

Sec. 3. APPLICATION; EFFECT.

Section 1 does not affect the validity of a living will that does not contain the provisions of section 1. Nothing in this act affects or overrides the provisions of the uniform anatomical gift act in Minnesota Statutes, sections 525.921 to 525.9224.

Presented to the governor May 22, 1995

Signed by the governor May 24, 1995, 10:10 a.m.

CHAPTER 212—H.F.No. 1856

An act relating to education; appropriating money for education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; modifying appropriations for instructional services; permitting an admission fee waiver; modifying participation in post-secondary enrollment options; requiring and requesting a semester system and a common calendar; creating definitions and actions during financial emergencies; establishing a nursing grant program; regulating student association changes; requiring administrative interaction with students; requiring certain communication through an exclusive representative; modifying use of education institution data; extending the repeal of the farmer-lender mediation act; extending time for POST board funding change; assigning duties to the library and information services task force; establishing electronic credit tracking; setting goals for compensation plans and labor agreements; requiring review of the Akita program; requiring efficiency in use of facilities; establishing a model instruction program in translating and interpreting services; requiring distribution of career planning and job placement information; requiring sabbatical policies; abolishing the higher education coordinating board and transferring certain duties; creating the higher education services office and the higher education services council; prescribing changes in certain financial assistance programs; consolidating and restructuring certain higher education statutes to reflect the merger of the community colleges, state universities, and technical colleges; amending Minnesota Statutes 1994, sections 3.9741, subdivision 2; 15.38, subdivision 3; 126.56; 126.663, subdivision 3; 135A.031, subdivision 2; 135A.08, subdivisions 1 and 2; 135A.10, subdivision 1; 135A.12, subdivision 1; 135A.15, subdivision 1; 135A.153, subdivision 1; 136A.01; 136A.03; 136A.043; 136A.05, subdivision 1; 136A.07; 136A.08; 136A.101, subdivisions 2, 3, 5, 8, and 10; 136A.121, subdivisions 5, 6, 9, 16, and by adding a subdivision; 136A.125, subdivisions 4 and 6; 136A.1359, subdivisions 1, 2, and 3; 136A.15, subdivisions 3 and 4; 136A.16, subdivision 1; 136A.233, subdivision 2; 136A.26, subdivisions 1 and 2; 136A.42; 136A.62, subdivision 2; 136A.69; 136A.81, subdivision 1; 136E.01, subdivision 1; 136E.02, subdivisions 1, 3, and 4; 136E.021, subdivision 2; 136E.04, subdivision 1, and by adding subdivisions; 136E.05; 136E.31; 136E.525, subdivisions 1, 2, and 3; 136E.692, subdivisions 1 and 3; 141.25, subdivision 8; 144.1487, subdivision 1; 144.1488, subdivisions 1 and 4; 144.1489, subdivisions 1, 3, and 4; 144.1490; 144.1491, subdivision 2; 179A.07, subdivision 4; 298.2214, subdivision 5; and 363.03, subdivision 5; Laws

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

1986, chapter 398, article 1, section 18, as amended; Laws 1991, chapter 356, article 9, section 9, as amended; Laws 1993, chapter 326, article 12, section 15, subdivisions 4 and 5; Laws 1993, First Special Session chapter 2, articles 1, section 2, subdivision 3, and section 9, subdivision 6; and 9, section 1, subdivision 7; Laws 1994, chapter 532, article 6, section 12; and Laws 1994, chapter 643, section 69, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; and 136E; proposing coding for new law as Minnesota Statutes, chapter 136F; repealing Minnesota Statutes 1994, sections 15.38, subdivision 4; 135A.052, subdivisions 2 and 3; 135A.08, subdivision 3; 135A.09; 135A.11; 135A.12, subdivision 5; 136.01; 136.02; 136.03; 136.031; 136.036; 136.045; 136.065; 136.07; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.55; 136.56; 136.57; 136.58; 136.60; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.65; 136.651; 136.653; 136.67; 136.70; 136.71; 136.72; 136.88; 136.90; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.16, subdivision 11; 136A.85; 136A.86; 136A.88; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.31; 136C.34; 136C.41; 136C.411; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; 136D.77; 136D.81, subdivision 2; 136E.04, subdivisions 2, 3, 4, 5, 6, and 7; 136E.395; 136E.692, subdivision 4; 137.31, subdivision 6; 137.35, subdivision 4; 137.38; 144.1488, subdivision 2; and 148.236; and Laws 1993, chapter 326, article 12, section 15, subdivision 2.

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 "1996" or "1997" in this article indicates that the amount is appropriated to be available for the fiscal year ending June 30, 1996, or June 30, 1997, respectively. "The first year" is fiscal year 1996. "The second year" is fiscal year 1997. "The biennium" is fiscal years 1996 and 1997.

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

SUMMARY BY FUND

	1996	1997	TOTAL
General	\$1,066,898,000	\$1,077,189,000	\$2,144,087,000

SUMMARY BY AGENCY - ALL FUNDS

	1996	1997	TOTAL
Higher Education Services Office	115,993,000	120,193,000	236,186,000
Board of Trustees of the Minnesota State Colleges and Universities	466,220,000	470,927,000	937,147,000
Board of Regents of the University of Minnesota	483,860,000	485,124,000	968,984,000
Mayo Medical Foundation	825,000	945,000	1,770,000
		APPROPRIATIONS Available for the Year Ending June 30	
		1996	1997

Sec. 2. HIGHER EDUCATION SERVICES OFFICE

Subdivision 1. Total Appropriation	115,993,000	120,193,000
------------------------------------	-------------	-------------

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

Subd. 2. State Grants	95,745,000	99,945,000
-----------------------	------------	------------

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 services office make full grant awards in each year of the biennium.

For the biennium, the private institution tuition maximum shall be \$7,665 for four-year institutions and \$5,900 for two-year institutions.

This appropriation contains money to

set the living and miscellaneous expense allowance at \$4,115 in the first year and \$4,200 in the second year.

If money is not appropriated in separate legislation for the LINC nursing grant program, the higher education services office may spend \$25,000 each year from this appropriation for the LINC program.

In order to maximize the eligibility period for students who transfer to four-year institutions, public and private two-year colleges shall review their credit requirements for program completion and examine the number of credits of financial aid eligibility that students use in the first two years.

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.

If the federal government enacts a federal student loan risk sharing fee, the higher education services office shall recover the fee by billing the institutions that have a cohort loan default rate greater than the federal law permits.

Subd. 3. Interstate Tuition Reciprocity
4,500,000 4,500,000

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 services office is authorized to negotiate a reciprocity agreement with the province of Ontario.

Subd. 4. State Work Study
8,219,000 8,219,000

Subd. 5. Minitex Library Program
2,108,000 2,108,000

Subd. 6. Learning Network of Minnesota
3,050,000 3,050,000

Subd. 7. Income Contingent Loans

The higher education services office 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 services office for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program under Minnesota Statutes, section 136A.162. No new applicants may be accepted after June 30, 1995.

Subd. 8. Agency Administration
2,371,000 2,371,000

The amount that may be spent for the parent and student information activity shall not exceed \$95,000 each year.

This appropriation includes money for the Minnesota Minority Education Partnership.

Money encumbered in fiscal year 1994 and fiscal year 1995 for youth works postservice benefits shall not cancel but is available until the participants for whom the money was encumbered are no longer eligible to draw benefits.

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 services office may transfer unencumbered balances from the appropriations in this section to the state grant appropriation and the interstate tuition reciprocity appropriation.

Sec. 3. BOARD OF TRUSTEES OF
THE MINNESOTA STATE COL-
LEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation

466,220,000	470,927,000
-------------	-------------

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

If the state university board or the board of trustees of the Minnesota state colleges and universities is reimbursed under Minnesota Statutes, section 115B.43, for expenses relating to the cleanup of the Kummer landfill, the state university board or the board of trustees shall cancel the amount reimbursed to the state general fund.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$214,536,000 each year for the technical colleges.

The legislature estimates that instructional expenditures will be \$145,565,000 each year for community colleges.

The legislature estimates that instructional expenditures will be \$253,612,000 each year for state universities.

During the biennium neither the board nor 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.

This appropriation includes continued support of at least \$400,000 each year for the Mid-Tec and Heartland Telecommunications Networks.

This appropriation includes \$40,000 each year for American Indian outreach. The legislature anticipates this money will assist the Fond Du Lac campus to recruit, advise, and retain American Indian students.

It is the intent of the legislature to hold the Minnesota state colleges and universities accountable for making budgetary and policy decisions that provide students with access to high quality education and training programs. Significant and demonstrable progress toward the goals in this subdivision and in section 6, subdivision 2, are expected in this biennium for consideration in funding decisions in the next supplemental budget and in the 1998-1999 biennial budget.

The commissioner of finance shall place \$5,000,000 of the second year appropriation in a performance incentive account. The commissioner shall release \$1,000,000 of this amount to the board of trustees each time that it demonstrates that it has achieved one of the following performance measures:

- (1) increase the percentage of the budget directed to instruction and academic resources;
- (2) increase the number of credits issued through telecommunications between fiscal year 1995 and fiscal year 1996;

(3) increase the retention of new entering freshman on state university campuses who continue into the sophomore year between fiscal year 1995 and fiscal year 1996 by at least two percent. The appropriation shall be distributed to those campuses that achieve the increase;

(4) increase the percentage of students in two-year programs who graduate within two years of admission, and the percentage of students in four-year programs who graduate within four years of admission by at least two percent. The appropriation shall be distributed to campuses that achieve the increase; and

(5) increase in placement rates for occupational programs and transfer rates for academic programs for community and technical colleges.

