

Presented to the governor May 27, 1993

Signed by the governor May 27, 1993, 4:22 p.m.

CHAPTER 2—S.F.No. 2

An act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; prescribing changes in eligibility and in duties and responsibilities for certain financial assistance programs; prescribing fees; adjusting certain duties and powers of the higher education coordinating board; prescribing certain changes for post-secondary systems; establishing an instructional telecommunications council; providing for grants from the higher education coordinating board for regional linkages and coordination; authorizing the state board of community colleges to use higher education facilities authority revenue bonds to construct student residences; creating three accounts in the permanent university fund and making allocations from the accounts; providing tuition exemptions at technical colleges for Southwest Asia veterans; establishing grant programs to promote recruitment and retention initiatives by nurses training programs directed toward persons of color; establishing grant programs for nursing students who are persons of color; amending Minnesota Statutes 1992, sections 3.9741; 16A.127, subdivision 8; 126.56, subdivision 5; 135A.03, subdivision 7; 135A.06, subdivision 1; 135A.061; 136A.02, subdivisions 5, 6, and 7; 136A.0411; 136A.08, subdivisions 2 and 6; 136A.101, subdivisions 1 and 7; 136A.121, subdivisions 6 and 9; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.1701, subdivision 4, and by adding a subdivision; 136A.233; 136A.653, subdivision 1; 136A.69; 136A.87; 136C.13, subdivision 4; 136C.15; 136C.61, subdivision 7; 136E.03; 136E.04, subdivision 1; 137.022, subdivision 3, and by adding a subdivision; 141.25, subdivision 8; 141.26, subdivisions 1 and 5; and 583.24, subdivision 4; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1990, chapter 591, article 3, section 10, as amended; Laws 1991, chapter 356, articles 6, section 4, as amended; and 9, sections 8 and 10; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; repealing Minnesota Statutes 1992, sections 136A.121, subdivision 10; 136A.134; 136A.234; and 136A.70; Laws 1991, chapter 356, article 8, section 23.

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

ARTICLE 1**APPROPRIATIONS****Section 1. HIGHER EDUCATION
APPROPRIATIONS**

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this article. The listing of an amount under the figure "1994" or "1995" in this article indicates that the amount is appropriated to be available for the fiscal year ending June 30, 1994, or June 30, 1995, respectively. "The first year" is fiscal year 1994. "The second year" is fiscal year 1995. "The biennium" is fiscal years 1994 and 1995.

SUMMARY BY FUND

| | 1994 | 1995 | TOTAL |
|---------|-----------------|-----------------|-----------------|
| General | \$1,005,181,000 | \$1,037,819,000 | \$2,043,000,000 |

SUMMARY BY AGENCY - ALL FUNDS

| | 1994 | 1995 | TOTAL |
|---|-------------|------------------------|-------------|
| Higher Education Coordinating Board | 122,248,000 | 119,498,000 | 241,746,000 |
| State Board of Technical Colleges | 165,109,000 | 170,525,000 | 335,634,000 |
| State Board for Community Colleges | 95,751,000 | 104,248,000 | 199,999,000 |
| State University Board | 175,399,000 | 179,621,000 | 355,020,000 |
| Board of Regents of the University of Minnesota | 444,966,000 | 462,187,000 | 907,153,000 |
| Mayo Medical Foundation | 808,000 | 840,000 | 1,648,000 |
| Higher Education Board | 900,000 | 900,000 | 1,800,000 |
| | | APPROPRIATIONS | |
| | | Available for the Year | |
| | | Ending June 30 | |
| | | 1994 | 1995 |

**Sec. 2. HIGHER EDUCATION
COORDINATING BOARD**

| | | |
|------------------------------------|-------------|-------------|
| Subdivision 1. Total Appropriation | 122,248,000 | 119,498,000 |
|------------------------------------|-------------|-------------|

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

Subd. 2. Agency Administration

| | |
|-----------|-----------|
| 3,216,000 | 3,166,000 |
|-----------|-----------|

The higher education coordinating board, in cooperation with the commissioner of finance and the commissioner of revenue, shall determine if there is an economically feasible way to encourage families to save money for their children's education. Particular effort shall be directed at the education savings plans contained in S.F. No. 468 and S.F. No. 1346 to determine if the tax revenue losses predicted in the fiscal notes are accurate, and if the benefits to an individual and the state are of greater value than the state's lost revenues. The higher education coordinating board shall report its findings to the governor and the education and tax committees of the legislature before September 15, 1993. The report shall include specific options for financing the recommendations, any necessary tax form and instruction changes, and any other information necessary for the proposals to be enacted into law.

The higher education coordinating board shall examine the feasibility of reducing the minimum amount a student can borrow under the SELF program, and allowing SELF recipients who return to school during their repayment phase to reenter the in-school phase of payments. The board may change the SELF loan requirements based on the results of the examination.

This appropriation includes money to provide technical advice and other support for child care innovation at eligible institutions, and to review biennial

plans submitted by institutions. Plans must include strategies to supplement state money with community resources.

Subd. 3. State Grants

101,950,000 97,950,000

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

The legislature intends that the higher education coordinating board make full grant awards in each year of the biennium.

This appropriation contains money for increasing living allowances for state grants to \$4,115 each year.

Beginning in the 1994-1995 academic year, the legislature intends to adopt the private college cap of \$6,814 recommended by the higher education coordinating board and the department of finance, pending alternative recommendations of the financial aid task force.

The higher education coordinating board shall meet with the nursing community in order to evaluate consolidating all nursing grant programs administered by the state, and report its findings to the legislature by February 1, 1994.

This appropriation includes \$250,000 each year for grants to nursing programs to recruit persons of color and to provide grants to nursing students who are persons of color. Of this amount, \$100,000 each year is for recruitment and retention of students of color in nursing programs leading to licensure as a registered nurse. Other than the grants to students, all grants shall be matched with at least the same amount from grantee sources or nonstate money.

This appropriation includes money to begin postservice benefit accounts for the youthworks program. By October 1, 1993, the higher education coordinating board, in consultation with the youthworks task force, shall design a plan to administer the postservice benefit accounts of the youthworks program. The plan shall include strategies to augment the appropriation by maximizing federal and other nonstate money. The board shall report the plan to the education committees of the legislature by October 1, 1993. In the event that federal money becomes available for post-secondary initiatives involving community service, the board may use this money for any state contribution required.

Subd. 4. Interstate Tuition Reciprocity
5,050,000 5,050,000

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

The higher education coordinating board is authorized to enter into a reciprocity agreement with the province of Ontario.

By February 1, 1994, the higher education coordinating board and the department of finance shall jointly report on the fiscal and policy implications of tuition reciprocity agreements to the higher education finance divisions. The report shall examine the costs to the state, the effects on Minnesota public post-secondary systems and campuses, enrollment patterns of Minnesota students in reciprocity states, and the enrollment patterns of reciprocity students in Minnesota institutions. The public post-secondary systems shall be consulted throughout the study.

Subd. 5. State Work Study

8,219,000 8,219,000

Increases in the appropriation for the state work-study program shall be used, to the extent possible, for campus work that is relevant to a student's academic program or that otherwise provides a meaningful academic experience, or for public service work in the community.

Subd. 6. Minitex Library Program

2,063,000 2,063,000

Subd. 7. Telecommunications

1,750,000 3,050,000

(1) \$642,000 the first year and \$1,028,000 the second year is for the purposes of article 5, section 2.

(2) \$758,000 the first year and \$1,322,000 the second year is for grants for regional linkages in article 5, section 3.

(3) \$350,000 the first year and \$700,000 the second year is for grants for regional coordination in article 5, section 4.

The appropriations in this subdivision may be transferred among the clauses and between fiscal years.

Subd. 8. Income Contingent Loans

The higher education coordinating board shall administer an income contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathy programs. Applicant data collected by the higher education coordinating board for this program may be disclosed to a consumer credit reporting agency under the same condi-

tions as apply to the supplemental loan program under Minnesota Statutes, section 136A.162.

Subd. 9. Balances Forward

An unencumbered balance in the first year under a subdivision in this section does not cancel but is available for the second year.

Subd. 10. Transfers

The higher education coordinating board may transfer unencumbered balances from the appropriations in this section to the state grant appropriation and the interstate tuition reciprocity appropriation.

Sec. 3. STATE BOARD OF TECHNICAL COLLEGES

| | | |
|------------------------------------|-------------|-------------|
| Subdivision 1. Total Appropriation | 165,109,000 | 170,525,000 |
|------------------------------------|-------------|-------------|

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

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$225,758,000 the first year and \$234,386,000 the second year.

The technical colleges and community colleges shall ensure that a participating business or agency compensates for as much of the cost of the customized training services as possible, in the form of money or in-kind contributions. The state's share shall not exceed 50 percent of the systemwide costs of these services.

The state board of technical colleges is requested to continue its policy of assisting students who are refugees.

Subd. 3. Noninstructional Expenditures

The legislature estimates that non-instructional expenditures will be \$1,647,000 the first year and \$1,606,000 the second year.

