not previously received a scholarship or grant-in-aid and who meets the board's requirements ~~shall be~~ is eligible to apply for and receive an initial scholarship or grant-in-aid in any year of undergraduate study.

Sec. 38. Minnesota Statutes 1984, section 136A.121, subdivision 10, is amended to read:

Subd. 10. **RENEWALS.** Each scholarship or grant-in-aid shall be awarded for one academic year ~~but shall be~~ is renewable for a maximum of six semesters or nine quarters or their equivalent, but may not continue after the recipient has obtained a baccalaureate degree ~~or been enrolled full-time or the equivalent for the number of semesters or quarters normally required to complete a baccalaureate degree, whichever occurs first.~~

Sec. 39. Minnesota Statutes 1984, section 136A.121, subdivision 11, is amended to read:

Subd. 11. **RENEWAL CONDITIONS.** Each scholarship or grant-in-aid ~~shall be~~ is renewable, contingent on continued residency in Minnesota, satisfactory academic standing ~~and, recommendation of the college or vocational school~~ eligible institution currently attended, and, ~~in the case of financial assistance,~~ evidence of continued need.

Sec. 40. Minnesota Statutes 1984, section 136A.121, subdivision 12, is amended to read:

Subd. 12. **ANNUAL APPLICATION.** To continue to receive a scholarship or grant-in-aid, the student ~~must~~ shall apply for renewal ~~of his scholarship or grant-in-aid~~ each year.

Sec. 41. Minnesota Statutes 1984, section 136A.121, subdivision 13, is amended to read:

Subd. 13. **DEADLINE.** The board ~~must~~ shall accept applications for state scholarships and grants-in-aid until February 15 and may establish a deadline for the acceptance of applications ~~which~~ that is later than February 15.

Sec. 42. Minnesota Statutes 1984, section 136A.121, subdivision 16, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 16. **HOW APPLIED; ORDER.** ~~Financial~~ Scholarships and grants-in-aid awarded under the terms of sections 136A.09 to 136A.131 shall be applied to educational costs in the following order: tuition, fees, books, supplies and other expenses. Unpaid portions of such ~~the~~ awards shall revert to the board scholarship or grant-in-aid account.

Sec. 43. Minnesota Statutes 1984, section 136A.132, subdivision 3, is amended to read:

Subd. 3. ~~Any student attending an eligible institution less than full-time and pursuing a program or course of study leading to a degree, diploma or certificate shall be eligible for a part-time student grant-in-aid~~ An applicant is eligible to be considered for a part-time student grant if the applicant:

(a) is a resident of the state of Minnesota;

(b) is an undergraduate student who has not earned a baccalaureate degree, except that a post-baccalaureate student enrolled in an undergraduate or graduate program who had been enrolled in the same program and had received a part-time grant during the 1984-1985 school year shall be eligible to be considered for a part-time student grant in the 1985-1986 school year;

(c) is pursuing a program or course of study that applies to a degree, diploma, or certificate; and

(d) is attending an eligible institution (1) in the 1985-1986 academic year less than full time as defined by the board, or (2) after July 1, 1986, either less than half time as defined by the board, or as a new or returning student enrolled at least half time but less than full time as defined by the board.

Sec. 44. Minnesota Statutes 1984, section 136A.132, subdivision 4, is amended to read:

Subd. 4. A recipient of a part-time grant-in-aid shall be selected by the post-secondary education institution of attendance in accordance with guidelines, ~~criteria,~~ policies and procedures ~~rules~~ established by the higher education coordinating board.