The legislature expects the board of trustees to demonstrate its commitment to enhancing educational quality, including high priority initiatives that capitalize on opportunities created by merger for: joint programs with the University of Minnesota for faculty, staff, and administrative development; enhanced opportunities for students of color; and opportunities for using technology to the advantage of students and faculty.

The legislature further expects the board of trustees to make difficult choices in its allocations, based on critical evaluations of its campuses and programs, including actions to address the 14 duplicate two-year programs located within 35 miles of each other, as identified by the legislative auditor, for which no action has yet been taken.

Each college and university shall demonstrate to the board that, in the face of

severe budget constraints, it has identified those programs and functions that are central to the mission of that campus and are most critical to meeting student needs, and that the campus has redirected resources to those identified areas to protect the core educational enterprise. Further, each campus shall demonstrate that it has taken actions to improve the productivity of faculty, administrators, and staff.

The amounts for library access; Fond du Lac American Indian student outreach; incentives for co-located campuses; increased instructional appropriations; performance funding; instructional equipment; conversion to semesters; systemwide computer system development for accounting, payroll, personnel, procurement, and student records; staff training for use of systems; staff restructuring, separation payments, and unemployment insurance; and development of library collections and curriculum at Metro State University are for these purposes only and shall be nonrecurring. The amounts are \$8,741,000 in fiscal year 1996 and \$16,147,000 in fiscal year 1997.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$17,231,000 the first year and \$16,937,000 the second year for the technical colleges.

The legislature estimates that the noninstructional expenditures will be \$10,349,000 each year for the community colleges.

The legislature estimates that the noninstructional expenditures will be \$14,573,000 each year for the state universities.

\$508,000 the first year and \$214,000 the second year are for debt service payments.

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

Because of its interest in improving efficiency and streamlining government operations, the legislature intends to measure the effects of removing a campus from mandates imposed by state agencies, other than basic health and life safety issues, ADA regulations, audit requirements, and employment, affirmative action, and collective bargaining issues. Notwithstanding any law to the contrary, the board shall designate as a pilot site a state university which has a commitment to establishing cooperative arrangements with the private sector and involvement in quality initiatives. The board shall consult with the commissioner of administration in the process. The board and the university shall recommend to the legislature any statutory changes that this pilot demonstrates will promote efficiency and economy on some or all Minnesota state college and university campuses, while protecting public interests.

Subd. 4. State Council on Vocational Technical Education

The appropriation in subdivision 1 includes money for the state council on vocational education.

Sec. 4. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation	483,860,000	485,124,000
------------------------------------	-------------	-------------

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

Subd. 2. Operations and Maintenance	395,432,000	396,421,000
-------------------------------------	-------------	-------------

(a) Instructional Expenditures

The legislature estimates that instructional expenditures will be \$421,089,000 the first year and \$421,696,000 the second year.

The university is requested to examine the feasibility of establishing a higher education research center to provide applied research on public policy trends, issues, and problems in higher education, particularly as they apply to Minnesota.

The commissioner of finance shall place \$5,000,000 of the second year appropriation in a performance incentive account. The \$5,000,000 is a nonrecurring appropriation. The commissioner shall release \$1,000,000 of this amount to the board of regents each time the university presents evidence that it has achieved one of the following performance measures:

- (1) increases at the Twin Cities campus, excluding general college, in the percent of 1996 new entering freshmen ranking in the top 25 percent of their high school class;
- (2) increases in the rate of retention of 1995 new entering freshmen;
- (3) increases in the number of 1996 new entering freshmen who are minority students and increases in the percent of faculty hired in 1995-1996 who are women or minorities;
- (4) increases in the five-year graduation rate measured between August 1994 and August 1996; and
- (5) increases in the number of credits issued through telecommunications between fiscal year 1995 and fiscal year 1996.

If money is not appropriated in separate

legislation for the rural physicians program, \$300,000 of this appropriation shall be added to the Duluth two-year medical school to enhance the efforts to train rural physicians. This is a non-recurring appropriation.

The amounts for U-2000; wheat and barley scab research; performance funding; 1994 U-2000 supplement; and part of the Cambridge Bank reduction restoration are for those purposes only and shall be nonrecurring. The amounts are \$26,268,000 in fiscal year 1996 and \$27,532,000 in fiscal year 1997.

(b) Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$104,994,000 each year.

Subd. 3. Special Appropriation

88,428,000

88,703,000

The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 1997 biennial budget document.

(a) Agriculture and Extension Service

47,547,000

47,797,000

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

\$500,000 in each year is for additional wheat and barley scab research.

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 rep-

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

17,758,000 17,758,000

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, Health Sciences Research, and the Biomedical Engineering Center.

(c) Institute of Technology

3,067,000 3,067,000

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

(d) System Specials

20,056,000 20,081,000

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, Bell Museum of Natural History, the Leadership Academy Program, and the Humphrey Exhibit. The appropriation for the Leadership Academy Program is non-recurring.

By January 15, 1996, the board of regents is requested to provide its final

report and its consultant's report on the policies and practices it has planned or implemented to comply with title VII, title IX, and the Equal Pay Act, as they apply across university activities, including men's and women's athletic coaching.

Subd. 4. Specials Transfer

The appropriation in subdivision 3, paragraph (b), for Medical Research, Special Hospitals Service and Educational Offset, and the Institute for Human Genetics; and in paragraph (c) for the Underground Space Center, Microelectronics and Information Science Center, and the Center for Advanced Manufacturing, Design, and Control; and in paragraph (d) for the Fellowships for Minority and Disadvantaged Students, Intercollegiate Athletics, Sea Grant College Program, Biological Process Technology Institute, and the Supercomputer Institute shall be merged with the operation and maintenance funding in subdivision 2, effective June 30, 1997.

Sec. 5. MAYO MEDICAL FOUNDATION

Subdivision 1. Total Appropriation	825,000	945,000
------------------------------------	---------	---------

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

Subd. 2. Medical School		
	429,000	429,000

The state of Minnesota shall pay a capitation of \$10,736 each 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

396,000 396,000

The state of Minnesota provides a capitation of \$13,192 each year for each student.

Subd. 4. St. Cloud Hospital-Mayo Family Practice Residency Program

120,000

This appropriation is to the Mayo Foundation to support four resident physicians in the St. Cloud Hospital-Mayo Family Practice Residency Program. This appropriation is contingent upon \$950,000 in matching money being made available from nonstate sources. The program shall prepare doctors to practice primary care medicine in the rural areas of the state. It is intended that this program will improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. This appropriation is nonrecurring.

Sec. 6. POST-SECONDARY SYSTEMS

Subdivision 1. Settlements

The board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities are requested to summarize and report on all out-of-court settlements involving the University of Minnesota and the state colleges and universities to the chairs of the house and senate education committees. The report shall not specifically identify settlements that are covered under confidentiality agreements or orders.

Subd 2. Accountability Measures

The board of regents of the University of Minnesota is requested to, and the board of trustees of the Minnesota state colleges and universities shall, establish:

- (1) a set of accountability measures that reflect each system's specific mission; and
- (2) goals to improve each system's performance on the measures established.

Each system shall establish both system-level and institution-level accountability measures and goals. Each system will report to the legislature in the biennial budget document on the measures selected and timeline for achieving the established goals. In addition, each system will include baseline data and a description of the processes implemented to evaluate progress toward the goals established. Examples of goals include:

- (1) develop a post-tenure review process;
- (2) increase student satisfaction with the education received;
- (3) improve time to completion rates;
- (4) reduce the number of credits required to receive a degree; and
- (5) assess employer satisfaction with graduates from different programs.

ARTICLE 2

ADDITIONAL PROVISIONS

Section 1. Minnesota Statutes 1994, section 135A.031, subdivision 2, is amended to read:

Subd. 2. **APPROPRIATIONS FOR CERTAIN ENROLLMENTS.** The state share of the estimated expenditures for instruction shall vary for some categories of students, as designated in this subdivision.

(a) The state must provide at least 67 percent of the estimated expenditures for:

(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 or provinces 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 the 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.

(b) ~~The state must provide 32 percent of the estimated expenditures for definition of full year equivalent for purposes of the formula calculations in this chapter is twice the normal value for the following enrollments:~~

(1) students who are concurrently enrolled in a public secondary school and for whom the institution is receiving any compensation under the post-secondary enrollment options act; and

(2) students enrolled under the student exchange program of the Midwest Compact.

(c) The state may not provide any of the estimated expenditures for undergraduate students (1) who do not meet the residency criteria under paragraph (a), or (2) who have completed, without receiving a baccalaureate degree, 48 or more quarter credits or the equivalent, applicable toward the degree, beyond the number required for a baccalaureate in their major. Credits for courses in which a student received a grade of "F" or "W" shall be counted toward this maximum, as if the credits had been earned.

Sec. 2. [135A.042] FEE WAIVER.

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

The president of a state university, community college, or technical college may waive the fee assessed to a student applying for admission, if the president determines that the fee would impose an economic hardship on the student or the student's family.

Sec. 3. [135A.101] POST-SECONDARY ENROLLMENT OPTIONS.

Subdivision 1. REQUIREMENTS FOR PARTICIPATION. To participate in the post-secondary enrollment options program, a college or university must abide by the provisions in this section. The institution may provide information about its programs to a secondary school or to a pupil or parent, but may not recruit or solicit participation on financial grounds.