\$462,000 the first year and \$421,000 the second year are for debt service payments to school districts for technical college buildings financed with district bonds issued before January 1, 1979.

\$150,000 each year is for southwest Asia veterans tuition relief.

Subd. 4. State Council on Vocational Technical Education

This appropriation includes funding for the state council on vocational education.

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES

| | | |
|------------------------------------|------------|-------------|
| Subdivision 1. Total Appropriation | 95,751,000 | 104,248,000 |
|------------------------------------|------------|-------------|

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

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$129,095,000 the first year and \$141,698,000 the second year.

\$134,000 each year is for administrative and instructional support at the Anoka-Ramsey Community College extension center in Cambridge. The legislature intends that Cambridge continue to be operated as an extension center and not be developed into an independent college.

Subd. 3. Noninstructional Expenditures

The legislature estimates that non-instructional expenditures will be \$22,229,000 each year.

Sec. 5. STATE UNIVERSITY BOARD

| | | |
|------------------------------------|-------------|-------------|
| Subdivision 1. Total Appropriation | 175,399,000 | 179,621,000 |
|------------------------------------|-------------|-------------|

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

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$241,285,000 the first year and \$247,587,000 the second year.

Notwithstanding Minnesota Statutes, section 136.09, subdivision 3, during the biennium neither the state university board nor the state university campuses shall plan or develop doctoral level programs or degrees until after they have received the recommendation of the house and senate committees on education, finance, and ways and means.

The state university board shall review the internal allocation formula used to distribute appropriations to its campuses. The legislature anticipates that the board will provide funding consistent with its overall appropriation to the Winona State University campus for the unique costs associated with upper division offerings at the Rochester center. Winona State University, in cooperation with Rochester Community College and the University of Minnesota, shall develop and implement a plan to reduce the duplication and cost of administrative and student services at the Rochester center. All savings that result from implementing the plan may be retained by the three systems in proportion to the amount that each saved, and shall be redirected to improving programs, acquiring better equipment, and improving the retention and graduation rates.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$26,654,000 each year.

**Sec. 6. BOARD OF REGENTS OF
THE UNIVERSITY OF MINNESOTA**

| | | |
|------------------------------------|-------------|-------------|
| Subdivision 1. Total Appropriation | 444,966,000 | 462,187,000 |
|------------------------------------|-------------|-------------|

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

| | | |
|-------------------------------------|-------------|-------------|
| Subd. 2. Operations and Maintenance | 362,119,000 | 375,980,000 |
|-------------------------------------|-------------|-------------|

(a) Instructional Expenditures

The legislature estimates that instructional expenditures will be \$385,040,000 the first year and \$405,863,000 the second year.

(b) Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$115,289,000 each year.

| | | |
|--------------------------------|------------|------------|
| Subd. 3. Special Appropriation | 82,847,000 | 86,207,000 |
|--------------------------------|------------|------------|

The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 1995 biennial budget document.

| | | |
|---------------------------------------|------------|------------|
| (a) Agriculture and Extension Service | 44,247,000 | 45,997,000 |
|---------------------------------------|------------|------------|

This appropriation is for the Agricultural Experiment Station and Minnesota Extension Service.

Any salary increases granted by the university to personnel paid from the Minnesota Extension appropriation must not result in a reduction of the county portion of the salary payments.

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 distribution of farms and agribusinesses and must not disproportionately represent those from the upper half of the size and income distributions.

(b) Health Sciences

16,758,000 17,458,000

This appropriation is for Indigent Patients (County Papers), Rural Physicians Associates Program, Medical Research, Special Hospitals Service and Educational Offset, the Veterinary Diagnostic Laboratory, Institute for Human Genetics, and the Biomedical Engineering Center.

(c) Institute of Technology

2,911,000 3,021,000

This appropriation is for the Geological Survey, Underground Space Center, Talented Youth Mathematics Program, Microelectronics and Information Science Center, and the Productivity Center.

(d) System Specials

18,931,000 19,731,000

This appropriation is for Fellowships for Minority and Disadvantaged Students, General Research, Intercollegiate Athletics, Student Loans Matching Money, Industrial Relations Education, Natural Resources Research Institute, Sea Grant College Program, Biological Process Technology Institute, Supercomputer Institute, Center for Urban and Regional Affairs, Museum of Natural History, and the Humphrey Exhibit.

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 Education Amendments of 1972 and Minnesota Statutes, section 126.21. Of this appropriation, no less than the following amounts must be allocated to each campus:

| | | |
|-----------|-----------|-----------|
| Duluth | \$551,600 | \$551,600 |
| Morris | \$ 66,100 | \$ 66,100 |
| Crookston | \$ 65,000 | \$ 65,000 |

Prior to selling its shares in the super-computer center, the board of regents shall present its plan for the sale and for meeting its supercomputing needs to the higher education finance divisions. To the extent possible, the plan must ensure that the university receives a reasonable value for the public investment in the center.

Sec. 7. MAYO MEDICAL FOUNDATION

| | | |
|------------------------------------|---------|---------|
| Subdivision 1. Total Appropriation | 808,000 | 840,000 |
|------------------------------------|---------|---------|

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

| | | |
|-------------------------|---------|---------|
| Subd. 2. Medical School | 504,000 | 493,000 |
|-------------------------|---------|---------|

The state of Minnesota shall pay a capitation of \$9,882 in the first year and \$10,270 in the second year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

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.

| | | |
|---|---------|---------|
| Subd. 3. Family Practice and Graduate Residency Program | 304,000 | 347,000 |
|---|---------|---------|

The state of Minnesota provides a capitation of \$15,222 the first year and \$15,780 the second year for each student.

Sec. 8. HIGHER EDUCATION BOARD

900,000

900,000

Subdivision 1. Appropriations; Availability

The appropriation in fiscal year 1993 for the operation of the higher education board shall not cancel, but shall be available for fiscal year 1994.

Any unexpended balance remaining in the first year shall not cancel, but is available for the second year.

Subd. 2. Student Members

By July 1, 1993, the governor shall appoint one student from the state university system, one student from the community college system, and one student from the technical college system to the higher education board. The terms of the appointments shall expire June 30, 1995.

Subd. 3. Personnel

The legislature intends that the higher education board, during the biennium, rely on the expertise of personnel in the existing post-secondary systems, and elsewhere in state government to the extent possible.

Subd. 4. Task Forces; Working Groups

During the biennium, the board must include a representative of faculty and a representative of students on all task forces or working groups it establishes.

Sec. 9. POST-SECONDARY SYSTEMS

Subdivision 1. Library and equipment expenditures

In each year of the biennium, each post-secondary system shall spend no less on libraries and instructional equipment than in the previous biennium.

Subd. 2. Importance of Teaching

The legislature recognizes the importance of each faculty member's contributions in the classroom, and is aware of the profound effect a quality teacher has on a student's learning. The legislature encourages each board to place greater emphasis on the teaching mission at each campus.

Subd. 3. Educational Enhancements

The legislature provided full funding for each post-secondary system, using the formula contained in Minnesota Statutes, section 135A.03. The appropriation to each post-secondary governing board includes funding to enhance the quality of education in that system without placing an undue burden on students through large tuition increases. The legislature anticipates that any revenue raised from tuition increases greater than three percent of the previous year's tuition level must be used for educational enhancements.

Educational enhancements include:

- (1) system initiatives to improve quality, namely, access to excellence, Q-7, student success, and campaign 2001. The legislature supports their continuation and refinement;
- (2) legislative initiatives to improve quality including, but not limited to, enhancements in libraries, instructional equipment, and technology; faculty training in telecommunication instruction; development and use of courses to be delivered via telecommunication;

availability and size of classes; student services; facilities; curriculum or teaching innovations; mechanisms to improve retention and timely graduation; and career information or counseling to students including information on opportunities and prospects for employment; and

(3) pilot projects to test the use of different types of performance indicators to measure educational quality. Up to two campuses in each system may be designated as pilots by the task force on post-secondary funding according to the recommendations of each chancellor. Pilots shall begin in the 1993-1994 academic year and continue into the following year. Campuses must internally reallocate money to at least match new state money for this purpose.

By January 15, 1995, each system must provide a succinct report in the 1995 biennial budget document on the results achieved through its investment in educational enhancements.

Subd. 4. Post-Secondary Enrollment Options

The higher education advisory council shall examine costs and funding of students enrolled in post-secondary enrollment options courses offered by agreement between a college and a school district. The higher education advisory council shall submit recommendations to the higher education financial divisions on fair and fiscally prudent funding for these students by February 1, 1994.

Subd. 5. Title IX

Each campus with a men's varsity level hockey team and women's club level hockey shall analyze the campus respon-

sibility for Title IX equity as it applies to this situation and shall report to the education committees by January 15, 1994.

Subd. 6. POST Board

Beginning in fiscal year 1996, money for law enforcement education that is currently provided through the POST board shall be provided through general fund appropriations to be calculated at the same initial base as the previous POST funding, except that the base adjustment for the community colleges shall be \$290,000. The legislature intends that penalty surcharge dollars under Minnesota Statutes, section 626.861, subdivision 1, shall continue to be appropriated to the POST account for other lawful purposes.

