

CHAPTER 703—S.F.No. 2569

An act relating to education; appropriating money to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; authorizing bonding for capital improvements; making or requesting changes in the terms of tuition, audits, land funds, programs, and provision of goods and services at one or more post-secondary institutions, systems, or boards; requiring reports; amending Minnesota Statutes 1986, sections 3.971, subdivision 1; 92.05; 136.31, by adding a subdivision; 136.41, by adding subdivisions; and 248.07, subdivisions 7 and 12; Minnesota Statutes 1987 Supplement, sections 135A.04; and 248.07, subdivision 8; Laws 1987, chapter 401, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 135A and 137; repealing Minnesota Statutes 1986, sections 136.26; and 136C.13, subdivision 3.

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

ARTICLE 1**Section 1. APPROPRIATIONS.**

The amounts in the columns under "APPROPRIATIONS" are appropriated from the general fund or other named fund to the agencies for the purposes specified in this act. The appropriations are available for the fiscal years indicated for each purpose. The figure "1988" or "1989," when used to refer to the fiscal year of appropriations, means that the appropriations listed under the figure are available for the fiscal year ending June 30, 1988, or June 30, 1989, respectively.

SUMMARY BY FUND

	1988	1989	TOTAL
GENERAL	\$5,700,000	\$18,356,500	\$24,056,500

Summary by Agency — All Funds

Higher Education			
Coordinating Board	5,700,000	1,235,000	6,935,000
State Board of Vocational Technical Education	-	1,907,800	1,907,800
State Board for Community Colleges	-	6,014,400	6,014,400
State University Board	-	7,799,300	7,799,300
Regents of the University of Minnesota	-	1,400,000	1,400,000

APPROPRIATIONS	
Available for the Fiscal Year	
Ending June 30	
1988	1989

Sec. 2. HIGHER EDUCATION COORDINATING BOARD - TOTAL	\$5,700,000	\$1,235,000
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**Subdivision 1. Average Cost Funding
Task Force**

The HECB shall distribute agendas, minutes, and reports of the average cost funding task force to the chairs of the senate education and finance committees and the house higher education and appropriations committees.

**Subd. 2. State Scholarships
and Grants**

\$5,700,000 \$500,000

This appropriation is added to the appropriation for the same purpose in Laws 1987, chapter 401, section 2, subdivision 3.

The legislature intends that the board make full scholarship and grant awards in fiscal year 1989. The HECB may request the necessary appropriation in the 1989 legislative session if the fiscal year 1989 money is insufficient to make full awards.

During the biennium, the HECB may transfer unencumbered balances among the accounts provided in Laws 1987, chapter 401, section 2, to the scholarship and grant account. Before the transfer, the HECB shall consult with the chairs of the house appropriations and senate finance committees.

During the biennium, the HECB may ask the commissioner of finance to loan general fund money to the scholarship and grant account to ease cash flow difficulties. The HECB must first certify to the commissioner that there will be adequate refunds to the account to repay the loan. The commissioner shall use the refunds to make repayment to the general fund of the full amount loaned. Money necessary to meet cash flow difficulties in the state scholarship and grant program is appropriated to the commissioner of finance for loans to HECB.

**Subd. 3. Study of Statewide Higher
Education Needs \$375,000**

\$350,000 is to begin a study of the post-secondary needs of the state. The study shall be divided into two phases. The first phase, to be undertaken in 1988, must concentrate on the needs of the population corridor extending from St. Cloud to Rochester. The second phase, to be undertaken in 1989, must concentrate on the other regions of the state. The HECB may contract for portions of the study, as necessary. Both phases of the study must focus on (1) an assessment of the current and future conditions and needs; (2) strategies to meet these needs; (3) costs associated with the strategies; and (4) effects of the strategies on existing institutions, state policies, and system and institutional missions.

Both phases of the study should include consideration of at least the following concerns: the current and projected demographic and participation trends; current level and types of services available; needs of traditional, nontraditional, and minority students; the geographical accessibility of services needed by different types of students; uses of alternative delivery systems, technology, cooperative efforts, and reciprocity agreements; and the physical capacity of existing institutions. The HECB shall seek matching money for the study. The HECB shall report its findings on the first phase to the education and finance committees of the senate and the higher education and appropriations committees of the house by February 1, 1989. The study shall serve as the 1988 inter-system plan for the post-secondary systems as required in section 135A.06, subdivision 2.