Subd. 2. PROHIBITION. An institution shall not enroll secondary pupils, for post-secondary enrollment options purposes, in developmental courses or other courses that are not college level. For the purposes of this section, a "developmental course" means a post-secondary course taken to prepare a student for college-level work and for which the post-secondary institution does not grant credit or which cannot be used to meet degree, diploma, or certificate requirements.

Sec. 4. [135A.181] ACADEMIC CALENDAR.

Subdivision 1. TRANSITION TO SEMESTER SYSTEM. The board of trustees of the Minnesota state colleges and universities shall convert, and the board of regents of the University of Minnesota is requested to convert, to the semester system by the 1998-1999 academic year. The public post-secondary institutions shall review and revise the content and structure of their academic programs, degrees, and courses, and prepare new course materials as necessary. Each public post-secondary board shall submit information on the progress to a semester system in the 1997 biennial budget document.

Subd. 2. COMMON CALENDAR. The semester system required in subdivision 1 shall be offered on a common calendar throughout all campuses under the jurisdiction of the board of trustees of the Minnesota state colleges and universities. This calendar shall include a common start and end date for each semester as well as common summer school schedules. The board of trustees may exempt a campus from this calendar if they determine that because of extenuating circumstances an alternative calendar would better serve students' needs.

Subd. 3. REPEALER. This section is repealed June 30, 1999.

Sec. 5. [135A.19] FINANCIAL EMERGENCY.

The board of trustees of the Minnesota state colleges and universities and the board of regents of the University of Minnesota may immediately layoff employees, without notice, if the respective board has declared a financial emergency. All other contractual provisions relating to layoffs continue to apply. A financial emergency may be declared if, at any time: (1) the projected revenue for the system from tuition and the general fund for the current or next fiscal year is less than 93 percent of the anticipated expenditures in the board

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

approved budget, and (2) if tuition would need to be increased more than three times the annual inflation rate to solve the shortfall.

For employees of the Minnesota state colleges and universities covered under a collective bargaining agreement, this section applies to all collective bargaining agreements effective after July 1, 1995, and shall be effective for each collective bargaining agreement covering those employees the day after it has been ratified by the legislative commission on employee relations. For represented employees of the University of Minnesota, this section applies the day following signing of the next agreement. For employees not covered by a collective bargaining agreement, this section is effective July 1, 1995. The board of trustees of the Minnesota state colleges and universities and the board of regents of the University of Minnesota shall balance layoffs of faculty, other employees, and administrators. The boards should strive to provide uninterrupted service and instruction to students.

Sec. 6. [136A.136] **NURSING GRANT PROGRAM.**

Subdivision 1. ESTABLISHMENT. A nursing grant program is established under the supervision of the higher education services office and the administration of the metropolitan healthcare foundation's project LINC (Ladders in Nursing Careers) to provide grants to Minnesota health care facility employees seeking to complete a baccalaureate or master's degree in nursing.

Subd. 2. RESPONSIBILITY OF METROPOLITAN HEALTHCARE FOUNDATION'S PROJECT LINC. The metropolitan healthcare foundation's project LINC shall administer the grant program and award grants to eligible health care facility employees. To be eligible to receive a grant, a person must be:

(1) an employee of a health care facility located in Minnesota, whom the facility has recommended to the metropolitan healthcare foundation's project LINC for consideration;

(2) working part time, up to 32 hours per pay period, for the health care facility, while maintaining full salary and benefits;

(3) enrolled full time in a Minnesota school or college of nursing to complete a baccalaureate or master's degree in nursing; and

(4) a resident of the state of Minnesota.

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. The grant must be used for tuition, fees, and books. Priority in awarding grants shall be given to persons with the greatest financial need. The health care facility may require its employee to commit to a reasonable postprogram completion of employment at the health care facility as a condition for the financial support the facility provides.

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

Subd. 3. RESPONSIBILITY OF HIGHER EDUCATION SERVICES OFFICE. The higher education services office shall distribute money each year, contingent upon an appropriation, to the metropolitan healthcare foundation's project LINC to be used to award grants under this section, provided that the higher education services office shall not distribute the money unless the metropolitan healthcare foundation's project LINC matches the money with an equal amount from nonstate sources. The metropolitan healthcare foundation's project LINC shall expend nonstate money prior to expending state money and shall return to the higher education services office all state money not used each year for nursing program grants to be redistributed under this section. The metropolitan healthcare foundation's project LINC shall report to the higher education services office on its program activity as requested by the office.

Sec. 7. Minnesota Statutes 1994, section 136E.525, subdivision 3, is amended to read:

Subd. 3. CONSOLIDATION. ~~No~~ Changes may be made to student associations located on community college, state university, technical college, or consolidated colocated campuses ~~without~~ with the approval of the students of each affected campus ~~association in consultation with its state student association.~~

Sec. 8. [136E.60]. ADMINISTRATIVE INTERACTION WITH STUDENTS.

Subdivision 1. SYSTEM AND CAMPUS ADMINISTRATORS. As part of their annual goal setting activity, all unrepresented system and campus academic administrators employed in their positions before July 1, 1995, shall have the expectation of substantially increasing their interaction with students through activities such as teaching a regularly scheduled course or serving as an academic advisor. Contracts for persons initially employed in unclassified administrative positions on or after July 1, 1995, shall include requirements for activities involving student contact.

Subd. 2. EVALUATION. Each state university, community college, and technical college campus shall provide an evaluation of this activity to the board, and the board shall include a summary of campus and system activities in its 1998-1999 biennial budget request.

Sec. 9. Minnesota Statutes 1994, section 179A.07, subdivision 4, is amended to read:

Subd. 4. OTHER COMMUNICATION. If an exclusive representative has been certified for an appropriate unit, the employer shall not meet and negotiate or meet and confer with any employee or group of employees who are in that unit except through the exclusive representative. This subdivision does not prevent communication to the employer, other than through the exclusive representative, of advice or recommendations by professional employees, if this communication is a part of the employee's work assignment. This subdivision does not prevent communication between public post-secondary employers and

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

post-secondary professional employees, other than through the exclusive representative, regarding policies and matters that are not terms and conditions of employment.

Sec. 10. Minnesota Statutes 1994, section 363.03, subdivision 5, is amended to read:

Subd. 5. **EDUCATIONAL INSTITUTION.** It is an unfair discriminatory practice:

(1) To discriminate in any manner in the full utilization of or benefit from any educational institution, or the services rendered thereby to any person because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance, sexual orientation, or disability, or to fail to ensure physical and program access for disabled persons. For purposes of this paragraph, program access includes but is not limited to providing taped texts, interpreters or other methods of making orally delivered materials available, readers in libraries, adapted classroom equipment, and similar auxiliary aids or services. Program access does not include providing attendants, individually prescribed devices, readers for personal use or study, or other devices or services of a personal nature.

(2) To exclude, expel, or otherwise discriminate against a person seeking admission as a student, or a person enrolled as a student because of race, color, creed, religion, national origin, sex, age, marital status, status with regard to public assistance, sexual orientation, or disability.

(3) To make or use a written or oral inquiry, or form of application for admission that elicits or attempts to elicit information, or to make or keep a record, concerning the ~~race, color, creed, religion, national origin, sex, age, marital status,~~ sexual orientation, or disability of a person seeking admission, except as permitted by rules of the department.

(4) To make or use a written or oral inquiry or form of application that elicits or attempts to elicit information, or to keep a record concerning the race, color, national origin, sex, age, or marital status of a person seeking admission, unless the information is collected for purposes of evaluating the effectiveness of recruitment, admissions, and other educational policies, and is maintained separately from the application.

Sec. 11. 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; Laws 1991, chapter 208, section 2; and Laws 1993, First Special Session chapter 2, article 6, 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, ~~1995~~ 1997.

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

Sec. 12. Laws 1993, First Special Session chapter 2, article 1, section 9, subdivision 6, is amended to read:

Subd. 6. POST Board

Beginning in fiscal year ~~1996~~ 1998, 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.

Sec. 13. Laws 1994, chapter 643, section 69, is amended by adding a subdivision to read:

Subd. 1a. FINANCING SOURCE REVIEW. The task force shall identify current library financing sources and make recommendations on how to use the money more efficiently. The task force shall also identify additional financing sources. By February 1, 1996, the task force shall provide recommendations to the legislature on financing structures that are designed to promote cooperation and collaboration among all libraries.

Sec. 14. Laws 1994, chapter 643, section 69, is amended by adding a subdivision to read:

Subd. 1b. ELECTRONIC LIBRARY COORDINATION PLANNING. The task force shall build upon the leadership initiatives provided by MINITEX and the post-secondary systems, relating to the development of electronic library and information services, and develop a vision of, and plans for, the coordinated use of electronic storage and transmission in providing library and information services. The plans shall:

- (1) explore the feasibility of consolidating the PALS and LUMINA systems;
- (2) explore and make recommendations about joint acquisition of electronic access to information;
- (3) plan for the coordinated use of electronic storage and transmission in providing library and information services to Minnesota post-secondary systems, public libraries, and elementary and secondary school libraries, including appropriate connections to the Internet and eventually to the national information infrastructure;

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

(4) provide for, and make recommendations about, appropriate governance and administrative structures, if needed;

(5) provide for approaches necessary to meet the needs of distance learners;
and

(6) identify, study, and make recommendations on any other matters that the task force deems necessary for the coordination and expansion of technologies in the provision of library and information services.