Subd. 7. Funding Mechanisms

For purposes of determining system budgets and appropriations for 1996-1997, the legislature intends to adopt new funding mechanisms in 1994.

Subd. 8. Post-secondary Appropriations for Fiscal Years 1996 and 1997

Notwithstanding any other section of Minnesota Statutes to the contrary, general fund appropriations for the University of Minnesota, the higher education board, the higher education coordinating board, and Mayo medical shall be \$2,040,000,000 for the biennium beginning July 1, 1995. Unless otherwise recommended by the future funding task force, this amount shall be allocated in equal amounts each year among these entities in proportion to their fiscal year 1995 appropriations or the fiscal year 1995 appropriations of the systems that comprise them.

The commissioner of finance shall cal-

culate the base budget for these entities according to Minnesota Statutes, chapter 135A. If any adjustments to the base calculations are necessary in order to arrive at an appropriation of \$2,040,000,000, the commissioner shall provide clear information in the 1996-1997 biennial budget document showing those adjustments.

Sec. 10. **EFFECTIVE DATE.**

Section 2, subdivision 3, is effective the day following final enactment.

ARTICLE 2

HECB AND FINANCIAL AID

Section 1. Minnesota Statutes 1992, section 136A.02, subdivision 5, is amended to read:

Subd. 5. **ADVISORY GROUPS.** The board may appoint advisory task forces to assist it in the study of higher education within the state or in the administration of federal programs. The task forces expire and the terms, compensation, and removal of members are as provided in section 15.059; ~~except that the task force established under section 135A.05 and the advisory councils established under subdivisions 6 and 7 expire June 30, 1993.~~

Sec. 2. Minnesota Statutes 1992, section 136A.02, subdivision 6, is amended to read:

Subd. 6. **HIGHER EDUCATION ADVISORY COUNCIL.** A higher education advisory council is established. The council is composed of the president of the University of Minnesota, the chancellor of the state universities, the chancellor of the community colleges, the chancellor of ~~vocational~~ the technical education colleges, the commissioner of education, the president of the private college council, and a representative from the Minnesota association of private post-secondary schools. The advisory council shall (1) bring to the attention of the board any matters that the council deems necessary, (2) make appropriate recommendations, (3) review and comment upon proposals and other matters before the board, and (4) provide other assistance to the board. The board shall periodically inform the council of matters under consideration by the board. The board shall refer all proposals to the council before submitting recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

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

The council shall report to the board at least quarterly. The council shall determine its meeting times, but it shall also meet within 30 days after a request by the executive director of the board. The council expires June 30, ~~1993~~ 1995.

Sec. 3. Minnesota Statutes 1992, section 136A.02, subdivision 7, is amended to read:

Subd. 7. **STUDENT ADVISORY COUNCIL.** A student advisory council to the board is established. The members of the council shall include the chair of the University of Minnesota university student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota ~~vocational~~ technical college student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school registered under this chapter, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a designee.

The advisory council shall:

(1) bring to the attention of the board any matter that the council believes needs the attention of the board;

(2) make recommendations to the board as the council deems appropriate;

(3) review and comment upon proposals and other matters before the board;

(4) appoint student members to board advisory groups as provided in subdivision 5a;

(5) provide any reasonable assistance to the board; and

(6) select one of its members to serve as chair. The board shall inform the council of all matters under consideration by the board and shall refer all proposals to the council before the board acts or sends the proposals to the governor or the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The student advisory council shall report to the board quarterly and at other times that the council considers desirable. The council shall determine its meeting time, but the council shall also meet with the executive director of the board within 30 days after the director's request for a council meeting. The student advisory council shall meet quarterly with the higher education advisory council and the board executive committee. The council expires June 30, ~~1993~~ 1995.

Sec. 4. Minnesota Statutes 1992, section 136A.0411, is amended to read:

136A.0411 **COLLECTING FEES.**

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

The board may charge fees for seminars, conferences, workshops, services, and materials. The board may collect fees for registration and licensure of private institutions under sections 136A.61 to 136A.71 and chapter 141. The money is annually appropriated to the board.

Sec. 5. Minnesota Statutes 1992, section 136A.08, subdivision 2, is amended to read:

Subd. 2. **AUTHORIZATION.** The Minnesota higher education coordinating board, in consultation with the commissioner of finance and each affected public post-secondary board, may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public post-secondary institutions, with appropriate state or provincial agencies and public post-secondary institutions in other states or provinces. The agreements shall be for the purpose of the mutual improvement of educational advantages for residents of this state and other states or provinces with whom agreements are made.

Sec. 6. Minnesota Statutes 1992, section 136A.08, subdivision 6, is amended to read:

Subd. 6. **APPROVAL.** An agreement made by the board under this section is not valid as to a particular institution without the approval of that institution's state or provincial governing board. A valid agreement under this subdivision that incurs additional financial liability to the state or to any of the Minnesota public post-secondary boards, beyond enrollment funding adjustments, must be submitted to the commissioner of finance and to the chairs of the higher education finance divisions of the senate finance and house appropriations committees for review. The agreement remains valid unless it is disapproved in law.

Sec. 7. Minnesota Statutes 1992, section 136A.101, subdivision 1, is amended to read:

Subdivision 1. For purposes of sections 136A.095 to ~~136A.134~~ 136A.132, the terms defined in this section have the meanings ascribed to them.

Sec. 8. Minnesota Statutes 1992, section 136A.101, subdivision 7, is amended to read:

Subd. 7. ~~Until June 30, 1993, "student" means a person who is enrolled at least half time in a program or course of study that applies to a degree, diploma, or certificate, except that for purposes of section 136A.132, student may include a person enrolled for at least three credits per quarter or semester, or the equivalent, but less than half time.~~

Beginning July 1, 1993, "Student" means a person who is enrolled for at least three credits per quarter or semester, or the equivalent, in a program or

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

course of study that applies to a degree, diploma, or certificate. Credit equivalencies assigned by an institution that are applicable to federal Pell grant calculations shall be counted as part of a student's credit load.

Sec. 9. Minnesota Statutes 1992, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **COST OF ATTENDANCE.** (a) The cost of attendance consists of allowances specified by the board for room and board and miscellaneous expenses, and

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

(2) for private institutions, an allowance for tuition and fees equal to the lesser of the actual tuition and fees charged by the institution, or the instructional costs per full-year equivalent student in comparable public institutions.

(b) For the purpose of paragraph (a), clause (2), "comparable public institutions" to both two- and four-year, private, residential, liberal arts, degree-granting colleges and universities must be the same.

(c) For a student attending less than full time, the board shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

Sec. 10. Minnesota Statutes 1992, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **INITIAL AWARDS.** An undergraduate student ~~who has not previously received a grant and~~ who meets the board's requirements is eligible to apply for and receive ~~an initial a~~ grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for eight semesters or 12 quarters.

Sec. 11. **[136A.122] AKITA GRANTS.**

The higher education coordinating board may provide grants to Minnesota resident students participating in the Akita program. Grants must be awarded on the same basis as other state grants, except that the cost of attendance must be adjusted to incorporate the state university tuition level and the Akita fee level. An individual grant must not exceed the state grant maximum award for a student at a four-year private college.

Sec. 12. Minnesota Statutes 1992, section 136A.1353, subdivision 4, is amended to read:

Subd. 4. **RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.** The higher education coordinating board shall distribute funds each year to the schools, colleges, or programs of nursing applying to par-

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

participate in the nursing grant program based on the last academic year's enrollment of students in educational programs that would lead to licensure as a registered nurse. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested schools, colleges, or programs of nursing. ~~Initial applications are due by January 1 of each year. By June 30 of each year, the board shall notify each applicant school, college, or program of nursing of its approximate allocation of funds in order to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute funds to the schools, colleges, or programs of nursing by August 1 of each year. Interested schools, colleges, or programs of nursing education must complete and return the annual participation request form provided by the board.~~

Sec. 13. Minnesota Statutes 1992, section 136A.1354, subdivision 4, is amended to read:

Subd. 4. **RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.** The higher education coordinating board shall distribute funds each year to the schools or colleges of nursing, or programs of advanced nursing education, applying to participate in the nursing grant program based on the last academic year's enrollment of registered nurses in schools or colleges of nursing, or programs of advanced nursing education. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested schools or colleges of nursing, or programs of advanced nursing education. ~~Initial applications are due by January 1 of each year. By June 30 of each year, the board shall notify each applicant school or college of nursing, or program of advanced nursing education, of its approximate allocation of money to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute money to the schools or colleges of nursing, or programs of advanced nursing education, by August 1 of each year. Interested schools, colleges, or programs of advanced nursing education must complete and return the annual participation request form provided by the board.~~

Sec. 14. [136A.1359] **GRANTS FOR NURSING STUDENTS WHO ARE PERSONS OF COLOR.**

Subdivision 1. ESTABLISHMENT. A nursing grant program is established under the authority of the higher education coordinating board to provide grants to students who are persons of color who are entering or enrolled in an educational program that leads to licensure as a registered nurse.