\$25,000 is for a study, to be conducted simultaneously with the first phase, on the procedures necessary, fiscal implications, and effects of implementing alter-

native governance arrangements of two-year public post-secondary institutions. The HECB shall report the results of this study to the education and finance committees of the senate and the higher education and appropriations committees of the house by March 1, 1989.

If either appropriation is insufficient, the HECB may transfer money within this subdivision, after notifying the chairs of the house appropriations and senate finance committees.

Subd. 4. Other Appropriations

(a) Job Skills Partnership

The appropriation in Laws 1987, chapter 386, article 10, section 9, for the Job Skills Partnership does not cancel but is available until expended. Up to \$75,000 of the appropriation may be used for administrative expenses. The Partnership shall seek future funding from the Greater Minnesota Corporation.

(b) Quality Assessment

\$150,000

(c) Minority Education Partnership

\$10,000

(d) Model Enterprise Development and Innovation Centers

\$200,000

This appropriation may be used to support existing and new model centers. The program shall seek future funding from the Greater Minnesota Corporation.

Sec. 3. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION - TOTAL

1,907,800

(a) Curriculum Restructuring

\$450,000

This is a nonrecurring appropriation and will not be included to calculate the base for the 1989-1991 biennial budget.

(b) Increased Enrollment

\$1,007,800

This appropriation is based on an entitlement of \$1,185,600. This is a non-recurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget. This appropriation is based on estimated enrollments for 1989 of 40,548. If actual enrollments are different from this estimate, the commissioner of finance shall calculate the effect for the general fund due to the difference and include an adjustment in the budget for fiscal year 1990. The legislature intends that the board use this appropriation for curriculum restructuring.

(c) State Council on Vocational
Technical Education

\$50,000

This appropriation is added to the appropriation for the council in Laws 1987, chapter 401, section 3, subdivision 4.

(d) Services for Handicapped Students

\$400,000

This appropriation is for noninstructional expenditures.

Sec. 4. STATE BOARD FOR COMMUNITY
COLLEGES - TOTAL

6,014,400

(a) Increased Enrollment

\$4,964,400

This is a nonrecurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget. This appropriation is based on estimated enrollments for 1989 of 29,723. If actual enrollments are different from this estimate, the commissioner of finance shall calculate the effect for the general fund due to the difference and include an adjustment in the budget for fiscal year 1990.

(b) Instructional Equipment and
Base Adjustment

\$1,000,000

The legislature estimates that the amount

of instructional expenditures will increase
\$1,492,500.

(c) Wolf Center Program

\$50,000

This appropriation must not be spent until the community college board has approved the academic program for the Wolf Center. This appropriation does not determine the appropriate location to offer the program.

Sec. 5. STATE UNIVERSITY BOARD - TOTAL

7,799,300

(a) Increased Enrollment

\$7,349,300

This is a nonrecurring appropriation and will not be included when calculating the base for the 1989-1991 biennial budget. This appropriation is based on estimated enrollments for 1989 of 50,112. If actual enrollments are different from this estimate, the commissioner of finance shall calculate the effect for the general fund due to the difference and include an adjustment in the budget for fiscal year 1990.

(b) Winona State Engineering

The \$500,000 appropriated in Laws 1987, chapter 401, section 5, subdivision 2, may be spent by the state university board for the Winona engineering school upon the legislature receiving a positive recommendation regarding program review from the HECB and documentation that \$250,000 of the appropriation has been matched by contributions from nonstate sources. This matching requirement may be satisfied with donated equipment and supplies necessary to the program, after consulting with the chairs of the finance and appropriations committees.

(c) Arrowhead Upper Division

\$50,000

This appropriation is to study and develop an upper division component within

the Arrowhead Community College Region through Bemidji State University. The money is to employ a coordinator who shall establish an administrative framework, and coordinate and improve student services. The state university board shall report its progress in meeting the upper division needs of northeastern Minnesota to the house appropriations and senate finance committees by February 1, 1989.

(d) Southwest State Science and Technology Resource Center

\$400,000

The Science and Technology Resource Center shall seek future funding from the Greater Minnesota Corporation.

Sec. 6. REGENTS OF THE
UNIVERSITY OF MINNESOTA - TOTAL

1,400,000

Subdivision 1. Operations and
Maintenance

(a) The regents are requested to employ persons qualified to provide the board with fiscal and policy information, oversight, and analysis on matters requiring the regents' attention or action. The staff should be independent from the University administration and should be responsible solely to the regents. The board shall report its action under this paragraph to the chairs of the senate finance and house appropriations committees by December 1, 1988.