Sec. 45. Minnesota Statutes 1984, section 136A.132, subdivision 5, is amended to read:

Subd. 5. The amount of any part-time student grant-in-aid award shall be based on the need of the applicant determined by the institution in accordance with policies and rules established by the higher education coordinating board ~~but the amount of an award shall not exceed the cost of tuition and required fees paid or to be paid by the student or the cost of tuition and fees for a comparable program at the university of Minnesota, whichever is the lesser.~~

Sec. 46. Minnesota Statutes 1984, section 136A.132, subdivision 6, is amended to read:

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Subd. 6. Part-time student grants-in-aid shall be awarded for a single term as defined by the institution in accordance with guidelines and policies of the higher education coordinating board. Awards shall not be renewable but the recipient of an award may apply for additional awards for subsequent terms as follows:

(a) In the 1985-1986 academic year a recipient of an award who is enrolled less than full time as defined by the board may apply for additional awards.

(b) After July 1, 1986, a recipient of an award who is enrolled less than half time as defined by the board may apply for additional awards.

A new or returning student enrolled at least half time but less than full time, as defined by the board, and pursuing a program or course of study that applies to a degree, diploma, or certificate shall be eligible for an award for only one term.

Sec. 47. Minnesota Statutes 1984, section 136A.15, subdivision 7, is amended to read:

Subd. 7. "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state. A Minnesota resident includes a student who graduated from a Minnesota high school and has not since established residence in another state. Eligible student, except for purposes of section 136A.1701, includes parents of an eligible student as the term "parent" is defined in the Higher Education Act of 1965, as amended, and the applicable regulations promulgated thereunder. Except for the purposes of section 136A.1701, eligible student also includes students eligible for auxiliary loans as the term "auxiliary" is defined in the Higher Education Act of 1965, as amended, and the applicable regulations promulgated thereunder. An eligible student, for section 136A.1701, means a student who gives informed consent authorizing the disclosure of data specified in section 136A.162, paragraph (b), to a consumer credit reporting agency.

Sec. 48. Minnesota Statutes 1984, section 136A.162, is amended to read:

136A.162 CLASSIFICATION OF DATA.

All data on applicants for financial assistance collected and used by the higher education coordinating board for ~~the purposes of~~ student financial aid programs administered by that board shall be classified as private data on individuals ~~pursuant to~~ under section 13.02, subdivision 12. Exceptions to this classification are that:

(a) the names and addresses of program recipients or participants are public data; and

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(b) the following data collected in the Minnesota supplemental loan program under section 136A.1701 may be disclosed to a consumer credit reporting agency only if the borrower gives informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:

- (1) the lender-assigned borrower identification number;
- (2) the name and address of borrower;
- (3) the name and address of cosigner;
- (4) the date the account is opened;
- (5) the outstanding account balance;
- (6) the dollar amount past due;
- (7) the number of payments past due;
- (8) the number of late payments in previous 12 months;
- (9) the type of account;
- (10) the responsibility for the account; and
- (11) the status or remarks code.

Sec. 49. Minnesota Statutes 1984, section 136A.233, subdivision 2, is amended to read:

Subd. 2. For purposes of sections 136A.231 to 136A.235, the following words have the meanings ascribed to them:

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll full time in a Minnesota post-secondary institution. A Minnesota resident includes a student who graduated from a Minnesota high school and has not since established residence in another state.

(b) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education coordinating board.

(c) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(d) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state scholarship and grant program as specified in section 136A.101, subdivision 4.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 50. Minnesota Statutes 1984, section 136C.04, subdivision 4a, is amended to read:

Subd. 4a. **CARRY OVER AUTHORITY.** The state board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The state board may carry over ~~an any unexpended balance up to a maximum of two percent of its biennial appropriation~~ into the following biennium. These moneys shall ~~The amounts carried over must~~ not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Sec. 51. Minnesota Statutes 1984, section 136C.04, subdivision 15, is amended to read:

Subd. 15. **PUBLIC HEARINGS.** The state board shall conduct public hearings when merging or reorganizing institutions ~~and when allocating money.~~ Notice shall be given to affected persons in the manner determined by the state board. All affected persons shall be given the opportunity to be heard, but the state board may impose reasonable restrictions on time. The state board shall take final action at a meeting held at least seven days after the public hearing.