Subd. 2. ELIGIBILITY. To be eligible to receive a grant, a student shall be:

(1) a citizen of the United States;

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

(2) a resident of the state of Minnesota;

(3) an Asian Pacific-American, African-American, American Indian, or Hispanic-American (Latino, Chicano, or Puerto Rican);

(4) entering or enrolled in a nursing program in Minnesota that leads to licensure as a registered nurse; and

(5) eligible under any additional criteria established by the school, college, or program of nursing in which the student is enrolled. Students applying for a grant must be willing to practice in Minnesota for at least three years following licensure.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. RESPONSIBILITY OF NURSING PROGRAMS. Each school, college, or program of nursing that wishes to participate in the student nursing grant program shall apply to the higher education coordinating board for grant money, according to policies established by the board. A school, college, or program of nursing shall establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing educational program and must give priority to students with the greatest financial need. Grants must be \$2,500 per year. Each school, college, or program of nursing shall agree that the money awarded through this grant program must not be used to replace any other grant or scholarship money for which the student would be otherwise eligible.

Subd. 4. RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD. The higher education coordinating board shall distribute money each year to Minnesota schools, colleges, or programs of nursing that lead to licensure as a registered nurse. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested schools, colleges, or programs of nursing.

Sec. 15. Minnesota Statutes 1992, section 136A.1701, subdivision 4, is amended to read:

Subd. 4. TERMS AND CONDITIONS OF LOANS. The board may loan money upon such terms and conditions as the board may prescribe. The principal amount of a loan to an undergraduate student for a single academic year ~~may~~ shall not exceed ~~\$4,000~~ \$6,000. The aggregate principal amount of all loans made under this section to an undergraduate student ~~may~~ shall not exceed ~~\$16,000~~ \$25,000. The principal amount of a loan to a graduate student for a single academic year shall not exceed ~~\$6,000~~ \$9,000. The aggregate principal amount of all loans made under this section to a student as a graduate student shall not exceed ~~\$25,000~~ \$40,000.

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

Sec. 16. Minnesota Statutes 1992, section 136A.1701, is amended by adding a subdivision to read:

Subd. 9a. The board shall develop an appeals process for recipients of loans made under this section who believe there is an unresolved error in the servicing of the loan. The board shall provide recipients with a description of the appeals process.

Sec. 17. Minnesota Statutes 1992, section 136A.233, is amended to read:

136A.233 WORK-STUDY GRANTS.

Subdivision 1. **ALLOCATION TO INSTITUTIONS.** The higher education coordinating board ~~may offer~~ shall allocate work-study grants ~~money~~ to eligible post-secondary institutions according to the resident full-time equivalent enrollment of all eligible post-secondary institutions that apply to participate in the program. ~~The board shall seek to equalize work-study job opportunities by also taking into account student employment needs at eligible institutions.~~ Each institution wishing to ~~receive a~~ participate in the work-study grant ~~shall program~~ must submit to the board, in accordance with policies and procedures established by the board, an estimate of the amount of funds needed by the institution. ~~The amount allocated to any institution shall not exceed the estimate of need submitted by the institution.~~ Any funds ~~which would be allocated to an institution according to full-time equivalent enrollment but which that~~ exceed the estimate of need by the institution or the actual need of the institution may be reallocated by the board to other institutions ~~for which the estimate of need exceeds the amount of allocation according to enrollment.~~ ~~The institution must not receive less than it would have received under the allocation formula used before fiscal year 1988. No more than one-half of any increase in appropriations, attributable to this section, above the level before fiscal year 1988 may be allocated on the basis of identified student employment needs at eligible institutions.~~

Subd. 2. **DEFINITIONS.** For purposes of sections 136A.231 to ~~136A.234~~ 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll ~~full time at least half time as defined in section 136A.101, subdivision 7b,~~ in a degree, diploma, or certificate program in a Minnesota post-secondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "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.

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

(d) "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.

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

(f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Subd. 3. **PAYMENTS.** Work-study payments shall be made to eligible students by post-secondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the post-secondary institution on the basis of student financial need.

(b) ~~No eligible student shall be employed under the state work-study program while not a full-time student; provided, with the approval of the institution, a full-time student who becomes a part-time student during an academic year may continue to be employed under the state work-study program for the remainder of the academic year~~ In selecting students for participation, priority must be given to students enrolled for at least 12 credits.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) ~~An eligible employer shall pay at least 30 percent of the student's compensation. The board shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.~~

(f) Each post-secondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay-off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

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

Sec. 18. Minnesota Statutes 1992, section 136A.653, subdivision 1, is amended to read:

Subdivision 1. A school which does not grant a degree and which that is subject to licensing by the state board of education pursuant to under chapter 141, is exempt from the provisions of sections 136A.61 to 136A.71. The determination of the ~~commissioner of education board~~ as to whether a particular school is subject to regulation under chapter 141 is final for the purposes of this exemption.

Sec. 19. Minnesota Statutes 1992, section 136A.69, is amended to read:

136A.69 FEES.

The board may collect reasonable registration fees not to exceed ~~\$400~~ \$450 for an initial registration of each school and ~~\$250~~ \$350 for each annual renewal of an existing registration.

Sec. 20. Minnesota Statutes 1992, section 136A.87, is amended to read:

136A.87 ASPECTS OF THE PROGRAM PLANNING INFORMATION.

~~Subdivision 1. ASSESSMENT INSTRUMENTS AND QUESTIONNAIRES. The program shall provide for administration of education and career assessment instruments and questionnaires to residents in grades 8 through 12, and to adults. The board shall determine the instruments and questionnaires that are appropriate to serve the purposes of sections 136A.85 to 136A.88.~~

~~Subd. 2. HIGH SCHOOL ASSESSMENTS. The program shall provide for administration of educational measurement instruments and questionnaires to high school students before their senior year. At least the following may be included:~~

- ~~(1) an aptitude assessment for students anticipating entry to collegiate programs;~~
- ~~(2) an inventory of interests, career directions, background information, and education plans; and~~
- ~~(3) a preliminary mathematics placement test to aid in future course selections; and, as determined appropriate by the board, preliminary placement tests in other subjects.~~

~~Subd. 3. PROVIDING INFORMATION. The board shall make available to all residents from 8th grade through adulthood information about planning and preparing for post-secondary opportunities. Information must be provided to all 8th grade students and their parents by January 1 of each year about the need to plan for their post-secondary education. The board may also provide information to high school students and their parents, to adults, and to out-of-school youth. The information provided may include the following:~~

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- (1) the need to start planning early;
- (2) the availability of assistance in educational planning from educational institutions and other organizations;
- (3) suggestions for studying effectively during high school;
- (4) high school courses necessary to be adequately prepared for post-secondary education;
- (5) encouragement to involve parents actively in planning for all phases of education;
- (6) information about post-high school education and training opportunities existing in the state, their respective missions and expectations for students, their preparation requirements, admission requirements, and student placement;
- (7) ways to evaluate and select post-secondary institutions;
- (8) the process of transferring credits among Minnesota post-secondary institutions and systems;
- (9) the costs of post-secondary education and the availability of financial assistance in meeting these costs;
- (10) the interrelationship of assistance from student financial aid, public assistance, and job training programs; and
- (11) financial planning for education beyond high school.

Subd. 4. ~~DATA BASE.~~ A data base of information from the program's assessments and services shall be maintained to:

- (1) ~~provide individual reports of results to the students, high schools in which students are enrolled, and, if authorized by the students, post-secondary educational institutions; and~~
- (2) ~~provide annual statewide summary reports of results to high schools, post-secondary institutions, the department of education, the chairs of the education, higher education, appropriations and finance committees of the legislature, and the governor.~~

Subd. 5. ~~COORDINATION.~~ The board shall coordinate efforts and develop additional methods of providing information, guidance, and testing services to out-of-school youth and adults.

Sec. 21. Minnesota Statutes 1992, section 141.25, subdivision 8, is amended to read:

Subd. 8. FEES AND TERMS OF LICENSE. (a) Applications for initial

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license under sections 141.21 to 141.36 shall be accompanied by ~~\$560~~ \$650 as a nonrefundable application fee.

(b) All licenses shall expire ~~on December 31~~ of each year one year from the date issued by the board. Each renewal application shall be accompanied by a nonrefundable renewal fee of ~~\$430~~ \$650.

(c) Application for renewal of license shall be made ~~on or before October 1~~ of each calendar year at least 30 days before the expiration of the school's current license. Each renewal form shall be supplied by the board. 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 board.

Sec. 22. Minnesota Statutes 1992, section 141.26, subdivision 1, is amended to read:

Subdivision 1. **REQUIRED.** A solicitor representing a school must obtain a solicitor's permit from the board before soliciting students to enroll in such school. Such permit shall expire ~~on December 31~~ one year following the date of issuance. Application for renewal of permit shall be made ~~on or before November 15~~ of each calendar year annually.