(b) In allocating the University's central reserves, the regents are requested to be cognizant of the needs of the coordinate campuses.

(c) The University of Minnesota is requested to develop fire safety standards, applicable to cigarettes and little cigars. The funding for the development of the standards should be included in the University's 1989-1991 biennial budget request.

Subd. 2. Special Appropriations

(a) Supercomputer Institute

\$1,100,000

This appropriation is available only if the board of regents purchases or enters into a new lease agreement, after the effective date of this provision, for a second supercomputer architecture. The board shall report to the chairs of the senate finance and house appropriations committees whether it has obtained a second supercomputer architecture and, if it has entered into a lease agreement, the terms and conditions of the lease agreement. The board may request money to continue a lease agreement in its budget request to the 1989 legislature.

(b) Rochester Graduate Education

\$300,000

The legislature estimates that \$450,000 in fiscal year 1989 is for the University of Minnesota to provide graduate degree programs in the Rochester area. To the extent possible, programs in electrical engineering, computer science, and technology management shall be offered. The appropriation is for instructional expenditures. The University is requested to prepare a report on short and long range plans for program development, faculty recruitment, availability and uses of adjunct faculty, estimates of costs for five years, and a timetable for establishment of graduate programs. To assist in these determinations, the regents shall establish a permanent local advisory committee composed of persons, including representatives of the business community, who reside in the Rochester area and who have knowledge of, and interest in, graduate level education. The University shall report its findings to the house appropriations and senate finance committees by February 1, 1989. The report must be submitted to the HECB for review and comment before its submission to the legislature. The HECB shall review the delivery of graduate level

programs in the Rochester area and report its findings to the house appropriations and senate finance committees by February 1, 1990. This appropriation shall not cancel but shall be available until expended. Money available from any other source may not supplant this appropriation but shall be added to it.

Sec. 7. Minnesota Statutes 1986, section 3.971, subdivision 1, is amended to read:

Subdivision 1. To perform financial audits the legislative auditor shall postaudit and make a complete examination and verification of all accounts, records, inventories, vouchers, receipts, funds, securities, and other assets of the University of Minnesota, all state departments, boards, commissions, and other state agencies at least once a year, if ~~funds~~ money and personnel permit, and oftener if deemed necessary or as directed by the legislature or the legislative audit commission. Audits may include detailed checking of every transaction or test checking as the legislative auditor deems best. The books of the state treasurer and commissioner of finance may be examined monthly. The legislative auditor shall see that all provisions of law respecting the appropriate and economic use of public funds are complied with by all departments and agencies of the state government.

A copy of all postaudits, reports and results of examinations made by the legislative auditor shall be deposited with the legislative reference library.

Sec. 8. Minnesota Statutes 1986, section 92.05, is amended to read:

92.05 SALT LANDS, BY WHOM SOLD.

The board of regents of the University of Minnesota shall have charge of the state salt lands donated by the United States to aid in the development of the brines in the state. The board of regents may sell these lands. ~~The proceeds from the sales must be held in trust and must be disbursed in accordance with the law providing for a geological and natural history survey.~~ The university may execute, in its name, deeds of conveyance of these lands. The proceeds of the sale of the lands when invested constitute a permanent fund, called the university salt land fund. The university board of regents shall control and manage the university salt land fund.

The university salt land fund is considered a nonstate source for purposes of section 137.022, subdivision 3. The board of regents may use the income from the fund to match income from the permanent university fund for use by the university campuses at Crookston, Duluth, Morris, and Waseca for the purposes set forth in section 137.022, subdivision 3.

Sec. 9. Minnesota Statutes 1987 Supplement, section 135A.04, is amended to read:

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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. ~~In all systems that have a credit hour basis, tuition rates must be established on that basis and must not apply across a variable number of credits.~~ Tuition may be set at any percentage of instructional cost established by the respective boards.

Sec. 10. [135A.11] COMMUNITY SERVICE.

Each public post-secondary system is requested to review its curricula, especially in required courses in general education and departmental majors, to determine the current and future opportunities for incorporating community service components. Each system is encouraged to locate curricular areas in which the system can assist students to voluntarily pursue community service that is relevant to their studies.

Sec. 11. [135A.12] UNIQUE NEEDS AND ABILITIES OF AMERICAN INDIAN PEOPLE.

Subdivision 1. APPLICABILITY. This section applies to the higher education coordinating board, each public post-secondary governing board, each public post-secondary institution, and each school board that operates a technical institute.