The task force shall coordinate its work with the telecommunications council, the government information access council, the MINITEX advisory committee, and the advisory council to the office of library development and services in the department of education.

Sec. 15. CREDIT TRACKING.

The board of regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities are requested to develop a centralized electronic tracking system of credits earned by students.

Sec. 16. COMPENSATION PLANS AND LABOR AGREEMENTS.

In negotiating labor agreements that are collectively bargained and compensation plans for all public higher education system employees, the legislature expects the board of trustees of the Minnesota state colleges and universities, the board of regents of the University of Minnesota, the commissioner of employee relations, and the legislative commission on employee relations to achieve these goals:

(1) define the expected work activities and other professional responsibilities of all employees in order to increase course availability to students, to enhance instructional quality, to ensure student access to faculty, and to ensure that institution and system missions are served;

(2) reassess existing layoff procedures, tuition waivers, layoff notices, employee transfers between campuses, employee evaluations, and sabbaticals to ensure that institutional and system missions are served;

(3) define reasonable work week and work year for full-time employees to ensure that institutional and system missions are served; and

(4) articulate a common understanding regarding when system administrators may interact with employees outside of meet and confer provisions in collective bargaining agreements.

Sec. 17. AKITA.

Subdivision 1. INTENT. The legislature intends to provide opportunities for international programs that enhance the global perspective and understand-

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

ing of post-secondary students. However, with increasing fiscal constraints, the legislature intends that these programs operate in an efficient and effective manner.

Subd. 2. PLAN. The state university board and the board of trustees of the state colleges and universities shall begin immediately to prepare and implement a plan to make the Akita program more efficient. The plan shall provide for the expansion of enrollment in the Akita program and, by the 1997-1998 academic year, for the reduction of the per full year enrollment expenditure level associated with the program. The boards shall work in cooperation with the state university campuses and other Minnesota colleges and universities to determine the reasons for the low enrollment levels in the Akita program and to find efficient ways to address these enrollments. The boards shall also examine the uses of state money in support of the program, determine more efficient ways to use state resources, and seek more nonstate funding. As part of the plan, the boards shall specify the interim and final measures that will be used to determine the effectiveness of the plan, including appropriate programmatic cost comparisons and specific targets for reduction of state expenditures.

Subd. 3. RECOMMENDATIONS. By September 15, 1995, the board of trustees shall forward its recommendations and performance measures to the chairs of the higher education divisions of the senate and house education committees. As part of its 1998-1999 biennial budget request, the board of trustees shall include documentation on the effectiveness of its plan including the Akita program's performance on each of the measures in the plan.

Sec. 18. FACILITY USE.

The post-secondary governing boards and their campuses shall determine ways in which campus facilities can be used more efficiently in order to (1) reduce the need for state physical plant investments, and (2) to improve students' opportunities for timely completion. The boards shall consider schedule changes such as expanded summer terms, increased weekend and evening courses, short courses, and other scheduling alternatives. As part of their 1998-1999 biennial budget requests, the boards shall demonstrate the changes that their campuses have made or plan to make, and the performance measures that will be used to determine the effectiveness of these changes.

Sec. 19. INTERPRETING AND TRANSLATING PROGRAM.

Subdivision 1. CHARGE. The board of trustees of the state colleges and universities shall develop a model instruction program in spoken language interpreting and translating services, as provided in this section. In developing the program, the board shall consult with the University of Minnesota; non-English speaking communities; the prosecution, defense, and judiciary systems; the interpreting and translating communities; battered women's programs; and government and nonprofit agencies providing human, social, and health services.

Subd. 2. DEFINITIONS. For the purposes of this section, the following definitions apply.

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

(a) "Interpreter" means any person who is readily able to comprehend a message uttered in one language and reexpress that message in a spoken form in a second language without modifying the meaning in any significant way.

(b) "Translator" means any person who is readily able to comprehend a message written in one language and reexpress the message in a written form in a second language without modifying the meaning in any significant way.

Subd. 3. BOARD RESPONSIBILITIES. (a) The board shall determine the need for, and recommend programs to meet educational training needs in, spoken language interpreting and translating services at the certificate level, associate degree level, or both. Courses shall be designed to articulate with advanced education and training programs in the field. The curriculum shall, at a minimum, include instruction in:

(1) spoken language proficiency to meet potential client needs;

(2) technical terminology needed for specialization;

(3) ethical standards involved in interpreting and translating;

(4) background in the culture of the language relevant to the interpretation and translation;

(5) internship needs and other practical opportunities to serve clients; and

(6) fundamental skills in effective interpreting and translating.

(b) The board shall review and recommend programs to train providers in the appropriate use of interpreters and translators.

(c) The board shall:

(1) collect and review recent data to determine the number of non-English speaking residents and the native language of these persons;

(2) determine geographic areas in Minnesota with the greatest need for spoken language and translator services;

(3) determine the most efficient and effective ways of delivering the program to areas of need;

(4) recommend what provider or providers can best implement and deliver the program, with emphasis on encouraging collaborative efforts;

(5) determine the cost of implementing and providing the program, including the possibility of competitive grants; and

(6) consult with persons developing the statewide judicial interpreter certification and training program under Laws 1994, chapter 636, article 1, section 14.

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

(d) The board shall transmit its recommendations, together with its plan to develop appropriate programs, to the appropriate committees of the legislature by January 20, 1996.

Sec. 20. CAREER PLANNING AND JOB PLACEMENT INFORMATION.

Subdivision 1. PLAN. The state universities, community colleges, and technical colleges shall each develop and implement plans, in conjunction with the board of trustees, to provide job placement history and projected demand to students at the time the student declares a major program or field of study. The University of Minnesota campuses are requested to develop and implement similar plans.

Subd. 2. CONTENTS. Information provided must include program placement history, and projected demand in the field and in associated types of placement, using labor market forecasting information from the department of economic security. The plan must provide for students to indicate in writing that they received the information.

Subd. 3. OUTCOMES. As part of its biennial budget request, the board of trustees shall demonstrate its efforts to better inform students about careers and provide a summary of job placement data.

Sec. 21. SABBATICALS.

The board of trustees of the Minnesota state colleges and universities shall develop policies and procedures to ensure that the granting of sabbaticals is for the purpose of encouraging special studies, investigations, and research that contribute to the quality of education, scholarship, and service. To fulfill this purpose, the policies shall primarily grant sabbaticals to faculty and to administrators with academic responsibilities. Additionally, the policies shall provide for annual summary reporting to the board of all sabbatical plans approved by a president or the chancellor, as appropriate, with final summary reports of results achieved and the salary and other costs paid on behalf of the faculty members or administrators during the sabbaticals. The board of regents of the University of Minnesota is requested to review its sabbatical policies, and to make any necessary adjustments to meet the purpose described in this section, and also provide for the reporting of sabbatical related information.

Sec. 22. REPEALER.

Minnesota Statutes 1994, sections 136A.16, subdivision 11; 137.31, subdivision 6; 137.35, subdivision 4; and 137.38, are repealed.

Sec. 23. EFFECTIVE DATES.

Section 1, paragraph (c), is effective July 1, 1995, for students beginning classes as freshmen in a Minnesota public post-secondary institution. Section 17 is effective the day following final enactment.

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

ARTICLE 3

HIGHER EDUCATION SERVICES OFFICE AND FINANCIAL AID

Section 1. Minnesota Statutes 1994, section 126.56, is amended to read:

126.56 SUMMER SCHOLARSHIPS FOR ACADEMIC ENRICHMENT.

Subdivision 1. **ESTABLISHMENT.** A scholarship program is established to enable secondary students to attend summer programs sponsored by post-secondary institutions.

Subd. 2. **ELIGIBLE STUDENT.** To be eligible for a scholarship, a student shall:

- (1) be a United States citizen or permanent resident of the United States;
- (2) be a resident of Minnesota;
- (3) attend an eligible program;
- (4) have completed at least one year of secondary school but not have graduated from high school;
- (5) have earned at least a B average during the semester or quarter prior to application, or have earned at least a B average during the semester or quarter prior to application in the academic subject area applicable to the summer program the student wishes to attend; and
- (6) demonstrate need for financial assistance.

Subd. 3. **FINANCIAL NEED.** Need for financial assistance shall be based on family income, family size, and special necessary expenditures of the family. The higher education ~~coordinating board~~ services office shall review the financial need of each pupil to meet the actual costs of attending the summer program, as determined by the institution sponsoring the summer program. The ~~board office~~ shall award scholarships within the limits of the appropriation for this section. If the amount appropriated is insufficient, the ~~board office~~ shall allocate the amount appropriated in the manner it determines. A scholarship shall not exceed \$1,000.

Subd. 4. **ELIGIBLE INSTITUTIONS.** A scholarship may be used only at an eligible institution. A Minnesota public post-secondary institution is an eligible institution. A private post-secondary institution is eligible if it:

- (1) is accredited by the North Central Association of Colleges;
- (2) offers an associate or baccalaureate degree program approved under section 136A.65, subdivision 1; and
- (3) is located in Minnesota.

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

Subd. 4a. **ELIGIBLE PROGRAMS.** A scholarship may be used only for an eligible program. To be eligible, a program must:

(1) provide, as its primary purpose, academic instruction for student enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign languages;

(2) not be offered for credit to post-secondary students;

(3) not provide remedial instruction;

(4) meet any other program requirements established by the state board of education and the higher education ~~coordinating board~~ services office; and

(5) be approved by the commissioner.