Sec. 52. Minnesota Statutes 1984, section 136C.04, is amended by adding a subdivision to read:

Subd. 18. **COMPUTER SALES AND MAINTENANCE.** The state board of vocational technical education may sell computers and related products to its staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

Sec. 53. Minnesota Statutes 1984, section 136C.07, is amended by adding a subdivision to read:

Subd. 5a. **REVIEW OF CAPITAL IMPROVEMENTS.** A school board, as defined in section 136C.02, subdivision 8, must not award final contracts for capital improvements until the state director has reviewed the final plans, specifications, and cost estimates and made recommendations on them.

Sec. 54. Minnesota Statutes 1984, section 136C.08, subdivision 2, is amended to read:

Subd. 2. Any fee established by the board pursuant to the authority granted in subdivision 1 shall not exceed \$1 per day per vehicle. Parking fees collected shall be deposited in the general or capital expenditure repair and betterment fund of the school district or joint school district.

Sec. 55. Minnesota Statutes 1984, section 136C.13, subdivision 3, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 3. **VETERAN'S EXEMPTION.** A veteran enrolled in a tuition free AVTI program before July 1, 1985, who is a Minnesota resident whose entire education has not included completion of at least one tuition free post-secondary vocational technical school program is exempt from tuition until the veteran has completed the lesser of (a) 440 post-secondary vocational technical school days, or the equivalent as determined by the state board, or (b) one post-secondary vocational technical school program.

"Veteran" for the purpose of this subdivision means a person who served in the active military service in any branch of the armed forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable.

Sec. 56. Minnesota Statutes 1984, section 136C.13, is amended by adding a subdivision to read:

Subd. 4. VIETNAM VETERAN'S EXEMPTION. A Vietnam veteran who enrolls in a tuition free AVTI program before July 1, 1990, and who is a Minnesota resident whose entire education has not included completion of at least one tuition free post-secondary vocational technical school program is exempt from tuition until the veteran has completed the lesser of (a) 440 post-secondary vocational technical school days, or the equivalent as determined by the state board, or (b) one post-secondary vocational technical school program.

"Vietnam veteran" for the purpose of this subdivision means a person who served in the active military service in any branch of the armed forces of the United States after July 1, 1961, and before July 1, 1978, and who became eligible for the Vietnam Expeditionary Medal or the Vietnam Service Medal as a result of the service, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable.

Sec. 57. Minnesota Statutes 1984, section 136C.26, subdivision 1, is amended to read:

Subdivision 1. **APPLICABILITY.** For the 1983-1984 and 1984-1985 school years, For the purposes of sections 136C.26 to 136C.37, and 136C.41, the following terms have the meanings given them.

Sec. 58. Minnesota Statutes 1984, section 136C.26, subdivision 4, is amended to read:

Subd. 4. **COMPONENT ACTIVITIES.** "Component activities" means regular instruction, special needs instruction, part-time instruction, research, instructional administration, media/library, ~~pupil~~ student personnel services,

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health services, director's office, instructional services, fixed costs, work ~~study/financial study~~, financial aid, physical plant, and repair and betterment.

Sec. 59. Minnesota Statutes 1984, section 136C.26, subdivision 5, is amended to read:

Subd. 5. **INSTRUCTIONAL AID.** "Instructional aid" means state money, exclusive of ~~repair and betterment aid and debt service aid~~, allocated by the state board of vocational technical education to districts for post-secondary and part-time vocational technical education instructional costs.

Sec. 60. Minnesota Statutes 1984, section 136C.28, subdivision 2, is amended to read:

Subd. 2. **RECOMMENDED ALLOCATIONS.** After reviewing each budget, the state director of ~~vocational technical education~~ shall recommend aid allocations to the state board for the following fiscal year in each expenditure category for each program and component activity.

The state director shall recommend instructional aid allocations sufficient to maintain or improve special needs instruction.

Notwithstanding any laws or rules to the contrary, the recommendations for allocations of instructional aid, to the extent possible, shall be based on average systemwide ADM to teacher ratios of 12 to 1 for health programs and 17 to 1 for nonhealth programs.