Subd. 2. PROGRAMS AND SERVICES. The board of each institution, at the request of ten or more full-time American Indian students, shall establish an advisory committee, in consultation with tribal designated representatives. The advisory committee shall recommend instructional programs and student services to meet the unique needs of American Indian people.

Subd. 3. AMERICAN INDIAN LANGUAGES. A student who is proficient in an American Indian language shall have the opportunity to be assessed, placed, or to receive credit for skills in that language in the same manner that a student is assessed, placed, or receives credit for skills in languages other than the English language.

Subd. 4. QUALIFICATIONS FOR AMERICAN INDIAN STUDIES AND SERVICES. American Indian individuals who understand and have demonstrated knowledge of American Indian language, history, or culture may be considered to be competent to provide instruction in American Indian language, history, or culture programs. Qualifications to provide noninstructional services at post-secondary institutions for American Indian people must take into consideration knowledge of and understanding of American Indian language, history, or culture.

Subd. 5. CONSULTATION. When the higher education coordinating board

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conducts studies, performs evaluations, reviews programs, and makes recommendations that affect educational programs and services for American Indian people, it shall consult with tribal designated representatives.

Sec. 12. [135A.13] STUDENT SERVICES PRICES.

The governing board of each public post-secondary system is requested to establish prices for goods and services sold through student services that approximate as nearly as possible the cost of providing quality goods and services.

Sec. 13. Minnesota Statutes 1986, section 136.31, is amended by adding a subdivision to read:

Subd. 7. Except as provided in this subdivision, the board may irrevocably appropriate and use any money, other than direct state appropriations and tuition receipts appropriated by section 136.11, subdivision 1, held by it to discharge or otherwise provide for the payment of the interest coming due on its revenue bonds outstanding on the effective date of this section until paid and of the principal and any premium coming due on the bonds at maturity or upon any earlier date upon which the bonds are called for redemption. For this purpose, the board may exercise all powers conferred upon it under subdivision 6 with respect to escrow agents and escrow accounts, and may provide for the funding of the escrow accounts with securities of the type referred to in subdivision 6 and certificates of deposit, time deposits, and investment agreements issued by the escrow agent or any other financial institution. This subdivision does not authorize the appropriation or use of board money to secure outstanding revenue bonds contrary to a board resolution authorizing the issuance and providing for the security of the bonds, or the use of other board money contrary to the terms of a contract, specific legislative appropriation, or law.

Sec. 14. Minnesota Statutes 1986, section 136.41, is amended by adding a subdivision to read:

Subd. 8. The state university board or a successor may issue additional revenue bonds under sections 136.31 to 136.38 in an aggregate principal amount not exceeding \$40,000,000, subject to the resolutions authorizing its outstanding revenue bonds, and payable from the revenue appropriated to the fund established by section 136.35, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures to be used for dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house appropriations committee and the senate finance committee about the facilities to be financed by the bonds.

Sec. 15. Minnesota Statutes 1986, section 136.41, is amended by adding a subdivision to read:

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Subd. 9. The bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes. However, if it is intended that the interest on the bonds be exempt from federal income taxes, an officer of the board shall certify for the board on the date of issue the facts, estimates, and circumstances that lead the officer reasonably to expect that the proceeds of the bonds and the facilities financed by them will not be used to cause the interest on the bonds to be subject to federal income taxes; the board may covenant and agree with the holders of the bonds that it will comply with the provisions of the United States Internal Revenue Code now or hereafter enacted that do or may apply to the bonds and that establish conditions under which the interest to be paid on the bonds will not be subject to federal income taxes; and the officers of the board shall take the actions or refrain from taking the actions necessary to comply with the covenants. Money required to be spent to comply may be appropriated by the board from the fund established by section 136.35.

Sec. 16. [137.0245] REGENT CANDIDATE ADVISORY COUNCIL.

Subdivision 1. ESTABLISHMENT. A regent candidate advisory council is established to assist the legislature in determining criteria for, and identifying and recruiting qualified candidates for membership on the board of regents.

Subd. 2. MEMBERSHIP. The regent candidate advisory council shall consist of 24 members. Twelve members shall be appointed by the subcommittee on committees of the committee on rules and administration of the senate. Twelve members shall be appointed by the speaker of the house of representatives. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of any member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 shall govern the advisory council, except that the members shall be appointed to six-year terms with one-third appointed each even-numbered year.