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~~ services office 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~~ services office 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~~, and a state university representative appointed by the ~~state university~~ chancellor of the Minnesota state colleges and universities, and a University of Minnesota representative appointed by the president of the University of Minnesota. The committee expires June 30, ~~1995~~ 1997.

Subd. 6. **INFORMATION.** The higher education ~~coordinating board~~ services office, in cooperation with the academic excellence foundation, shall assemble and distribute information about scholarships and eligible programs.

Subd. 7. **ADMINISTRATION.** The higher education ~~coordinating board~~ services office and commissioner shall determine the time and manner for scholarship applications, awards, and program approval.

Subd. 8. **EXEMPTION FROM RULEMAKING.** Sections 14.01 to 14.47 do not apply to this section.

Sec. 2. Minnesota Statutes 1994, section 126.663, subdivision 3, is amended to read:

Subd. 3. **MODEL LEARNER OUTCOMES.** The department shall develop and maintain model learner outcomes in state board identified subject areas, including career vocational learner outcomes. The department shall make

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

learner outcomes available upon request by a district. Learner outcomes shall be for pupils in early childhood through grade 12. The department shall consult with each of the public post-secondary systems ~~and with the higher education coordinating board~~ in developing model learner outcomes appropriate for entry into post-secondary institutions. Learner outcomes shall include thinking and problem solving skills.

Sec. 3. Minnesota Statutes 1994, section 135A.08, subdivision 1, is amended to read:

Subdivision 1. **COURSE EQUIVALENCY.** The regents of the University of Minnesota; ~~state university board, state board for community colleges, and state board of technical colleges, in conjunction with the higher education coordinating board, and the trustees of the Minnesota state colleges and universities~~ shall develop and maintain course equivalency guides for use between institutions that have a high frequency of transfer. ~~Subject to the determination of the higher education coordinating board made in consultation with the state board of technical colleges,~~ Course equivalency guides shall not be required for vocational technical programs that have not been divided into identifiable courses. The governing boards of private institutions that grant associate and baccalaureate degrees and that have a high frequency of transfer students are requested to participate in developing these guides.

Sec. 4. Minnesota Statutes 1994, section 135A.08, subdivision 2, is amended to read:

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

Sec. 5. Minnesota Statutes 1994, section 135A.10, subdivision 1, is amended to read:

Subdivision 1. **POLICY AND PROCEDURES TO AWARD CREDIT.** The board of regents of the University of Minnesota; ~~the state university board, and the state board for community colleges~~ board of trustees of the Minnesota state colleges and universities shall each develop a clear and uniform policy for its system for awarding post-secondary credit toward a degree for a student who earns an acceptable score on an advanced placement program examination. Each policy must include procedures to inform students and prospective students about credit award and procedures to assure implementation on each campus. ~~The higher education coordinating board shall assist in developing the policy.~~

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

Sec. 6. Minnesota Statutes 1994, section 135A.12, subdivision 1, is amended to read:

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

Sec. 7. Minnesota Statutes 1994, section 135A.15, subdivision 1, is amended to read:

Subdivision 1. **POLICY REQUIRED.** The ~~governing board of each public technical college, community college, or state university trustees of the Minnesota state colleges and universities~~ shall, and the University of Minnesota is requested to, adopt a clear, understandable written policy on sexual harassment and sexual violence that informs victims of their rights under the crime victims bill of rights, including the right to assistance from the crime victims reparations board and the office of the crime victim ombudsman. The policy must apply to students and employees and must provide information about their rights and duties. The policy must apply to criminal incidents occurring on property owned by the post-secondary system or institution in which the victim is a student or employee of that system or institution. It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators. During student registration, each technical college, community college, or state university shall, and the University of Minnesota is requested to, provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times. Each private post-secondary institution that ~~enrolls students who receive state financial aid is an eligible institution as defined in section 136A.101, subdivision 4,~~ must adopt a policy that meets the requirements of this section. ~~The higher education coordinating board shall coordinate the policy development of the systems and institutions and periodically provide for review and necessary changes in the policies.~~

Sec. 8. Minnesota Statutes 1994, section 135A.153, subdivision 1, is amended to read:

Subdivision 1. **CREATION AND DESIGNATION.** The higher education center on violence and abuse is created. The higher education center on violence and abuse shall be located at and managed by a public or private post-secondary institution in Minnesota. ~~The higher education coordinating board shall designate the location of the center following review of proposals from potential higher education sponsors.~~

Sec. 9. Minnesota Statutes 1994, section 136A.01, is amended to read:

136A.01 HIGHER EDUCATION SERVICES OFFICE.

Subdivision 1. CREATION. ~~A coordinating board~~ An office for higher edu-

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

ation in the state of Minnesota, to be known as the Minnesota higher education coordinating board services office or HESO, is hereby created.

Subd. 2. RESPONSIBILITIES. The higher education services office is responsible for:

(1) necessary state level administration of financial aid programs, including accounting, auditing, and disbursing state and federal financial aid funds, and reporting on financial aid programs to the governor and the legislature;

(2) approval, registration, licensing, and financial aid eligibility of private collegiate and career schools, under sections 136A.61 to 136A.71 and chapter 141;

(3) administering the telecommunications council under Laws 1993, First Special Session chapter 2, article 5, section 2, the Learning Network of Minnesota, and the statewide library task force;

(4) negotiating and administering reciprocity agreements;

(5) publishing and distributing financial aid information and materials, and other information and materials under section 136A.87, to students and parents;

(6) collecting and maintaining student enrollment and financial aid data;

(7) administering the federal programs that affect students and institutions on a statewide basis; and

(8) prescribing policies, procedures, and rules under chapter 14 necessary to administer the programs under its supervision.

Sec. 10. [136A.011] HIGHER EDUCATION SERVICES COUNCIL.

Subdivision 1. MEMBERSHIP. The higher education services council consists of eight citizens and one student appointed by the governor. In making appointments, the governor shall consider the geographic, gender, and ethnic diversity in the state. No more than five members of the council may belong to the same political party. The student member must be a full-time student enrolled in a Minnesota post-secondary institution at the time of appointment. The student advisory council shall recommend two to four candidates for the student position. The governor is not bound by these recommendations. A non-student member of the council may not be an employee of or receive compensation from a public or private post-secondary institution while serving on the council. A student member may receive compensation as a student body officer or may be a recipient of financial aid, including work study, but may not otherwise be employed or compensated by a post-secondary institution while serving on the council.

The term of each citizen member is six years, and that of the student member is two years. As nearly as possible, one-third of the terms of the members must expire every two years. The compensation, removal of voting members, and filling of vacancies among voting members on the council is governed by section 15.0575, subdivisions 3, 4, and 5.

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

Subd. 2. DUTIES. The council shall:

(1) appoint the director of the higher education services office, as provided in section 136A.03;

(2) provide advice and review regarding the performance of the higher education services office in its duties and in any policies, procedures, or rules the office prescribes to perform its duties; and

(3) communicate with and make recommendations to the governor and the legislature.

Sec. 11. Minnesota Statutes 1994, section 136A.03, is amended to read:

136A.03 EXECUTIVE OFFICERS; EMPLOYEES.

The higher education coordinating board may appoint an executive secretary or director as its principal executive officer, and such other officers and employees as it may deem necessary to carry out its duties. The executive secretary or director of the higher education services office shall possess ~~such the~~ powers and perform ~~such the~~ duties as are delegated prescribed by the board higher education services council and shall serve in the unclassified service of the state civil service. The salary of the executive director shall be established pursuant by the higher education services council according to section 15A.081, subdivision 1. The executive director shall be a person qualified by training and ability or experience in the field of higher education or in educational financial aid administration. The board director may ~~also~~ appoint other ~~officers and~~ professional employees who shall serve in the unclassified service of the state civil service and fix the salaries thereof which shall be commensurate with salaries in the classified service. All other employees shall be in the classified civil service.

An officer or professional employee in the unclassified service as provided in this section is a person who has studied higher education or a related field at the graduate level or has similar experience and who is qualified for a career in ~~some~~ aspect financial aid and other aspects of higher education and for activities in keeping with the planning and administrative responsibilities of the board office and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

Sec. 12. [136A.031] ADVISORY GROUPS.

Subdivision 1. APPOINTMENT. The higher education services council may appoint advisory task forces as necessary to assist in the administration of the higher education services office responsibilities. The task forces' expiration and the terms, compensation, and removal of members are as provided in section 15.059.

Subd. 2. HIGHER EDUCATION ADVISORY COUNCIL. A higher education advisory council (HEAC) is established. The HEAC is composed of the president and the senior vice-president for academic affairs of the University of Minnesota; the chancellor of the Minnesota state colleges and universities; the

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

associate vice-chancellors of the state universities, community colleges, and technical 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 HEAC shall (1) bring to the attention of the higher education services council any matters that the HEAC deems necessary, and (2) review and comment upon matters before the council. The council shall refer all proposals to the HEAC before submitting recommendations to the governor and the legislature. The council shall provide time for a report from the HEAC at each meeting of the council.

Subd. 3. STUDENT ADVISORY COUNCIL. A student advisory council (SAC) to the higher education services council is established. The members of SAC shall include the chair of the University of Minnesota 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 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, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a student designee who attends an institution from the same system that the absent member represents. The SAC shall select one of its members to serve as chair.