Sec. 23. Minnesota Statutes 1992, 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 ~~\$210~~ \$250.

Sec. 24. **FINANCIAL AID TASK FORCE.**

Subdivision 1. PURPOSE. A task force is established to study and make recommendations on Minnesota's system of financial aid, focusing particularly on the state grant program. The purpose of the task force is to evaluate state financial aid policy, examine alternative policies, and recommend changes to the legislature. The task force shall consider current resource constraints among other factors.

Subd. 2. MEMBERSHIP. The speaker of the house and the subcommittee on committees of the committee on rules and administration of the senate shall each appoint four members, including representatives of public and private post-secondary systems and campuses. The governor shall appoint two public members and two students, at least one of whom must be a public college student.

Subd. 3. SUPPORT. The higher education coordinating board shall provide technical and clerical support to the task force as determined by the task force. The task force, through the board, may contract for consulting services, but is not subject to the provisions of Minnesota Statutes, chapter 16B.

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Subd. 4. CONTENT OF STUDY. The task force shall consider whether Minnesota's financial aid program, as it operates in conjunction with the federal Pell grant program, is meeting the state goal of removing economic barriers to education for economically disadvantaged citizens of the state. The task force shall further consider whether the state program needs to be made more progressive and, if so, whether this should be accomplished through adjustments to the shared responsibility policy or adoption of a new policy. The study additionally shall consider the advantages and disadvantages of linking the state grant program to federal policies and programs. The task force also shall consider effective ways to integrate grants, loans, work-study, and other aid to create aid packages for students and to deliver different types of aid to students with different needs. Finally, the task force shall consider efficient ways to deliver aid to students, including more rapid decentralization to the campus level.

Subd. 5. REPORT. The task force shall report its findings and recommendations to the education committees of the legislature by February 1, 1994. The task force shall expire on June 30, 1994.

Sec. 25. GRANTS TO NURSING PROGRAMS FOR PERSONS OF COLOR.

Subdivision 1. ESTABLISHMENT. A pilot grant program is established under the authority of the higher education coordinating board to provide grants to Minnesota schools, colleges, and other institutions that offer programs of nursing, to fund initiatives designed to ensure the recruitment and retention of nursing students who are Asian-Pacific, African-American, American Indian, or Hispanic American (Latino, Chicano, or Puerto Rican).

Subd. 2. ELIGIBILITY. To be eligible to receive a grant, an applicant must:

(1) be a Minnesota school, college, or program of nursing that offers educational programs leading to licensure as a registered nurse;

(2) have in place a program of activities that provides faculty with knowledge of the history, practices, and health needs of persons of color; and

(3) have in place a program advisory panel, a majority of whom are persons of color.

Subd. 3. RESPONSIBILITY OF NURSING PROGRAMS. Each school, college, or program of nursing that wishes to participate in the grant program shall apply to the higher education coordinating board for grant money, according to policies established by the board. Each applicant shall outline the specific programs it intends to implement and demonstrate the likelihood that those programs will result in increased recruitment and retention of students who are persons of color.

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Subd. 4. RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD. The board shall establish an application process for interested schools, colleges, or programs of nursing.

The board shall establish written criteria to use in awarding the grants. The criteria must include consideration of whether:

(1) the proposed program is likely to actually increase the recruitment and retention of nursing students who are persons of color;

(2) the proposed program creates a support network for persons of color;

(3) the nursing program employs persons of color on its staff and faculty;

(4) the proposed program has initiatives to reach persons of color while still in high school; and

(5) the proposed program establishes a mentoring program for nursing students who are persons of color.

The board shall establish written guidelines to ensure that grants are used only for board-approved initiatives. The board shall provide the written guidelines to grant recipients at the time it distributes the money. The board shall require each grant recipient to report to the board on its program activity and use of grants.

Sec. 26. REPEALER.

Minnesota Statutes 1992, sections 136A.121, subdivision 10; 136A.134; 136A.234; 136A.70; and Laws 1991, chapter 356, article 8, section 23, are repealed.

Sec. 27. EFFECTIVE DATE.

Section 15 is effective immediately for applicants for loans for enrollment periods beginning after July 1, 1993.

ARTICLE 3

POST-SECONDARY SYSTEMS

Section 1. Minnesota Statutes 1992, section 3.9741, is amended to read:

3.9741 COST OF EXAMINATION, BILLING, PAYMENT.

Subdivision 1. METROPOLITAN COMMISSION. Upon the audit of the financial accounts and affairs of a commission under section 473.413, 473.595, 473.604, or 473.703, the affected metropolitan commission is liable to the state

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for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the metropolitan commission either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund.

Subd. 2. POST-SECONDARY EDUCATION BOARD. The legislative auditor may enter into an interagency agreement with the community college board, state university board, or the state board of technical colleges to conduct financial audits, in addition to audits conducted under section 3.972, subdivision 2.

Sec. 2. Minnesota Statutes 1992, section 16A.127, subdivision 8, is amended to read:

Subd. 8. **EXEMPTION.** (a) Except for the costs of the legislative auditor to conduct financial audits of federal funds, this section does not apply to the community college system board, state universities university board, or the state board of technical colleges. Indirect cost receipts attributable to financial audits conducted by the legislative auditor of federal funds administered by these post-secondary education boards shall be deposited in the general fund.

(b) Except for federal funds, this section does not apply to the department of natural resources for agency indirect costs.

Sec. 3. Minnesota Statutes 1992, section 126.56, subdivision 5, is amended to read:

Subd. 5. **ADVISORY COMMITTEE.** An advisory committee shall assist the state board of education in approving eligible programs and shall assist the higher education coordinating board in planning, implementing, and evaluating the scholarship program. The committee shall consist of 11 members, to include the executive director of the higher education coordinating board or a representative, the commissioner of education or a representative, two secondary school administrators and two secondary teachers appointed by the commissioner of education, the executive director of the academic excellence foundation, a private college representative appointed by the president of the Minnesota private college council, a community college representative appointed by the community college chancellor, a state university representative appointed by the state university chancellor, and a University of Minnesota representative appointed by the president of the University of Minnesota. The committee expires June 30, ~~1993~~ 1995.

Sec. 4. Minnesota Statutes 1992, section 135A.03, subdivision 7, is amended to read:

Subd. 7. **RESIDENCY RESTRICTIONS.** In calculating student enrollment for appropriations, only the following may be included:

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

(1) students who resided in the state for at least one calendar year prior to applying for admission or dependent students whose parent or legal guardian resides in Minnesota at the time the student applies;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere;

(3) residents of other states who are attending a Minnesota institution under a tuition reciprocity agreement; and

(4) students who have been in Minnesota as migrant farmworkers, as defined in Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post-secondary institution, or students who are dependents of such migrant farmworkers.

Sec. 5. Minnesota Statutes 1992, section 135A.06, subdivision 1, is amended to read:

Subdivision 1. **PLANNING REPORTS.** It is the intention of the legislature that the planning efforts of the public post-secondary education systems be summarized and reported to the legislature. It is the further intention that the system missions be differentiated from one another to best serve the needs of the citizens of Minnesota. To accomplish these goals, the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board of technical colleges shall each submit to the governor and the legislature on December 1 of each even-numbered year a planning report for its system. The report shall contain the mission of the system and short- and long-range plans for programs, staff, and facilities. ~~It 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.~~

Sec. 6. Minnesota Statutes 1992, section 135A.061, is amended to read:

135A.061 INTERSYSTEM COUNCIL.

An intersystem council is established to improve communications among post-secondary systems on relevant policy issues. The council is composed of officers or other representatives of each public post-secondary governing board ~~and of the higher education coordinating board.~~ The council chair shall be rotated among the systems each year, corresponding to the rotation of the chair of the higher education advisory council. The council shall ~~determine its meeting times but shall~~ meet at least twice each year. Members shall report on discussions and actions of the council to their respective governing boards. The council shall determine its agenda from issues that affect more than one system. These may include: transfer of credit, efficiency of campus and system opera-

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tions, duplication of programs and courses, mission delineation, cooperative arrangements, academic quality initiatives, and the effects of a system's proposed plans on the other systems. ~~The council shall notify the chairs of the education, appropriations, and finance committees of the legislature in advance of its meetings.~~

Sec. 7. Minnesota Statutes 1992, section 136C.15, is amended to read:

136C.15 STUDENT ASSOCIATIONS.

Every school board governing a technical college shall give recognition as an authorized extracurricular activity to a technical college student association affiliated with the Minnesota ~~vocational~~ technical college student association. The student association is authorized to collect a reasonable fee from students to finance the activities of the association in an amount determined by the governing board of the technical college which has recognized it.

Every governing body which recognizes a student association shall deposit the fees in a student association fund. The money in this fund shall be available for expenditure for recreational, social, welfare, charitable, and educational activities approved by the student association. The money in the fund is not public money.