The annual student placement rate of each program shall be taken into consideration by the department in recommending instructional aid allocations.

Each AVTI's tuition revenues revenue in the fiscal year for which aid is allocated shall be taken into consideration by the department state director in recommending instructional aid allocations.

Each AVTI's unappropriated ~~capital~~ balance of the equipment ~~account~~ in the capital expenditure fund, as of June 30 of the fiscal year during which allocations are made, shall be taken into consideration by the state director in recommending instructional aid allocations for the purposes listed in section 136C.29, subdivision 3, clauses (a), (b), (c), and (d). In recommending instructional aid allocations for all other purposes, the department state director shall take into consideration each AVTI's net positive unappropriated general fund balance, as of June 30 of the fiscal year during which allocations are made, which exceeds ten percent of the AVTI's operating expenditures, as defined by UFARS, for the fiscal year during which allocations are made.

Each AVTI's actual expenditures which exceed the amounts originally budgeted for expenditure during the fourth quarter of the fiscal year in which aids are allocated shall be taken into consideration by the state director in recommending instructional aid allocations.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Allocations of repair and betterment aid shall be recommended for each project proposed by an AVTI. In recommending repair and betterment aid allocations, the state director shall take into consideration each AVTI's net positive unappropriated capital balance of the repair and betterment account of the capital expenditure fund, as of June 30 of the fiscal year during which allocations are made. The recommendations must follow procedures for aid allocations set by the state board.

Sec. 61. Minnesota Statutes 1984, section 136C.29, subdivision 5, is amended to read:

Subd. 5. **REPAIR AND BETTERMENT AID.** The final allocation of repair and betterment aid by the state board does not constitute approval of a project for the purposes of section 136C.07, subdivision 4a 5. The aid shall be placed in the repair and betterment fund and used solely for the purposes enumerated in section 136C.26, subdivision 8 of reconstructing, improving, remodeling, and repairing existing AVTI buildings and grounds. The school board shall authorize and approve actual expenditures of the aid allocated, except that expenditures which exceed \$5,000 shall receive prior approval by the state director. The process in section 136C.28 shall not constitute approval for this purpose. Use of the aid shall be governed by the provisions of section 136C.07, subdivision 4a 5.

Sec. 62. Minnesota Statutes 1984, section 136C.33, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP.** Membership for pupils students in AVTI's shall mean the number of pupils students on the current roll of the school, counted from the date of entry until the date of withdrawal, according to policies adopted by the state board.

Sec. 63. Minnesota Statutes 1984, section 136C.34, is amended to read:

136C.34 ABSENCE FOR CHEMICAL ABUSE TREATMENT.

If a pupil student is absent from an AVTI to participate in a chemical abuse treatment program licensed by the state, the pupil student may request the AVTI to remain on the roll in the educational program in which the pupil student is enrolled, according to policies adopted by the state board. The AVTI shall grant a request it receives from the pupil student.

Sec. 64. Minnesota Statutes 1984, section 136C.36, is amended to read:

136C.36 PAYMENT OF AVTI INSTRUCTIONAL AID.

Beginning for the 1983-1984 school year, 85 Eighty-five percent of the estimated post-secondary vocational instructional aid entitlement for each district shall be paid during the fiscal year of entitlement in 24 11 uniform monthly

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payments on the first business day prior to the 15th of each month and on the first business day prior to the last day of each month from July to May.

The amount of entitlement, adjusted for actual data on tuition and fund balances, minus the payments made during the fiscal year of entitlement, shall be the final adjustment paid to each district in ~~two payments on September 15 and September 30~~ on the first business day of July in the fiscal year following entitlement.

Sec. 65. Minnesota Statutes 1984, section 137.022, is amended to read.