Subd. 3. DUTIES. The advisory council shall:

(1) develop, in consultation with current and former regents and the administration of the University of Minnesota, a statement of the selection criteria to be applied and a description of the responsibilities and duties of a regent, and shall distribute this to potential candidates; and

(2) for each position on the board, identify and recruit qualified candidates for the board of regents, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board of regents.

Subd. 4. RECOMMENDATIONS. The advisory council shall recommend at least two and not more than four candidates. By February 1 of each odd-numbered year, the advisory council shall submit its recommendations to the president of the senate and the speaker of the house of representatives. The legislature shall not be bound by these recommendations.

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Subd. 5. SUPPORT SERVICES. The legislative coordinating commission shall provide administrative and support services for the advisory council.

Sec. 17. INITIAL TERMS.

By September 1, 1988, each appointing authority shall appoint four members to terms that expire January 1990, four members to terms that expire January 1992, and four members to terms that expire January 1994.

Sec. 18. [137.0251] BUDGETARY INFORMATION.

The board of regents of the University of Minnesota shall make available to the commissioner of finance all books, accounts, documents, and property that the commissioner desires to inspect.

Sec. 19. Minnesota Statutes 1986, section 248.07, subdivision 7, is amended to read:

Subd. 7. **BLIND, VENDING STANDS AND MACHINES ON GOVERNMENTAL PROPERTY.** Notwithstanding any other law, for the rehabilitation of blind persons the commissioner shall have exclusive authority to establish and to operate vending stands and vending machines in all buildings and properties owned or rented exclusively by the state university or community college systems or by any department or agency of the state of Minnesota except the department of natural resources properties operated directly by the division of state parks and not subject to private leasing. The merchandise to be dispensed by such vending stands and machines may include soft drinks, (except 3-2 beer), milk nonalcoholic beverages, food, candies, tobacco, souvenirs, notions and related items. Such vending stands and vending machines herein authorized shall be operated on the same basis as other vending stands for the blind established and supervised by the commissioner under federal law. The commissioner ~~may~~ shall waive this authority to displace any present private individual concessionaire in any state-owned or rented building or property who is operating under a contract with a specific renewal or termination date, until the renewal or termination date. With the consent of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending stands and vending machines for the blind in any building or property exclusively owned or rented by the governmental subdivision.

Sec. 20. Minnesota Statutes 1987 Supplement, section 248.07, subdivision 8, is amended to read:

Subd. 8. **USE OF REVOLVING FUND, LICENSES FOR OPERATION OF VENDING MACHINES.** The revolving fund created by Laws 1947, chapter 535, section 5, is continued as provided in this subdivision and shall be known as the revolving fund for vocational rehabilitation of the blind. It shall be used for the purchase of equipment and supplies for establishing and operating of vending stands by blind persons. All income, receipts, earnings, and federal grants due to the operation thereof shall also be paid into the fund. All

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interest earned on money accrued in the fund must be credited to the fund by the state treasurer. All equipment, supplies, and expenses for setting up these stands shall be paid for from the fund. Authority is hereby given to the commissioner to use the money available in the revolving fund that originated as operational charges to individuals licensed under this subdivision for the establishment, operation, and supervision of vending stands by blind persons for the following purposes: (1) purchase, upkeep and replacement of equipment; (2) ~~purchase of initial and replacement stock of supplies and merchandise;~~ (3) expenses incidental to the setting up of new stands and improvement of old stands; (4) ~~purchase of general liability insurance as deemed advisable for any vending stand by the commissioner;~~ (5) (3) reimbursement under section 15.059 to individual blind vending operators for reasonable ~~travel and maintenance~~ expenses incurred in attending supervisory meetings as called by the commissioner and other expenditures for management services consistent with federal law; (6) ~~and~~ (4) purchase of fringe benefits for blind vending operators and their employees such as group health insurance, retirement program, vacation or sick leave assistance provided that the purchase of any fringe benefit is approved by a majority vote of blind vending operators licensed pursuant to this subdivision after the commissioner provides to each blind vending operator information on all matters relevant to the fringe benefits. Fringe benefits shall be paid only from assessments of operators for specific benefits, gifts to the fund for fringe benefit purposes, and vending income which is not assignable to an individual stand.

Money originally deposited as merchandise and supplies repayments by individuals licensed under this subdivision may be expended for initial and replacement stocks of supplies and merchandise. Money originally deposited from vending income on federal property must be spent consistent with federal law.

All other deposits may be used for the purchase of general liability insurance or any other expense related to the operation and supervision of vending stands.