Sec. 8. Minnesota Statutes 1992, section 136C.61, subdivision 7, is amended to read:

Subd. 7. **MEETINGS.** Notwithstanding any law to the contrary, the joint board may hold meetings at any location convenient to the member districts and the public, whether or not that meeting site is located within the boundaries of a member district. The joint board may also conduct meetings ~~via interactive television~~ by means of telecommunications if the board complies with section 471.705 in each location where board members are present. The joint board shall establish and maintain a schedule of the time and place of its meetings and shall give notice of regular and special meetings in the same manner as required for other public bodies.

Sec. 9. [137.41] INDIRECT COST RECOVERIES.

Indirect cost recovery money received by the University of Minnesota must be used exclusively for the direct support of research or the financing of support activities directly contributing to the receipt of indirect cost recovery money. It may be used for debt retirement for research-related buildings. It may not be used for teaching or service.

Sec. 10. Laws 1990, chapter 591, article 3, section 10, as amended by Laws 1991, chapter 356, article 3, section 13, is amended to read:

Sec. 10. CONDITIONS.

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

(a) The state university board, the state board for community colleges, the state board of vocational technical education, and their respective campuses must not enter into new long-term lease arrangements for facilities, significantly increase the course offerings at off-campus sites, enter any 2 + 2 arrangements, or significantly increase staffing levels for off-campus sites between the effective date of this section and the end of the ~~1992-1993~~ 1994-1995 academic year. A current long-term lease may be renewed if it expires during this period. The board of regents is requested to abide by these conditions until the end of the ~~1992-1993~~ 1994-1995 academic year.

(b) This section does not apply to actions of Metropolitan State University that are part of its plan to consolidate its sites in the seven-county metropolitan area. The state university board shall consult with the chairs of the house appropriations and senate finance committees in carrying out its plans. For purposes of this paragraph, "plan to consolidate" does not include entering into any 2 + 2 arrangements.

Sec. 11. Laws 1991, chapter 356, article 6, section 4, as amended by Laws 1992, chapter 513, article 1, section 25, is amended to read:

Subd. 3a. **CURRENT EMPLOYEES.** It is the policy of the state of Minnesota that restructuring of peace officer education be accomplished while ensuring that fair and equitable arrangements are carried out to protect the interests of higher education system employees, and while facilitating the best possible service to the public. The affected governing boards shall make every effort to train and retrain existing employees full-time law enforcement training center administrators for a changing work environment.

Options presented to employees full-time law enforcement training center administrators whose positions might be eliminated by integrating peace officer education programs must include, but not be limited to, job and training opportunities necessary to qualify for another job within their current institution or a similar job in another institution. This subdivision shall expire on December 31, 1993.

Sec. 12. SHARED STUDENT SERVICES.

To improve the efficient delivery of services to students and to reduce unnecessary expenditures, each technical college and community college, located in the same or nearby communities, as provided in Laws 1983, chapter 258, section 64, subdivision 1, shall jointly develop a plan to consolidate, to the extent possible, administrative positions and the delivery of noninstructional and administrative services including, but not limited to, bookstores, food services, financial aid, registration and records, parking services, libraries, and counseling.

Each joint plan shall be submitted to the higher education board, the state board for community colleges, and the state board of technical colleges by December 31, 1993. The state boards shall jointly submit an integrated plan to

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the education committees of the legislature by February 15, 1994, that includes proposals to redirect savings from shared services to instruction at the co-located campuses.

Sec. 13. EMPLOYEE PROVISIONS.

During the biennium, the legislature intends that any layoffs at post-secondary institutions be distributed equitably between management/supervisory personnel and line/support personnel. Where restructuring and retrenchment may involve a decrease in existing positions, institutions shall assist employees in finding suitable employment through such options as training and retraining opportunities. Nothing in this section shall be construed as diminishing any rights defined in collective bargaining agreements under Minnesota Statutes, chapter 179A.

Sec. 14. PERFORMANCE MEASURES.

Subdivision 1. TECHNICAL COLLEGES. For budget considerations in 1995, the technical college board shall:

(1) report to the education committees on administrator/instructor ratios for each technical college for fiscal years 1992, 1993, 1994, and 1995;

(2) report the actual placement rate, which should be no less than 60 percent for each program at each campus over a two-year period; and

(3) report how savings from a campus initiated program closure are reallocated.

Subd. 2. COMMUNITY COLLEGES. For budget considerations in 1995, the community college board shall:

(1) report the process used to evaluate occupational programs with a less than 60 percent placement rate;

(2) report the number and percent of students transferring to four-year colleges and universities, the percent retained one year later, and their academic success.

Subd. 3. COMMUNITY COLLEGES AND TECHNICAL COLLEGES. For budget considerations in 1995, the community college and technical college board shall report jointly on:

(1) their plans regarding duplicative programs at co-located campuses; and

(2) the process used to reduce duplicative nonhealth occupational programs, that are less than 35 miles apart, with student-teacher ratios below 15-1 for the courses offered in that program.

Subd. 4. STATE UNIVERSITIES. For budget considerations in 1995, the state university board shall report on its success in increasing:

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

- (1) the number of students of color who graduate; and
- (2) the percentage of graduates who have completed a senior project or other capstone experience.

Sec. 15. [135A.041] FEE STATEMENT.

Beginning in the 1993-1994 academic year, fee statements at all public post-secondary campuses shall indicate the state-paid portion of the cost of an average student's education in that system by including the following statement: "Tuition pays for approximately ... % of the cost of a student at a public college. The State of Minnesota pays approximately \$..... of the average cost for full-time students."

Sec. 16. EFFECTIVE DATE.

Section 4 is effective the day following final enactment.

ARTICLE 4

ENDOWMENT FOR SCHOLARSHIP, RESEARCH, AND CHAIRS

Section 1. Minnesota Statutes 1992, section 137.022, subdivision 3, is amended to read:

Subd. 3. **ENDOWED CHAIRS CHAIR ACCOUNT.** (a) For purposes of this section, the permanent university fund has three accounts. The sources of the money in the endowed mineral research and scholarship accounts are set out in paragraph (b) and subdivision 4. All money in the fund that is not otherwise allocated is in the endowed chair account. The income from the ~~permanent university fund~~ endowed chair account must be used, and capital gains ~~of the fund~~ allocated to that account may be used, to provide endowment support for professorial chairs in academic disciplines. The endowment support for the chairs from the income and the capital gains must not total more than six percent per year of the 36-month trailing average market value of the endowed chair account of the fund, as computed quarterly or otherwise as directed by the regents. The endowment support from the income and the capital gains must not provide more than half the sum of the endowment support for all chairs endowed, with nonstate sources providing the remainder. The endowment support from the income and the capital gains may provide more than half the endowment support of an individual chair.

(b) If any portion of the annual appropriation of the income is not used for the ~~purpose~~ purposes specified in paragraph (a) or subdivision 4, that portion lapses and must be added to the principal of the three accounts of the permanent university fund in proportion to the market value of each account.

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

Sec. 2. Minnesota Statutes 1992, section 137.022, is amended by adding a subdivision to read:

Subd. 4. MINERAL RESEARCH; SCHOLARSHIPS. (a) All income credited after July 1, 1992, to the permanent university fund from royalties for mining under state mineral leases from and after July 1, 1991, must be allocated as provided in this subdivision.

(b)(1) Fifty percent of the income, up to \$25,000,000, must be credited to the mineral research account of the fund to be allocated for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral and mineral-related research including mineral-related environmental research; and

(2) The remainder must be credited to the endowed scholarship account of the fund for distribution annually for scholastic achievement as provided by the board of regents to undergraduates enrolled at the University of Minnesota who are resident students as defined in section 136A.101, subdivision 8.

(c) The annual distribution from the endowed scholarship account must be allocated to the various campuses of the University of Minnesota in proportion to the number of undergraduate resident students enrolled on each campus.

(d) The board of regents must report to the education committees of the legislature biennially at the time of the submission of its budget request on the dispersal of money from the endowed scholarship account and to the environment and natural resources committees on the use of the mineral research account.

(e) Capital gains and losses and portfolio income of the permanent university fund must be credited to its three accounts in proportion to the market value of each account.

(f) The endowment support from the income and capital gains of the endowed mineral research and endowed scholarship accounts of the fund must not total more than six percent per year of the 36-month trailing average market value of the account from which the support is derived.

Sec. 3. EFFECTIVE DATE.

Sections 1 and 2 are effective retroactively to July 1, 1992, for income and allocations into the three accounts of the permanent university fund and July 1, 1993, for distributions from the endowed mineral research account and endowed scholarship accounts of the fund.

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ARTICLE 5

TELECOMMUNICATIONS

Section 1. PURPOSE.

The purpose of sections 1 to 4 is to expand the availability of a broad range of courses and degrees to students throughout the state to improve access, quality, and efficiency by enhancing and expanding the use of telecommunications and other instructional technologies.