137.022 PERMANENT UNIVERSITY FUND, INVESTMENT.

Subdivision 1. INVESTMENT. The investment management of the permanent university fund shall be under the jurisdiction of the board of regents of the University of Minnesota, subject to any limitations imposed by the Constitution of the state of Minnesota, Article XI, Section 9. All securities and cash held in the state treasury credited to the permanent university fund ~~heretofore~~ that are unappropriated or unencumbered are ~~hereby~~ transferred and appropriated to the board of regents of the University of Minnesota solely for the purpose of investment by them, with the restriction that all such investment transactions be handled through the supervision of investment counselors, bank trust departments, or insurance companies which are organized, licensed, or have registered offices within the state of Minnesota or have agreed in writing to conduct such securities transactions and investment counseling under Minnesota law and the rules and regulations established by the department of commerce. ~~Such~~ These investments shall be restricted to those authorized as eligible for use in the Minnesota post-retirement investment fund, section 11A.18, with the exception that corporate debt securities may be used to the extent of 80 percent of the portfolio.

Subd. 2. INCOME. The income from the permanent university fund shall be subject to appropriations is appropriated annually to the board of regents by the legislature ~~from time to time~~. This appropriation of income must not be used to reduce other appropriations made to the board of regents. The determination of ~~such~~ this income shall be based on the procedures detailed in sections 11A.16, subdivision 5, or 11A.12, subdivision 2.

Subd. 3. ENDOWED CHAIRS. The income from the permanent university fund must be used to help endow professorial chairs in academic disciplines. This income must not provide more than half the sum of the endowments for all chairs endowed, with nonstate sources providing the remainder. The income may provide more than half the endowment of an individual chair. Any portion of the annual appropriation that is not used for this purpose lapses and must be added to the principal of the permanent university fund.

Sec. 66. Minnesota Statutes 1984, section 141.23, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

141.23 RULES AND REGULATIONS.

The state board of education may adopt rules ~~and regulations according to chapter 14~~ to carry out the provisions of sections 141.21 to 141.36 pursuant to ~~chapter 14~~ this chapter.

Sec. 67. Minnesota Statutes 1984, section 141.25, subdivision 8, is amended to read:

Subd. 8. **FEES AND TERMS OF LICENSE.** (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by \$200 \$440 as a nonrefundable application fee.

(b) All licenses shall expire on December 31 of each year. Each renewal application shall be accompanied by a nonrefundable renewal fee of \$150 \$330.

(c) Application for renewal of license shall be made on or before October 1 of each calendar year. Each renewal form shall be supplied by the commissioner. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the commissioner.

Sec. 68. Minnesota Statutes 1984, section 141.25, subdivision 9, is amended to read:

Subd. 9. **CATALOG OR BROCHURE.** ~~(A) No~~ Before a license shall be is issued to a school, other than one which offers exclusively a correspondence course of instruction, ~~until such the school has furnished shall furnish~~ to the commissioner a catalog or brochure containing the following:

- (a) (1) Identifying data, such as volume number and date of publication;
- (b) (2) Name and address of the school and its governing body and officials;
- (c) (3) A calendar of the school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;
- (d) (4) School policy and regulations on enrollment ~~with respect to enrollment~~ including dates and specific entrance requirements for each course;
- (e) (5) School policy and regulations ~~relative to~~ about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;
- (f) (6) School policy and regulations ~~relative to~~ about standards of progress ~~required of for the student by the school which policy must define~~ including the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress ~~and,~~ a description of the any probationary period, ~~if any,~~ allowed by the school, and conditions of re-entrance for those dismissed for unsatisfactory progress;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(g) (7) School policy and regulations ~~relative to~~ about student conduct and conditions for dismissal for unsatisfactory conduct;

(h) (8) Detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(i) (9) Policy and regulations of the school ~~relative to the refund of the unused portion of,~~ including an explanation of section 141.271, about refunding tuition, fees, and other charges ~~in the event if~~ the student does not enter the course or, ~~withdraws,~~ or is discontinued therefrom, ~~which policy shall include an explanation of all provisions of section 141.271;~~

(j) (10) A description of the available facilities and equipment;

(k) (11) A course outline for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time or clock hours to be spent on each subject or unit; and

(l) (12) Policy and regulations of the school ~~relative to~~ about granting credit for previous education and training.