The higher education services council shall inform the SAC of all matters related to student issues under consideration and shall refer all proposals to the SAC before taking action or sending the proposals to the governor or legislature. The SAC shall report to the higher education services council quarterly and at other times that the SAC considers desirable. The SAC shall determine its meeting times, but it shall also meet with the council within 30 days after the director's request for a meeting.

The SAC shall:

(1) bring to the attention of the higher education services council any matter that the SAC believes needs the attention of the council;

(2) make recommendations to the higher education services council as it finds appropriate;

(3) appoint student members to the higher education services council advisory groups as provided in subdivision 4; and

(4) provide any reasonable assistance to the council.

Subd. 4. STUDENT REPRESENTATION. If requested by the SAC, the director must place at least one student from an affected educational system on any task force created under subdivision 1. The student member or members shall be appointed by the SAC.

Sec. 13. Minnesota Statutes 1994, section 136A.043, is amended to read:

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

136A.043 INFORMATION TECHNOLOGY.

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

Sec. 14. Minnesota Statutes 1994, section 136A.05, subdivision 1, is amended to read:

Subdivision 1. All public institutions of higher education; ~~all school districts providing post-secondary vocational education;~~ and all state departments and agencies shall cooperate with and supply information requested by the higher education ~~coordinating board~~ services office in order to enable it to carry out and perform its duties. Private post-secondary institutions are requested to cooperate and provide information.

Sec. 15. Minnesota Statutes 1994, section 136A.07, is amended to read:

136A.07 REPORTS.

The higher education ~~coordinating board~~ services office shall report periodically to the governor and legislature concerning its activities ~~from time to time and may report in connection therewith to the governing body of each institution of higher education in the state, both public and private.~~ It shall file a formal report with the governor ~~not later than October 15 of~~ and legislature each even-numbered year so that the information ~~therein contained,~~ including recommendations, may be embodied in the governor's budget message to the legislature. ~~It shall also report to the legislature not later than November 15 of each even-numbered year.~~

Sec. 16. Minnesota Statutes 1994, section 136A.08, is amended to read:

136A.08 RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES OR PROVINCES.

Subdivision 1. **DEFINITIONS.** For the purposes of this section, the terms "province" and "provincial" mean the Canadian province of Manitoba.

Subd. 2. **AUTHORIZATION.** The ~~Minnesota~~ higher education ~~coordinating board~~ services office, 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.

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

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.

Subd. 3. **WISCONSIN.** A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If this provision is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board office and a duly designated agency representing Wisconsin. The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the board office in the general fund of the state treasury. The amount required for the payments shall be certified by the ~~executive~~ director of the ~~higher education coordinating board office~~ board office to the commissioner of finance annually.

Subd. 4. **NORTH DAKOTA; SOUTH DAKOTA.** A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board office and a duly designated agency representing North Dakota. In adopting a formula, the board office shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the board office in the general fund. The amount required for the payments shall be certified by the ~~executive~~ director of the ~~higher education coordinating board office~~ board office to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota, and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 5. **FINANCIAL AID.** The board office may enter into an agreement, with a state or province with which it has negotiated a reciprocity agreement for tuition, to permit students to receive student aid awards from the student's state or province of residence for attending an eligible institution in the other state or province.

Subd. 6. **APPROVAL.** An agreement made by the board office 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 and house for review. The agreement remains valid unless it is disapproved in law.

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

Sec. 17. Minnesota Statutes 1994, section 136A.101, subdivision 2, is amended to read:

Subd. 2. ~~“Board”~~ “Office” means the Minnesota higher education ~~coordi-~~
~~nating board services office.~~

Sec. 18. Minnesota Statutes 1994, section 136A.101, subdivision 3, is amended to read:

Subd. 3. “Director” means the ~~executive~~ director of the Minnesota higher education ~~coordinating board~~ services office.

Sec. 19. Minnesota Statutes 1994, section 136A.101, subdivision 5, is amended to read:

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

Sec. 20. Minnesota Statutes 1994, section 136A.101, subdivision 8, is amended to read:

Subd. 8. “Resident student” means a student who meets one of the following conditions:

(1) an independent student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months without being enrolled at a post-secondary educational institution for more than five credits in any term;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student’s period of attendance at the Minnesota high school; or

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Sec. 21. Minnesota Statutes 1994, section 136A.101, subdivision 10, is amended to read:

Subd. 10. “Satisfactory academic progress” means that:

(1) at the end of a point between a student’s first and second academic year of attendance at an institution;

(2) the student has at least a cumulative grade point average of C or its

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

equivalent, or academic standing consistent with ~~its~~ the institution's graduation requirements; ~~or~~ and

(2) ~~The student's failure to have at least a cumulative grade point average of C or its equivalent, or academic standing consistent with its graduation requirements, was caused by (a) the death of a relative of the student; (b) an injury or illness of the student; or (c) other special circumstances. by the end of the first term of the third and fourth academic year of attendance, (i) the student has a cumulative grade point average of at least a C or its equivalent, (ii) the student's advisor certifies that the student has reviewed the general education requirements necessary for graduation and is making satisfactory progress toward completing them, and (iii) the student's advisor certifies that the student has chosen a major and reviewed the requirements necessary for completion of the major.~~

Sec. 22. Minnesota Statutes 1994, section 136A.121, subdivision 5, is amended to read:

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

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

(2) ~~for an applicant who is not an independent student, a contribution by the grant applicant's parents, the assigned family responsibility, as determined by a standardized the federal need analysis, which for (i) dependent students, is the parental contribution as calculated by the federal need analysis, and for (ii) independent students, is the student contribution as determined by the federal need analysis; and~~

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

The minimum financial stipend is ~~\$100~~ \$300 per academic year.

Sec. 23. Minnesota Statutes 1994, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **COST OF ATTENDANCE.** (a) The recognized cost of attendance consists of allowances specified ~~by the board in law~~ 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 ~~instruc-~~

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

tional costs per full-year equivalent student in comparable public institutions private institution tuition maximums established in law.

(b) For the purpose of paragraph (a), clause (2), "~~comparable public institutions~~" to both the private institution tuition maximum for 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 office~~ shall prorate the recognized cost of attendance to the actual number of credits for which the student is enrolled.

The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in clause (1) or (2), with no allowance for living expenses.

Sec. 24. Minnesota Statutes 1994, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **AWARDS.** An undergraduate student who meets the ~~board's~~ office's requirements is eligible to apply for and receive 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, excluding courses taken from a Minnesota school or post-secondary institution which is not participating in the state grant program and from which a student transferred no credit.

Sec. 25. Minnesota Statutes 1994, section 136A.121, is amended by adding a subdivision to read:

Subd. 9a. FULL-YEAR GRANTS. Students may receive state grants for four consecutive quarters or three consecutive semesters during the course of a single fiscal year. In calculating a state grant for the fourth quarter or third semester, the office must use the same calculation as it would for any other term, except that the calculation must subtract any Pell grant for which a student would be eligible even if the student has exhausted the Pell grant for that fiscal year.

Sec. 26. Minnesota Statutes 1994, section 136A.121, subdivision 16, is amended to read:

Subd. 16. **HOW APPLIED; ORDER.** Grants awarded under this section ~~and sections 136A.132 to 136A.1354~~ must be applied to educational costs in the following order: tuition, fees, books, supplies, and other expenses. Unpaid portions of the awards revert to the grant account.

Sec. 27. Minnesota Statutes 1994, section 136A.125, subdivision 4, is amended to read:

Subd. 4. **AMOUNT AND LENGTH OF GRANTS.** The amount of a child care grant must be based on:

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

- (1) the income of the applicant and the applicant's spouse, if any;
- (2) the number in the applicant's family, as defined by the board; and
- (3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be ~~\$1,500~~ \$1,700 for each eligible child per academic year. The ~~board~~ office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 28. Minnesota Statutes 1994, section 136A.125, subdivision 6, is amended to read:

Subd. 6. **YEARLY ALLOCATIONS TO INSTITUTIONS.** The ~~board~~ office shall base yearly allocations on the need for funds using relevant factors as determined by the ~~board~~ office in consultation with the institutions. Up to five percent of the ~~allocation money spent on students' child care awards~~, as determined by the ~~board~~ office, may be used for an institution's administrative expenses related to the child care grant program. Any money designated, but not used, for this purpose must be reallocated to child care grants. An institution may carry forward or backward ten percent of its annual allocation to be used for awards in the previous or subsequent academic year.

Sec. 29. Minnesota Statutes 1994, section 136A.1359, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT.** A nursing grant program is established under the authority of the higher education ~~coordinating board~~ services office 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, or advanced nursing education.

Sec. 30. Minnesota Statutes 1994, section 136A.1359, subdivision 2, is amended to read:

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

- (1) a citizen of the United States or permanent resident of the United States;
- (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, a baccalaureate degree in nursing, a master's degree in nursing, or program of advanced nursing education; and
- (5) eligible under any additional criteria established by the school, college,

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

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.

Sec. 31. Minnesota Statutes 1994, section 136A.1359, subdivision 3, is amended to read:

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~~ services office for grant money, according to policies established by the ~~board~~ office. 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 grant must be for a minimum of \$2,000 but not exceed \$4,000. 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.

Sec. 32. Minnesota Statutes 1994, section 136A.15, subdivision 3, is amended to read:

Subd. 3. ~~"Board"~~ "Office" means the Minnesota higher education ~~coordinating board~~ services office.