Sec. 2. TELECOMMUNICATIONS COUNCIL. An instructional telecommunications council shall be established and composed of: two representatives selected by each public higher education system, a representative of the higher education board, a regional telecommunications coordinator, one member of the senate appointed by the subcommittee on committees of the committee on rules and administration, one member of the house of representatives appointed by the speaker, one private college representative selected by the Minnesota private college council, a representative of the information policy office of the department of administration, the commissioner of education or designee to represent K-12 education, and one higher education coordinating board representative. The council shall:

(1) develop a statewide vision and plans for the use of distance learning technologies and provide leadership in implementing the use of such technologies;

(2) develop educational policy relating to telecommunications;

(3) determine priorities for use;

(4) oversee coordination with campuses, K-12 education, and regional educational telecommunications;

(5) require the use of the statewide telecommunications access and routing system where operationally, technically, and economically feasible in order to maximize the state's telecommunication resources; and

(6) determine priorities for grant funding proposals.

The council shall consult with representatives of the telecommunication industry in implementing this subdivision.

Sec. 3. REGIONAL LINKAGES.

Subdivision 1. GRANTS. The higher education coordinating board shall award grants to regional organizations of higher education institutions to establish or complete telecommunications links among campuses in a region and among campuses in different regions.

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The regional organizations shall use the statewide telecommunications access and routing system where operationally, technically, and economically feasible in order to maximize the state's telecommunication resources.

Subd. 2. APPLICATION PROCESS. The higher education coordinating board shall develop and publicize the process by which regional organizations may apply for grants. The instructional telecommunications council shall review and comment on the proposals.

Subd. 3. CRITERIA. The higher education coordinating board shall evaluate proposals using the following criteria:

(1) evidence of cooperative arrangements with other post-secondary institutions and school districts in the geographic region;

(2) plans for shared classes and programs;

(3) evidence of efficiencies to be achieved in delivery of instruction due to use of telecommunications;

(4) evidence of a formal governing structure; and

(5) a plan to assume the ongoing costs following the initial development for the continued operation of the project.

Sec. 4. REGIONAL COORDINATION.

Subdivision 1. GRANTS. The higher education coordinating board shall award grants to regional organizations of higher education institutions to coordinate and manage regional telecommunications arrangements.

Subd. 2. APPLICATION PROCESS. The higher education coordinating board shall develop and publicize the process by which regional organizations may apply for grants. The instructional telecommunications council shall review and comment on the proposals.

Subd. 3. CRITERIA. The higher education coordinating board shall evaluate proposals using the following criteria:

(1) evidence of cooperative arrangements with other post-secondary institutions and school districts in the geographic region;

(2) plans for shared classes and programs;

(3) avoidance of program and course duplication;

(4) evidence of efficiencies to be achieved in delivery of instruction due to use of telecommunications;

(5) a plan for development of a list of all courses available in the region for delivery at a distance;

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(6) a plan for coordinating and scheduling courses;

(7) a plan for evaluation of costs, access, and outcomes; and

(8) a plan to assume the ongoing costs following the initial development for the continued operation of the project.

Sec. 5. EVALUATION.

The higher education coordinating board shall evaluate the results of the grants provided under sections 3 and 4 and make recommendations to the legislature and governor regarding future funding, the success rate of the various grants, and other relevant information by January 15, 1995.

Sec. 6. GRANT LIMITATIONS; PROPOSALS.

All grants shall be used for direct costs only and shall not include indirect costs. The higher education coordinating board shall advise grant applicants that money used for regional linkages in section 3 and regional coordination in section 4 are for pilot projects. State money for the pilot projects shall be 90 percent of costs.

ARTICLE 6

FARMER-LENDER MEDIATION SERVICES

Section 1. Minnesota Statutes 1992, section 583.24, subdivision 4, is amended to read:

Subd. 4. **DEBTS.** The farmer-lender mediation act does not apply to a debt:

(1) for which a proof of claim form has been filed in bankruptcy by a creditor or that was listed as a scheduled debt, of a debtor who has filed a petition in bankruptcy after July 1, 1987, under United States Code, title 11, chapter 7, 11, 12, or 13;

(2) if the debt was in default when the creditor received a mediation proceeding notice under the farmer-lender mediation act and the creditor filed a claim form, the debt was mediated during the mediation period under section 583.26, subdivision 8, and (i) the mediation was unresolved; or (ii) a mediation agreement with respect to that debt was signed;

(3) for which the creditor has served a mediation notice, the debtor has failed to make a timely request for mediation, and within ~~45~~ 60 days after the debtor failed to make a timely request the creditor began a proceeding to enforce the debt against the agricultural property of the debtor;

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(4) for which a creditor has received a mediation proceeding notice and the creditor and debtor have restructured the debt and have signed a separate mediation agreement with respect to that debt; or

(5) for which there is a lien for rental value of farm machinery under section 514.661 or a lien for rental value relating to a contract for deed subject to the farmer-lender mediation act under section 559.2091.

Sec. 2. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37, Laws 1989, chapter 350, article 16, section 8, Laws 1990, chapter 525, section 1, and Laws 1991, chapter 208, section 2, is amended to read:

Sec. 18. REPEALER.

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, ~~1993~~ 1995.

ARTICLE 7

STUDENT HOUSING

Section 1. VERMILION COMMUNITY COLLEGE STUDENT HOUSING.

The state board for community colleges may acquire a site and construct, own, operate, furnish, and maintain one or more dormitories or other student residence facilities at Ely for the use and benefit of Vermilion Community College. Selection of a designer for the project is not subject to Minnesota Statutes, section 16B.33, subdivision 4. The higher education facilities authority may issue revenue bonds or other financial instruments for the facilities under Minnesota Statutes, sections 136A.25 to 136A.42, and the state board for community colleges may borrow the proceeds of the revenue bonds or other financial instruments to finance the acquisition, construction, and equipping of the student housing facilities. The board may enter into agreements and pledge revenues of the facilities as may be necessary to provide security for the bonds and may mortgage the financed facilities to the higher education facilities authority or to a trustee for the bondholders if considered necessary by the board or the authority for the successful marketing of the bonds. The state board for community colleges shall establish, maintain, revise when necessary, and collect rates and charges for the use of the student housing facilities. The rates and charges must be sufficient, as estimated by the board, to pay all expenses of operation and maintenance of the facilities, to pay principal of, and interest on, revenue bonds or other obligations or instruments when due, and to pay customary fees and charges of the higher education facilities authority and to establish and

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maintain the reserve funds that the board considers necessary for repair, replacement, and maintenance of the facilities. Funds and accounts established in furtherance of these purposes are not subject to Minnesota Statutes, section 136.67, subdivision 2, and are not subject to the budgetary control of the commissioner of finance. The board shall never be obligated to use other revenues of the board or funds of the state to pay the costs of construction, operation, maintenance, and repair of the facilities or to pay principal of and interest on obligations issued for these purposes. Notwithstanding any other law or rule or the city charter, the city of Ely may, without complying with the procedures set forth in Minnesota Statutes, chapter 475, guarantee all or any part of the loan repayment obligation of the board to the authority, by pledging its full faith and credit and taxing power. The guarantee is not subject to any limitation on net debt of the city, and taxes required to make any payment under the guarantee may be levied without limit as to rate or amount.

ARTICLE 8

SOUTHWEST ASIA VETERANS TRAINING

Section 1. Minnesota Statutes 1992, section 136C.13, subdivision 4, is amended to read:

Subd. 4. VIETNAM SOUTHWEST ASIA VETERAN'S EXEMPTION. A Vietnam Southwest Asia veteran who enrolls in a tuition free technical college program before July 1, 1990, and who is a Minnesota resident whose entire education has not included completion of at least one tuition free technical college program is exempt from tuition eligible for a state grant of \$500 per year if the veteran has GI Montgomery bill benefits, or \$1,000 per year if the veteran does not have GI Montgomery bill benefits, until the veteran has completed the lesser of (a) 440 technical college school days, or the equivalent as determined by the state board 115 credits in a technical college program, or (b) one technical college program. The grant is based on full-time attendance and shall be prorated if the student is attending less than full time. To be eligible for the tuition relief, a veteran who is discharged before July 1, 1993, must enroll in a technical college by July 1, 1995, and a veteran who is discharged on or after July 1, 1993, must enroll in a technical college within two years of the date of discharge. All veterans enrolled under this program must maintain a minimum of six credits per quarter. Total grants may not exceed the available appropriation.

"Vietnam Southwest Asia 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, 1964, and before July 1, 1978, any time between August 1, 1990, and February 27, 1992, who became eligible for the Vietnam Expeditionary Medal or the Vietnam Southwest Asia Service Medal as a result of the service, was a Minnesota resident at the time of induc-

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tion into the armed forces and for the ~~six months~~ one year immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable.

ARTICLE 9

HIGHER EDUCATION BOARD

Section 1. JOINT LEGISLATIVE COMMITTEE ON MERGING POST-SECONDARY EDUCATION SYSTEMS.

Subdivision 1. ESTABLISHMENT. A joint legislative committee on merging the post-secondary systems is created to provide a forum for communication between the higher education board and the legislature related to merging the state university, community college and technical college systems.

Subd. 2. MEMBERSHIP. The committee consists of ten members. Five members from the house shall be appointed by the speaker of the house. Five members from the senate shall be appointed by the subcommittee on committees of the committee on rules and administration. The committee must have representatives from the minority caucus of each house and from both rural and metropolitan areas.