(B) Subd. 9a. CORRESPONDENCE CATALOG. No Before a license shall be ~~is~~ issued to a school which offers exclusively offering a correspondence course of instruction, ~~until such~~ the school has furnished shall furnish to the commissioner a catalog or brochure containing the following:

(a) Identifying data such as volume number and date of publication;

(b) Name and address of the school, its governing body and officials;

(c) School policy and regulations on enrollment with respect to enrollment dates and specific entrance requirements for each course;

(d) (1) School policy and regulations ~~relative to~~ about standards of progress required of for the student by the school which ~~policy~~ must define including the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress and, a description of ~~the~~ any probationary period, if any, allowed by the school, and conditions of re-enrollment for those students terminated for unsatisfactory progress;

(e) Detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(f) Policy and regulations of the school ~~relative to the refund of the unused portion of tuition, fees and other charges in the event the student does not enter the course or withdraws or is discontinued therefrom,~~ which policy shall include an explanation of all provisions of section 141.271;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(g) ~~A description of facilities and equipment used by the school;~~

(h) (2) A course outline for each course offered showing course objectives, subjects or units in each lesson of the course, type of work or skill to be learned, and the total number of lessons for each course of instruction; and

(i) ~~Policy and regulations of the school relative to granting credit for previous education and training.~~

(3) All items listed in subdivision 9, except items in clauses (3) and (5).

(C) ~~Subd. 9b.~~ **DELIVERY OF CATALOG.** ~~Each~~ A school or its agent thereof shall deliver the catalog or brochure required in ~~subdivision~~ subdivisions 9 and 9a to each prospective student in such time or manner as to provide the prospective student ample opportunity to read ~~said~~ the catalog or brochure before signing any contract or enrollment agreement or before being accepted by a school which does not utilize a written contract or enrollment agreement.

Sec. 69. Minnesota Statutes 1984, section 141.25, subdivision 10, is amended to read:

Subd. 10. **PLACEMENT RECORDS.** (a) ~~No~~ Before a license ~~shall be~~ is issued to a school ~~which that~~ offers, advertises or implies a placement service ~~until~~, the school ~~files shall file~~ with the commissioner for the past year and thereafter at reasonable intervals to be determined by the commissioner, a certified copy of the school's placement record, containing a list of graduates, a description of their job, name of their employer, and ~~such~~ other information as the commissioner may prescribe.

(b) Each school ~~which that~~ offers a placement service shall furnish to each prospective student, prior to enrollment, written information concerning the percentage of the previous year's graduates who were placed in the occupation for which trained.

Sec. 70. Minnesota Statutes 1984, section 141.25, is amended by adding a subdivision to read:

Subd. 12. PERMANENT RECORDS. Before a license is issued to a school, each school located in Minnesota shall maintain permanent records for all students enrolled at any time. Each school offering a correspondence course of instruction to a student located in Minnesota shall maintain permanent records for Minnesota students enrolled at any time. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance. To preserve permanent records, a school shall submit a plan that meets the following requirements:

(a) at least one copy of the records must be held in a secure depository;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(b) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;

(c) an alternative method of complying with paragraphs (a) and (b) must be established if the school ceases to exist; and

(d) a continuous surety bond must be filed with the department in an amount not to exceed \$20,000 if the school has no binding agreement for preserving student records or a trust must be arranged if the school ceases to exist.

Sec. 71. Minnesota Statutes 1984, section 141.26, subdivision 2, is amended to read:

Subd. 2. **APPLICATION FOR PERMIT.** (a) The application for such the permit shall state the full name, address, previous employment, and such other information concerning the solicitor applicant as the commissioner may require.