The commissioner shall issue each license for the operation of a vending stand or vending machine for an indefinite period but may terminate any license in the manner provided. In granting licenses for new or vacated stands preference on the basis of seniority of experience in operating stands under the control of the commissioner shall be given to capable operators who are deemed competent to handle the enterprise under consideration. Application of this preference shall not prohibit the commissioner from selecting an operator from the community in which the stand is located.

Sec. 21. Minnesota Statutes 1986, section 248.07, subdivision 12, is amended to read:

Subd. 12. **REIMBURSEMENT OUT OF STATE DISTRIBUTION OF BRAILLE AND SPECIAL MATERIALS.** The commissioner shall obtain reim-

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bursement from other states for the estimated cost of providing radio signals, programming, and radio receivers for the blind and for production and handling of Braille books, audio tapes, and related services for the blind distributed by the department of jobs and training to users in such other states and may contract with the appropriate authorities of such states to effect such reimbursement. All money received hereunder shall be paid to the state treasurer and placed in the general special revenue fund and is appropriated to the commissioner of jobs and training for the purposes of this subdivision.

Sec. 22. Laws 1987, chapter 401, section 2, subdivision 6, is amended to read:

Subd. 6. Income Contingent Loans

\$110,000 \$158,100

This appropriation is for an income contingent loan repayment program to assist graduates of Minnesota schools in medical, dental, pharmacy, chiropractic medicine, public health, and veterinary medicine and Minnesota residents graduating from optometry and osteopathy programs in repaying their student debt by providing a repayment plan based on their annual income. ~~The HECB shall study the possible inclusion of students in other academic programs including optometry and osteopathy and report its recommendations to the appropriations and finance committees by December 1, 1987.~~ During the biennium, applicant data collected by the HECB for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program according to section 136A.162.

Sec. 23. **FACULTY EXCHANGE PROGRAM.**

Subdivision 1. ESTABLISHMENT. A program of faculty exchange for the 1988-1989 academic year is established to allow school districts and post-secondary institutions to arrange temporary exchanges between members of their instructional staff. These arrangements must be made on a voluntary, cooperative basis between the school district and the institution.

Subd. 2. USES OF PROGRAM. Each participating school district and post-secondary institution may determine the way in which the instructional staff member's time is to be used, but it must be in a way that promotes

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understanding of the needs of each educational system. A public school teacher might be used to teach courses, provide counseling and tutorial services, assist with the preparation of future teachers, or take professional development courses. A post-secondary instructor might teach advanced placement courses or other classes to aid an underserved population at the school district, counsel students about future education plans, or work with teachers to better prepare students for post-secondary education. Participation need not be limited to one school or institution and may involve other groups including educational cooperative service units.

Subd. 3. SALARIES, BENEFITS, CERTIFICATION. Exchanges made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. Notwithstanding Minnesota Statutes, sections 123.35, subdivision 6, and 125.04, a member of the instructional staff of a post-secondary institution may teach in an elementary or secondary school or perform a service, agreed upon according to this section, for which a license would otherwise be required without holding the applicable license. In addition, a licensed employee of a school district may teach or perform a service, agreed upon according to this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A school district is not subject to Minnesota Statutes, section 124.19, subdivision 3, as a result of entering into an agreement according to this section that enables a post-secondary instructional staff member to teach or provide services in the district. All arrangements and details regarding the exchange must be mutually agreed to by the school district and post-secondary institution before implementation.

Subd. 4. REPORT OF PILOT PROGRAMS. While these exchanges are voluntary, the legislature intends to maintain oversight to determine the benefits and problems of the program. By February 1, 1989, each post-secondary system shall submit a report about the faculty exchange program to the chairs of the house education, higher education, and appropriations committees and the senate education and finance committees. The report shall contain the number of instructional staff participating in the exchange, areas of instruction, and other issues related to the exchange.

Sec. 24. LOANED EXECUTIVE ACTION PROGRAM (LEAP).

Subdivision 1. PUBLIC SYSTEMS; JOINTLY. The governing boards of the public post-secondary systems are requested to jointly establish a Loaned Executive Action Program to encourage business executives in the private sector to study management issues within each system and to make recommendations to improve the management structures and processes of each. The heads of each system shall jointly report to the appropriations and finance committees on the actions taken under this section by January 15, 1989.

Subd. 2. CAMPUS BUDGET PROPOSALS. A loaned executive working with the University of Minnesota should study the issue of preparing and presenting individual campus budget proposals to the board of regents.

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Sec. 25. REGENT ACTION.