Sec. 33. Minnesota Statutes 1994, section 136A.15, subdivision 4, is amended to read:

Subd. 4. ~~"Director"~~ means the ~~executive~~ director of the Minnesota higher education ~~coordinating board~~ services office.

Sec. 34. Minnesota Statutes 1994, section 136A.16, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding chapter 16B, the Minnesota higher education ~~coordinating board~~ services office is designated as the administrative agency for carrying out the purposes and terms of sections 136A.15 to 136A.1702. The ~~board~~ office may establish one or more loan programs.

Sec. 35. Minnesota Statutes 1994, section 136A.233, subdivision 2, is amended to read:

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

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

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time 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~~ services office.

(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.

(g) "Half-time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Sec. 36. Minnesota Statutes 1994, section 136A.26, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP.** The Minnesota higher education facilities authority shall consist of eight members appointed by the governor with the advice and consent of the senate, and ~~the executive director of the Minnesota higher education coordinating board. The executive director of the coordinating board may designate a member of the director's staff to sit in the director's place as a member of the authority~~ a representative of the higher education services office.

All members to be appointed by the governor shall be residents of the state. At least two members must reside outside the metropolitan area as defined in section 473.121, subdivision 2. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; and at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education.

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

Sec. 37. Minnesota Statutes 1994, section 136A.26, subdivision 2, is amended to read:

Subd. 2. **TERM; COMPENSATION; REMOVAL.** The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the ~~executive director of the higher education coordinating board or the director's designee representative of the higher education services office~~, and the chief executive officer president of the private college council, shall be as provided in section 15.0575.

Sec. 38. Minnesota Statutes 1994, section 136A.42, is amended to read:

136A.42 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures and shall annually ~~make a report thereof to the higher education coordinating board services office. The higher education coordinating board shall review and comment upon the report and make such recommendations as it deems necessary to the governor and the legislature.~~

Sec. 39. Minnesota Statutes 1994, section 136A.62, subdivision 2, is amended to read:

Subd. 2. **BOARD OFFICE.** ~~"Board"~~ "Office" means the Minnesota higher education ~~coordinating board services office.~~

Sec. 40. [136A.685] PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR MISREPRESENTATION.

The office shall not provide registration or degree or name approval to a school if there has been a criminal or civil adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the school or its owner, officers, agents, or sponsoring organization. Such an adjudication of fraud or misrepresentation shall be sufficient cause for the office to determine that a school:

(1) does not qualify for exemption under section 136A.657; or

(2) is not approved to grant degrees or to use the term "academy," "institute," or "university" in its name.

Sec. 41. Minnesota Statutes 1994, section 136A.69, is amended to read:

136A.69 FEES.

The board may office shall collect reasonable registration fees not to exceed \$450 for an initial registration of each school and \$350 for each annual renewal of an existing registration that are sufficient to recover, but do not exceed, its costs of administering the registration program.

Sec. 42. Minnesota Statutes 1994, section 136A.81, subdivision 1, is amended to read:

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

Subdivision 1. **FEES AND TUITION.** Except for an administration fee of ~~\$6 a credit hour~~ established by the governing board at a level to recover costs, to be collected only when a course is taken for credit, a senior citizen who is a legal resident of Minnesota is entitled without payment of tuition or activity fees to attend courses offered for credit, audit any courses offered for credit, or enroll in any noncredit adult vocational education courses in any state supported institution of higher education in Minnesota when space is available after all tuition-paying students have been accommodated. For the purposes of this section and section 136A.80, the term "noncredit adult vocational education courses" shall not include those adult vocational education courses designed and offered specifically and exclusively for senior citizens.

The provisions of this section and section 136A.80 do not apply to non-credit courses designed and offered by the University of Minnesota, and the Minnesota state university system, the community college system, and the technical colleges and universities specifically and exclusively for senior citizens. Senior citizens enrolled under the provisions of this section and section 136A.80 shall not be included by such institutions in their computation of full-time equivalent students when requesting staff or appropriations. The enrollee shall pay laboratory or material fees.

Sec. 43. Minnesota Statutes 1994, section 141.25, subdivision 8, is amended to read:

Subd. 8. **FEES AND TERMS OF LICENSE.** (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by ~~\$650~~ as a non-refundable application fee established by the office that is sufficient to recover, but not exceed, its administrative costs.

(b) All licenses shall expire one year from the date issued by the ~~board office.~~ Each renewal application shall be accompanied by a nonrefundable renewal fee ~~of \$650 established by the office that is sufficient to recover, but does not exceed, its administrative costs.~~

(c) Application for renewal of license shall be made at least 30 days before the expiration of the school's current license. Each renewal form shall be supplied by the ~~board office.~~ 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 office.~~

Sec. 44. Minnesota Statutes 1994, section 144.1487, subdivision 1, is amended to read:

Subdivision 1. **DEFINITIONS.** (a) For purposes of sections 144.1487 to 144.1492, the following ~~definitions apply~~ definition applies.

(b) "~~Board~~" means the higher education coordinating board.

(e) "Health professional shortage area" means an area designated as such by

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

the federal Secretary of Health and Human Services, as provided under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E.

Sec. 45. Minnesota Statutes 1994, section 144.1488, subdivision 1, is amended to read:

Subdivision 1. **DUTIES OF THE COMMISSIONER OF HEALTH.** The commissioner shall administer the state loan repayment program. The commissioner shall:

(1) ensure that federal funds are used in accordance with program requirements established by the federal National Health Services Corps;

(2) notify potentially eligible loan repayment sites about the program;

(3) develop and disseminate application materials to sites;

(4) review and rank applications using the scoring criteria approved by the federal Department of Health and Human Services as part of the Minnesota department of health's National Health Services Corps state loan repayment program application;

(5) select sites that qualify for loan repayment based upon the availability of federal and state funding;

(6) ~~provide the higher education coordinating board with a list of qualifying sites; and~~

(7) carry out other activities necessary to implement and administer sections 144.1487 to 144.1492.

~~The commissioner shall enter into an interagency agreement with the higher education coordinating board to carry out the duties assigned to the board under sections 144.1487 to 144.1492.~~

(7) verify the eligibility of program participants;

(8) sign a contract with each participant that specifies the obligations of the participant and the state;

(9) arrange for the payment of qualifying educational loans for program participants;

(10) monitor the obligated service of program participants;

(11) waive or suspend service or payment obligations of participants in appropriate situations;

(12) place participants who fail to meet their obligations in default; and

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

(13) enforce penalties for default.

Sec. 46. Minnesota Statutes 1994, section 144.1488, subdivision 4, is amended to read:

Subd. 4. **ELIGIBLE HEALTH PROFESSIONALS.** (a) To be eligible to apply to the ~~higher education coordinating board~~ commissioner for the loan repayment program, health professionals must be citizens or nationals of the United States, must not have any unserved obligations for service to a federal, state, or local government, or other entity, and must be ready to begin full-time clinical practice upon signing a contract for obligated service.

(b) In selecting physicians for participation, the ~~board~~ commissioner shall give priority to physicians who are board certified or have completed a residency in family practice, osteopathic general practice, obstetrics and gynecology, internal medicine, or pediatrics. A physician selected for participation is not eligible for loan repayment until the physician has an employment agreement or contract with an eligible loan repayment site and has signed a contract for obligated service with the ~~higher education coordinating board~~ commissioner.

Sec. 47. Minnesota Statutes 1994, section 144.1489, subdivision 1, is amended to read:

Subdivision 1. **CONTRACT REQUIRED.** Before starting the period of obligated service, a participant must sign a contract with the ~~higher education coordinating board~~ commissioner that specifies the obligations of the participant and the ~~board~~ commissioner.

Sec. 48. Minnesota Statutes 1994, section 144.1489, subdivision 3, is amended to read:

Subd. 3. **LENGTH OF SERVICE.** Participants must agree to provide obligated service for a minimum of two years. A participant may extend a contract to provide obligated service for a third year, subject to ~~board~~ approval by the commissioner and the availability of federal and state funding.

Sec. 49. Minnesota Statutes 1994, section 144.1489, subdivision 4, is amended to read:

Subd. 4. **AFFIDAVIT OF SERVICE REQUIRED.** Within 30 days of the start of obligated service, and by February 1 of each succeeding calendar year, a participant shall submit an affidavit to the ~~board~~ commissioner stating that the participant is providing the obligated service and which is signed by a representative of the organizational entity in which the service is provided. Participants must provide written notice to the ~~board~~ commissioner within 30 days of: a change in name or address, a decision not to fulfill a service obligation, or cessation of clinical practice.

Sec. 50. Minnesota Statutes 1994, section 144.1490, is amended to read:

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

144.1490 RESPONSIBILITIES OF THE LOAN REPAYMENT PROGRAM.

Subdivision 1. **LOAN REPAYMENT.** Subject to the availability of federal and state funds for the loan repayment program, the ~~higher education coordinating board~~ commissioner shall pay all or part of the qualifying education loans up to \$20,000 annually for each primary care physician participant that fulfills the required service obligation. For purposes of this provision, "qualifying educational loans" are government and commercial loans for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

Subd. 2. **PROCEDURE FOR LOAN REPAYMENT.** Program participants, at the time of signing a contract, shall designate the qualifying loan or loans for which the ~~higher education coordinating board~~ commissioner is to make payments. The participant shall submit to the ~~board~~ commissioner all payment books for the designated loan or loans or all monthly billings for the designated loan or loans within five days of receipt. The ~~board~~ commissioner shall make payments in accordance with the terms and conditions of the designated loans, in an amount not to exceed \$20,000 when annualized. If the amount paid by the ~~board~~ commissioner is less than \$20,000 during a 12-month period, the ~~board~~ commissioner shall pay during the 12th month an additional amount towards a loan or loans designated by the participant, to bring the total paid to \$20,000. The total amount paid by the ~~board~~ commissioner must not exceed the amount of principal and accrued interest of the designated loans.