(b) The application shall have attached to it a certified affidavit signed by a school official and the solicitor attesting to the fact that the applicant has been furnished a copy, has read and has knowledge of the provisions of Minnesota Statutes, Chapter 141 and Minnesota Regulations, Chapter 20 Rules, parts 3530.6500 to 3530.7800.

Sec. 72. Minnesota Statutes 1984, section 141.26, subdivision 5, is amended to read:

Subd. 5. **FEE.** The initial and renewal application for each permit shall be accompanied by a nonrefundable fee of ~~\$75~~ \$165.

Sec. 73. Minnesota Statutes 1984, section 141.28, subdivision 4, is amended to read:

Subd. 4. **ACCEPTANCE OF CONTRACTS.** No school shall accept contracts, enrollment agreements or enrollment applications from an agent or solicitor who does not have a current permit as required by Laws 1973, Chapter 714.

Sec. 74. Minnesota Statutes 1984, section 141.32, is amended to read:

141.32 **PENALTY.**

Violation of any provisions of ~~sections 141.24 to 141.36~~ this chapter shall be a misdemeanor. Each day's failure to comply with the provisions of ~~Laws 1973, Chapter 714~~ this chapter shall be a separate violation.

Sec. 75. **TASK FORCE ON PRIVATE PROPRIETARY SCHOOLS.**

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. There is created a task force on private proprietary schools whose purpose is to study issues and make recommendations relating to private proprietary schools.

Subd. 2. The task force consists of 11 members as follows: one member appointed by the higher education coordinating board; one member appointed by the state board of education; one member appointed by the Minnesota association of private post-secondary schools; one member appointed by the private college council; one member appointed by the governor to represent schools regulated under Minnesota Statutes, chapter 141, that are not members of the Minnesota association of private post-secondary schools; one member appointed by the governor to represent institutions registered under Minnesota Statutes, sections 136A.61 to 136A.71, that are not members of the private college council; one member appointed by the governor to represent schools regulated by Minnesota Statutes, chapter 141, and sections 136A.61 to 136A.71; and four members appointed by the governor who are knowledgeable about the areas of study. The task force shall elect a chair from its membership.

Subd. 3. The task force shall:

(1) study the appropriate agency or agencies to regulate private schools subject to Minnesota Statutes, chapter 141, and sections 136A.61 to 136A.71;

(2) study statutes and rules that apply to private schools subject to Minnesota Statutes, chapter 141, and sections 136A.61 to 136A.71, as well as other related statutes, rules, and policies;

(3) study the regulations in other states concerning the types of schools being studied;

(4) make recommendations for any changes that may be needed to implement appropriate and equitable regulation of the various types of schools. In making the recommendations, the task force may consider statutes and policies in effect for similar public institutions; and

(5) examine and make recommendations on awarding of course credit for work completed in private proprietary schools and the issue of transferring credit from these schools to other public or private institutions.

The task force study and report shall be coordinated by the higher education coordinating board.

Subd. 4. The department of education and the higher education coordinating board shall provide staff assistance and information for the task force. Compensation of task force members shall be according to Minnesota Statutes, section 15.059, subdivision 3.

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Subd. 5. By February 1, 1986, the task force shall submit to the education committees of the legislature its report and recommendations. The task force shall terminate on June 30, 1986.

Sec. 76. FISCAL YEAR 1985 FINAL AVTI PAYMENT.

Notwithstanding any law to the contrary, the amount of entitlement for fiscal year 1985 to the state board for vocational technical education, adjusted for actual data, minus the payments made during fiscal year 1985, shall be the final adjustment paid to each district on the first business day of July, 1985.

Sec. 77. REPORTS.

Subdivision 1. The higher education coordinating board shall present a report on the findings and activities regarding information technology as described in section 26 by December 1, 1986.

Subd. 2. The higher education coordinating board shall report to the legislature on actions by the systems and progress toward differentiation and intersystem planning efforts according to section 18. The report shall be presented in conjunction with the system planning reports by December 1, 1986.

Sec. 78. VOCATIONAL COURSE CREDIT STUDY.