The legislature requests that the board of regents of the University of Minnesota undertake the following actions to improve their management and accountability:

(1) establish a committee to plan for and oversee the needs and uses of the president's house;

(2) formally adopt policies for review of capital projects that specify when board approval is required, types and forms of information to be submitted to the board, and board procedures for cost overruns;

(3) develop an accurate and complete reporting system for capital projects in progress; and

(4) establish policies that improve the control over the use of unrestricted funds, including specification of approval and reporting requirements.

The board of regents shall report the actions taken under this section to the house appropriations and senate finance committees by January 1, 1989.

As part of its 1989 biennial budget presentation to the legislature, the University of Minnesota is requested to report its income and expenditures from all public and private sources.

Sec. 26. COMMUNITY SERVICE REPORTS.

The public post-secondary systems shall report their actions, findings, and recommendations on community service opportunities to the house appropriations and senate finance committees by February 1, 1989.

Sec. 27. CHILD CARE REPORTS.

Each public post-secondary system shall assess the effects of child care legislation on the needs of post-secondary students. The report required by Laws 1988, chapter 439, shall include the assessment and recommendations of each system. Each system shall also submit its assessment and recommendations to the senate finance and house appropriations committees by January 15, 1989.

Sec. 28. AMERICAN INDIAN EDUCATION REPORT.

By February 1, 1989, each governing board shall report the actions it has taken to implement the provisions in this act relating to American Indian education. The report shall be submitted to the house higher education and appropriations committees and the senate education and finance committees.

Sec. 29. REPEALER.

Minnesota Statutes 1986, sections 136.26 and 136C.13, subdivision 3, are repealed.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 30. **EFFECTIVE DATE.**

Sections 2, 6, 16, 17, 19, 20, 21, 23, 24, and 25 are effective the day following final enactment.

ARTICLE 2

Section 1. APPROPRIATIONS FOR CAPITAL IMPROVEMENTS.

The amounts in the column under "APPROPRIATIONS" are appropriated from the general fund to the state agencies indicated to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this article.

SUMMARY

General Fund	\$8,388,200
	APPROPRIATIONS

Sec. 2. TECHNICAL INSTITUTES

Subdivision 1. To the state board of vocational technical education for the purposes specified in this section	\$2,697,000
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Subd. 2. Post-secondary technical institute construction in the school districts listed in this subdivision.	\$1,697,000
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(a) Special Intermediate School District No. 917, Dakota County	\$197,600
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This appropriation is to purchase the former Rosemount city hall for child care. The total cost of the project must not be more than \$233,000, whether paid from state, local, or federal money.

The board of regents of the University of Minnesota and the board of intermediate school district No. 917 may negotiate a lease that provides land in the city of Rosemount for Special Intermediate School District No. 917, Dakota County, to develop a decision driving course. The agreement must include only a nominal financial consideration that reflects the University's minimal expenditures to acquire and maintain the land.

(b) Independent School District No. 656, Faribault	313,700
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This appropriation is for the completion of the project authorized in Laws 1987, chapter 400, section 17, subdivision 2(h). The total cost of the project must not be more than \$2,022,000 whether paid from state, local, or federal money.

(c) Independent School District
No. 578, Pine City 328,500

This appropriation is for the completion of the project authorized in Laws 1987, chapter 400, section 17, subdivision 2(1). The total cost of the project must not be more than \$1,896,600, whether paid from state, local, or federal money.

(d) Independent School District
No. 256, Red Wing 327,200

This appropriation is to acquire land for buildings to consolidate the campuses of the Red Wing Technical Institute. The total cost of the project must not be more than \$385,000, whether paid from state, local, or federal money.

(e) Joint Vocational Technical District
No. 900, Southwestern 530,000

This appropriation is for construction or remodeling of the following facilities on these respective campuses:

Granite Falls for handicapped access
Jackson for child care

Subd. 3. Statewide parking 1,000,000

Projects undertaken must be those most in need of repair and should include the paving of existing parking lots not presently paved. This money may be used for parking ramp modifications.

Subd. 4. Repairs

During the biennium ending June 30, 1989, replacement of steam lines, sewer lines, and other such services that are less than five percent of the appropriation for repairs and replacements must be accomplished when needed from the repairs and replacements account.

Sec. 3. COMMUNITY COLLEGES

Subdivision 1. To the commissioner

of administration for the purposes
specified in this section 2,791,200

Subd. 2. Minneapolis Community
College 1,011,200

This appropriation is added to the appro-
priation in Laws 1985, Special Session
chapter 15, section 14, subdivision 3.