Subd. 3. OFFICERS. The committee shall elect a chair and vice-chair from among its members. The chair must alternate annually between a member of the house and a member of the senate. When the chair is from one body, the vice-chair must be from the other body.

Subd. 4. STAFF. The committee shall use existing legislative staff to provide legal counsel, research, fiscal, secretarial, and clerical assistance.

Subd. 5. DUTIES. The committee may review proposals, plans, and information provided by the higher education board. The committee shall give particular attention to: the educational quality and missions of the higher education system, the needs of students and system and campus employees, and fiscal considerations. The committee shall report on its work and its recommendations to the education committees of the 1994 and 1995 legislatures.

Subd. 6. INFORMATION COLLECTIONS; INTERGOVERNMENTAL COORDINATION. (a) The committee may conduct public hearings and otherwise collect data and information necessary to its purposes.

(b) To facilitate coordination between executive and legislative authorities, the governor shall appoint a person to act as liaison between the committee and the governor.

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Subd. 7. EXPIRATION. This section expires on June 30, 1995.

Sec. 2. HIGHER EDUCATION BOARD BUDGET.

The higher education board shall submit to the governor and legislature a unified budget request for the biennium ending June 30, 1997. The request shall compare the budgets of each merged system in 1994-1995 to the unified budget for 1996-1997.

Sec. 3. Minnesota Statutes 1992, section 136E.03, is amended to read:

136E.03 MISSION.

The mission of the board is to provide programs of study that meet the needs of students for occupational, general, baccalaureate, and graduate education. The state universities, community colleges, and technical colleges shall have distinct missions. The board shall develop administrative arrangements that make possible the efficient use of the facilities and staff of the ~~former~~ technical colleges, community colleges, and state universities for providing these several different programs of study, so that students may have the benefit of improved and broader course offerings, ease of transfer among schools and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. In carrying out the merger of the three separate systems, the board shall control administrative costs by eliminating duplicative administrative positions and course offerings.

Sec. 4. Minnesota Statutes 1992, section 136E.04, subdivision 1, is amended to read:

Subdivision 1. **GENERAL AUTHORITY.** The board shall manage, supervise, and control the ~~former~~ technical colleges, community colleges, and state universities and all related property. It shall prescribe courses of study and conditions of admission, prepare and confer diplomas, and adopt suitable policies for the institutions it manages. Sections 14.01 to 14.47 do not apply to policies and procedures of the board.

Sec. 5. Laws 1991, chapter 356, article 9, section 8, is amended to read:

Sec. 8. TRANSITIONAL PROVISIONS.

Subdivision 1. **APPOINTMENTS TO BOARD.** Appointments to the higher education board must be made by July 1, 1991. Notwithstanding section 2, the initial higher education board consists of two members each from the state board of technical colleges, state board for community colleges, and the state university board, appointed by their respective boards and six members appointed by the governor. The governor's appointees may also be members of the current governing boards. The members appointed by boards must have been confirmed by the senate to the board from which they are appointed and served for at least one year on the board from which they were appointed. Initial

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higher education board members appointed by boards are not subject to further senate confirmation. Initial appointees of the governor are not subject to section 3. The governor shall appoint the student member July 1, 1995. Notwithstanding section 2, subdivision 2, the initial members of the higher education board must be appointed so that an equal number will have terms expiring in three, five, and seven years. To the extent possible, the initial board must have the geographic balance required by section 2.

Subd. 2. **INTERIM CHANCELLOR.** By November 1, 1991, the board shall hire a chancellor on an interim basis for the period ending June 30, 1995. Thereafter, the board shall conduct a search and hire a chancellor to serve on a continuing basis.

Subd. 3. **PERSONNEL.** The chancellor may hire employees necessary to carry out the transitional duties imposed by this section. The commissioner of employee relations shall cooperate with the chancellor to expedite hiring these employees. The board shall report to the legislature on its staffing plans by July 15, 1993.

Subd. 4. **TRANSITIONAL PLANNING PROCESS.** The board shall immediately after appointment commence planning for the merger of the technical college, community college, and state university systems. As part of the planning process, the board shall consult with the local advisory committees, representatives of student government organizations, and exclusive representatives of the employees of the state universities, community colleges, and technical colleges. The board shall complete a preliminary merger plan and timetable for the plan on or before ~~March 1, 1992~~ September 1, 1993. Copies of the plan shall be submitted to the chairs of the education, ~~appropriation~~ ways and means, and finance committees of the legislature.

Subd. 5. **RESTRUCTURING.** By January 1, 1994, the board shall submit a proposal to the legislature concerning the appropriate administrative structure for the educational institutions it governs. The board shall give special attention to the need to integrate the administration of programs of study now offered at institutions from different systems. The board, in cooperation with the department of employee relations and the department of administration, shall give special attention to the need to integrate administrative functions of the educational institutions it governs, including: (1) personnel, labor, and compensation policies; (2) purchases of supplies; and (3) management of property, and construction and repair of facilities. Plans for the integration of each of these functions must be included in the proposal.

Subd. 6. **SCHOOL DISTRICTS.** By January 1, 1994, the board shall, in cooperation with the commissioner of employee relations, submit proposals to the legislature concerning labor and other issues related to the transfer of technical colleges from school board governance.

By January 1, 1994, the board shall, in cooperation with the commissioner

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of administration, submit a proposal to the legislature concerning reimbursement to school districts for technical college property transferred to the board pursuant to section 9.

Subd. 7. **LEGAL SERVICES.** By January 1, 1994, the board shall submit to the legislature proposals for providing the board with adequate legal services.

Subd. 8. **ACCOUNTING SYSTEM.** By January 1, 1995 the commissioner of finance shall submit proposals to the legislature that will enable the board to use a single accounting system in accord with generally accepted accounting principles for colleges and universities and eliminate the need to have a second system to account for its money in the state treasury.

Subd. 9. **BUDGET REQUESTS.** The board shall consult with the commissioner of finance, the chair of the senate finance committee, and the chair of the house ~~appropriations~~ ways and means committee and, by January 1, 1994, submit to the legislature a proposed format for its 1995 budget request. The higher education board shall use the format, as revised in accordance with instructions from the legislature, to present its budget request to the governor and the 1995 legislature.

Subd. 10. **INFORMATION.** All plans and proposals required in this section must include timetables for implementation.

Subd. 11. **INITIAL ADVISORY COUNCIL APPOINTMENTS.** Notwithstanding section 3, the initial members of the higher education board candidate advisory council must be appointed so that an equal number will have terms expiring in two, four, and six years.

Sec. 6. Laws 1991, chapter 356, article 9, section 10, is amended to read:

Sec. 10. **CURRENT EMPLOYEES.**

It is the policy of the state of Minnesota that any restructuring of the higher education systems be accomplished while ensuring that fair and equitable arrangements are carried out to protect the interests of higher education system employees, and while facilitating the best possible service to the public. The higher education board shall make every effort to train and retrain existing employees for a changing work environment and shall report to the legislature on plans for this training by September 1, 1994.

For employees whose positions will be eliminated by merging higher education systems, options presented to employees must include but not be limited to job and training opportunities necessary to qualify for another job within their current institution or a similar job in another institution. The board shall report on its plans to eliminate positions by January 1, 1995.

Implementation of this section, as well as procedures for notifying employees affected by the merger, must be negotiated in good faith under Minnesota

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Statutes, chapter 179A. Nothing in this section shall be construed as diminishing any rights defined in collective bargaining agreements under this chapter or Minnesota Statutes, chapter 179A.

Presented to the governor May 27, 1993

Signed by the governor May 27, 1993, 4:23 p.m.

CHAPTER 3—S.F.No. 1

An act relating to campaign finance reform; requiring disclosure of certain campaign contributions made while campaign finance reform legislation was pending; removing contributors of \$100 or less from the definition of a "large giver"; increasing the public subsidy paid from the general account of the state elections campaign fund; eliminating the small donor matching program; appropriating money; amending Minnesota Statutes 1992, sections 10A.27, subdivision 11, as added; and 10A.31, subdivisions 4, and 7, as amended; repealing Minnesota Statutes 1992, section 10A.312, as added.

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

Section 1. DISCLOSURE OF CONTRIBUTIONS.

The treasurer of every principal campaign committee and of every political committee bearing a candidate's name or title or otherwise operating under the direct or indirect control of a candidate that is required to file reports under Minnesota Statutes, section 10A.20, and every legislator who is a candidate for federal or local office, shall file with the ethical practices board by June 15, 1993, a special report covering the period from January 1, 1993, to May 31, 1993, inclusive, disclosing the following:

(a) The name, address, and employer, or occupation if self-employed, of each individual, political committee, or political fund who within the reporting period has made one or more transfers or donations in kind to the political committee, political fund, or legislator, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$100 for a candidate, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the reporting period from each source so disclosed. A donation in kind must be disclosed at its fair market value. An approved expenditure must be listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors must be listed in alphabetical order.

(b) The sum of contributions to the political committee, political fund, or legislator during the reporting period.

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