The higher education coordinating board and the state board of vocational technical education shall examine the awarding of course credit for work completed in area vocational technical institutes and the issue of transferring credit from these institutions to other public or private institutions. The higher education coordinating board shall report its findings and recommendations to the legislature by February 1, 1986.

Sec. 79. DEVELOPMENTS FOR CREDIT TRANSFER.

Course equivalency guides, common numbering conventions, and general education requirement standards, as required in section 19, shall be developed by August 1, 1986. The higher education coordinating board shall report to the education, finance, and appropriations committees on these developments by November 1, 1986.

Sec. 80. EMERGENCY RULES.

Subdivision 1. PART-TIME STUDENT GRANT PROGRAM. The higher education coordinating board shall adopt emergency rules under Minnesota Statutes, sections 14.29 to 14.36 to implement the part-time student grant program under Minnesota Statutes, section 136A.132, as amended, for the 1985-1986 academic year. The board may use existing rules for 1985-1986 grants until emergency rules are adopted. Notwithstanding Minnesota Statutes, section 14.35, the emergency rules are effective until permanent rules are adopted or June 30, 1986, whichever is earlier.

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Subd. 2. SUPPLEMENTAL AND ADDITIONAL LOAN PROGRAM. The higher education coordinating board shall adopt emergency rules pursuant to Minnesota Statutes, sections 14.29 to 14.36 to implement Minnesota Statutes 1984, section 136A.1701, for the 1984-1985 academic year. Notwithstanding Minnesota Statutes, section 14.35, the emergency rules may be effective until permanent rules are adopted or June 30, 1986, whichever is earlier.

Sec. 81. REPEALER.

Minnesota Statutes 1984, sections 135A.07; 136A.121, subdivisions 8 and 14; 136C.26, subdivisions 2 and 8; 136C.28, subdivisions 3, 4, 5, 6, and 7; 136C.33, subdivisions 3 and 4; 136C.37; and 136C.38, are repealed.

Sec. 82. EFFECTIVE DATES.

Subdivision 1. IMMEDIATE. Sections 14, 15, 16, 43, 44, 45, 46, 75, and 80 are effective the day following final enactment.

Subd. 2. JULY 1, 1986. Sections 29, subdivision 7; 30; 31; 38; 47; 48; and 65, subdivision 2, are effective July 1, 1986.

Approved June 27, 1985

CHAPTER 12 — H.F.No. 3

An act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the state board of education, the state board of teaching, and the higher education coordinating board; modifying certain components of foundation aid; modifying the basic maintenance mill rate; modifying computation of pupil units; repealing revenue equity; modifying the computation of transportation aid, special education aid, secondary vocational aid, and other aids; establishing the Minnesota school of the arts and resource center; providing for measurement of pupil progress; establishing mastery learning pilot projects; requiring the state board of teaching to field test plans for assessment of new teachers; appropriating money; amending Minnesota Statutes 1984, sections 5.35; 116J.37, subdivision 1; 120.03, subdivision 1; 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 121.151; 121.608; 121.609; 121.88; 121.882; 121.904, subdivision 4a; 121.912, subdivision 1; 121.931, subdivision 7; 121.936, subdivisions 1 and 2; 122.531, subdivisions 5 and 6; 122.541, by adding a subdivision; 122.86, subdivision 1; 123.36, subdivision 1; 123.39, by adding a subdivision; 123.58, by adding a subdivision; 123.702, subdivision 1; 123.705, subdivision 1; 123.741, subdivisions 6 and 7; 123.742, subdivisions 1, 3, 4, 5, and by adding subdivisions; 123.7431; 123.935, by adding a subdivision; 124.09; 124.10; 124.14, subdivision 4, and by adding a subdivision; 124.17, subdivision 1, and by adding a subdivision; 124.19, subdivisions 1 and 5; 124.195, subdivisions 7, 8, 9, 10, and 11; 124.2138, subdivision 2; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10;

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