Subd. 3. Systemwide 1,780,000

(a) Roof repair, code compliance,
and asbestos removal 1,600,000

During the biennium ending June 30,
1989, replacement of steam lines, sewer
lines, and other such services that are
less than five percent of the appropria-
tion for repairs and replacements must
be accomplished when needed from the
repairs and replacements account.

(b) Systemwide planning 180,000

Subd. 4. Remodeling and
construction

Appropriations authorized in Laws 1987,
chapter 400, section 18, subdivision 2,
may also be used for classroom remodel-
ing and the relocation of administra-
tive services.

Sec. 4. STATE UNIVERSITIES

Subdivision 1. To the state
university board for the purposes
specified in this section 2,900,000

Subd. 2. Mankato Campus
Emergency lease of building space
to accommodate enrollment growth 150,000

Subd. 3. Metropolitan Campus
Acquire site for consolidated
administrative and student center 1,300,000

The board may enter into an option with
the St. Paul Port Authority to acquire
approximately one acre of land between
Mounds Boulevard and Maria Avenue,
along East Seventh Street, north of the
existing B and C buildings at a maxi-
mum cost of \$500,000 if the option is
exercised at the time of the initial pur-
chase; or a maximum of \$600,000 if exer-

cised within 18 months of the initial purchase; or a maximum of \$650,000 if exercised within three years of the initial purchase.

The agreement for the acquisition must include a provision that the St. Paul Port Authority ensure that all buildings on the site are free from hazardous materials.

At the time the boilers are converted to low pressure steam, the state board may enter into an agreement with District Energy St. Paul Inc. for provision of steam heat, if the total cost of that heat does not exceed the estimated cost of receiving comparable services from another source.

Subd. 4. Systemwide	1,450,000
(a) Abate hazardous materials and remove PCBs	100,000
(b) Roof repair	1,350,000
(c) Repairs	

During the biennium ending June 30, 1989, replacement of steam lines, sewer lines, and other such services that are less than five percent of the appropriation for repairs and replacements must be accomplished when needed from the repairs and replacements account.

Sec. 5. REVIEW OF PLANS.

An agency to whom an appropriation is made in this article must not prepare final plans and specifications for any construction or major remodeling authorized by this article until the agency that will use the project has presented the program and schematic plans and cost estimates for all elements necessary to complete the project to the chair of the senate finance committee and the chair of the house appropriations committee and the chairs have made their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is considered a negative recommendation.

Sec. 6. APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.

Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement authorized by this article, or upon the abandonment of the project, the agency to whom the appropriation is made in this article may transfer the unencumbered balance in the project account to another project enumerated in the same section. The transfer must be made only to cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this

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section is appropriated for the purposes for which transferred. For transfers by the state board of vocational technical education, the total cost of both projects and the required local share for both projects are adjusted accordingly. The commissioners and boards shall report to the chair of the senate finance committee and the chair of the house appropriations committee before a transfer is made under this section.

Sec. 7. METHODS OF ACQUISITION.

If money has been appropriated in this biennium to the commissioner of administration or the state university board to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under Minnesota Statutes, chapter 117.

Sec. 8. EFFECTIVE DATE.

This article is effective the day following final enactment.

Approved April 28, 1988

CHAPTER 704—H.F.No. 464

An act relating to insurance; accident and health; increasing the maximum lifetime benefit for major medical coverage; amending Minnesota Statutes 1986, section 62E.04, subdivision 4; and Minnesota Statutes 1987 Supplement, section 62E.06, subdivision 1.

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

Section 1. Minnesota Statutes 1986, section 62E.04, subdivision 4, is amended to read:

Subd. 4. **MAJOR MEDICAL COVERAGE.** Each insurer and fraternal shall affirmatively offer coverage of major medical expenses to every applicant who applies to the insurer or fraternal for a new unqualified policy at the time of application and annually to every holder of an unqualified policy of accident and health insurance renewed by the insurer or fraternal. The coverage shall provide that when a covered individual incurs out-of-pocket expenses of \$5,000 or more within a calendar year for services covered in section 62E.06, subdivision 1, benefits shall be payable, subject to any copayment authorized by the commissioner, up to a maximum lifetime limit of ~~\$250,000~~ \$500,000. The offer of coverage of major medical expenses may consist of the offer of a rider on an existing unqualified policy or a new policy which is a qualified plan.

Sec. 2. Minnesota Statutes 1987 Supplement, section 62E.06, subdivision 1, is amended to read:

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