Sec. 51. Minnesota Statutes 1994, section 144.1491, subdivision 2, is amended to read:

Subd. 2. **SUSPENSION OR WAIVER OF OBLIGATION.** Payment or service obligations cancel in the event of a participant's death. The ~~board~~ commissioner may waive or suspend payment or service obligations in case of total and permanent disability or long-term temporary disability lasting for more than two years. The ~~board~~ commissioner shall evaluate all other requests for suspension or waivers on a case-by-case basis.

Sec. 52. Minnesota Statutes 1994, section 298.2214, subdivision 5, is amended to read:

Subd. 5. **HECB AND SYSTEM APPROVAL.** A program may not be offered under a contract executed according to this section unless it is approved by the ~~higher education coordinating board~~ and the board of the system offering the program.

Sec. 53. Laws 1993, chapter 326, article 12, section 15, subdivision 4, is amended to read:

Subd. 4. **PROFESSIONAL EDUCATION AND LICENSURE.** ~~By March 15, 1994,~~ The center shall convene task forces for professions that work with

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

victims and perpetrators of violence. Task forces must be formed for the following professions: teachers, school administrators, guidance counselors, law enforcement officers, lawyers, physicians, nurses, psychologists, and social workers. Each task force must include representatives of the licensing agency, higher education systems offering programs in the profession, appropriate professional associations, students or recent graduates, representatives of communities served by the profession, and employers or experienced professionals. The center must establish guidelines for the work of the task forces. Each task force must review current programs, licensing regulations and examinations, and accreditation standards to identify specific needs and plans for ensuring that professionals are adequately prepared and updated on violence and abuse issues.

Sec. 54. Laws 1993, chapter 326, article 12, section 15, subdivision 5, is amended to read:

Subd. 5. **PROGRESS REPORT.** The center shall provide a progress report to the legislature by March 15, ~~1994~~ 1996.

Sec. 55. Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 3, is amended to read:

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 consolidat-

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

ing 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 for 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.

Sec. 56. INITIAL COUNCIL.

Notwithstanding section 10, the governor shall appoint the members to the higher education services council by July 1, 1995. One-third of the appointments shall be for two years, one-third for four years, and one-third for six years.

Sec. 57. TRANSFER OF PROGRAMS.

The responsibilities of the higher education coordinating board, or its successor, confirmed and specified under Minnesota Statutes, sections 136A.1355 to 136A.1358, are transferred under Minnesota Statutes, section 15.039, to the Minnesota department of health.

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

Sec. 58. **TRANSFER.**

On July 1, 1995, the higher education coordinating board is abolished and the remaining duties and responsibilities of the board are transferred to the higher education services office as provided in Minnesota Statutes, section 15.039, subdivisions 1 to 6. Positions in the higher education coordinating board are transferred under Minnesota Statutes, section 15.039, subdivision 7, except that the board shall determine the incumbents to be transferred, so long as the number of incumbents transferred is equal to the number of positions sufficient to carry out the duties being transferred.

All obligations related to bond covenants entered into under Minnesota Statutes, sections 136A.15 to 136A.1702 are transferred to the higher education services office under Minnesota Statutes, section 15.039, subdivision 5a.

Sec. 59. **INSTRUCTION TO REVISOR.**

Subdivision 1. RENUMBERING. In the next edition of Minnesota Statutes, the revisor of statutes shall renumber each section specified in column A with the number set forth in column B. The revisor shall make necessary cross-reference changes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>136A.80</u>	<u>135A.51</u>
<u>136A.81</u>	<u>135A.52</u>

Subd. 2. NAME CHANGE. The revisor of statutes is directed to change the term "higher education coordinating board," and similar terms, to "higher education services office," or similar terms. The revisor must work with the house and senate staff in making the changes. The change must be made in the next edition of Minnesota Statutes and Minnesota Rules.

Subd. 3. TRANSFER OF DUTIES. In the next and subsequent editions of Minnesota Statutes, the revisor shall change the term "board" to "commissioner" in Minnesota Statutes, sections 136A.1355 to 136A.1358.

Sec. 60. **REPEALER.**

Minnesota Statutes 1994, sections 135A.052, subdivisions 2 and 3; 135A.08, subdivision 3; 135A.09; 135A.11; 135A.12, subdivision 5; 136A.02; 136A.04; 136A.041; 136A.125, subdivision 5; 136A.85; 136A.86; 136A.88; 136D.77; 136D.81, subdivision 2; 144.1488, subdivision 2; and 148.236; and Laws 1993, chapter 326, article 12, section 15, subdivision 2, are repealed.

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

ARTICLE 4

MERGER

Section 1. Minnesota Statutes 1994, section 3.9741, subdivision 2, is amended to read:

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~~ board of trustees of the Minnesota state colleges and universities to conduct financial audits, in addition to audits conducted under section 3.972, subdivision 2. All payments received for audits requested by the board shall be paid to the legislative auditor's account and need not be deposited in the general fund.

Sec. 2. Minnesota Statutes 1994, section 15.38, subdivision 3, is amended to read:

Subd. 3. **MINNESOTA STATE COLLEGES AND UNIVERSITIES.** The ~~state university board of trustees of the Minnesota state colleges and universities~~ may purchase insurance coverage as it deems necessary and appropriate to protect buildings and contents and for activities ancillary to the programs of the state colleges and universities.

DEFINITIONS

Sec. 3. [136F.01] DEFINITIONS.

Subdivision 1. SCOPE. For the purpose of this chapter, the following terms have the meanings given them.

Subd. 2. BOARD OR BOARD OF TRUSTEES. "Board" or "board of trustees" means the board of trustees of the Minnesota state colleges and universities.

Subd. 3. CHANCELLOR. "Chancellor" means the chancellor of the Minnesota state colleges and universities.

Subd. 4. STATE COLLEGES AND UNIVERSITIES. "State colleges and universities" means Minnesota state colleges and universities governed by the board of trustees.

Subd. 5. STUDENT ACTIVITIES. "Student activities" means lectures, concerts, and other functions contributing to the mental, moral, and cultural development of the student body and community in which they live, athletic activities, including intercollegiate contests, forensics, dramatics, and such other activities of any nature as in the opinion of the board contribute to the educational, cultural, or physical well being of the student body.

Sec. 4. PRINCIPLES.

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

Subdivision 1. FINDINGS; INTENT. In merging the state universities, community colleges, and technical colleges, the legislature intends to seek ways to preserve access to quality post-secondary education in Minnesota, to enhance the choices of students who attend public colleges and universities, to improve accountability, and to provide cost-effective programs.

Subd. 2. BOARD. It is the role of the board to govern the institutions for which it is responsible through policy and decision making that are necessary to ensure that needs of the state and the ability of institutions to provide education are met. Further, it is the role of the board to ensure that the institutions are well managed and that the state's investment is enhanced by choosing a chancellor, presidents, and other employees who will provide leadership to the system, college, or university, and by holding them accountable. Finally, it is the role of the board to balance the competing needs of the colleges and universities, determine the priorities among those needs, and coordinate institutional actions to ensure that the state's interests are well served, while preserving and enhancing the local identities and initiatives of the colleges and universities.

Subd. 3. SYSTEM OFFICE. It is the role of the chancellor and the system office to provide general management of the colleges and universities necessary to protect the state's investment, particularly in the areas of financial accountability and programmatic offerings. It is the further role of the system office to carry out the policies of the board while providing information and advice on development of those policies. Finally, it is the role of the system office to provide the leadership and services the campuses need to provide quality education in an efficient manner and to hold the campuses accountable for their actions.

Subd. 4. COLLEGES AND UNIVERSITIES. It is the role of the colleges and universities to provide quality education and services to meet the needs of students and of the state. In so doing, it is the role of the colleges and universities to provide the day-to-day management and decision making that affect the education they deliver. It is the role of the college and university presidents to provide leadership on the campuses, while promoting a collegial environment that involves faculty, staff, and students in decision making.

Subd. 5. BOARD ACTION. In accordance with the principles in section 136F.011, the board shall review the proposed structure of the system office with the objective of further reducing or eliminating those functions that are unnecessary. Savings that occur shall be redirected to support instruction on the campuses.

BOARD OF TRUSTEES

Sec. 5. Minnesota Statutes 1994, section 136E.01, subdivision 1, is amended to read:

Subdivision 1. **MEMBERSHIP.** ~~The higher education board, referred to in sections 136E.01 to 136E.05 as "the board,"~~ consists of 15 members appointed by the governor with the advice and consent of the senate. At least one member

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

of the board must be a resident of each congressional district. Three members must be students who are enrolled at least half-time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. The remaining members must be appointed to represent the state at large.

Sec. 6. Minnesota Statutes 1994, section 136E.02, subdivision 1, is amended to read:

Subdivision 1. **PURPOSE.** A ~~higher education~~ candidate advisory council ~~for the board candidate advisory council of trustees of the Minnesota state colleges and universities~~ shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, nonstudent membership on the ~~higher education~~ board.

Sec. 7. Minnesota Statutes 1994, section 136E.02, subdivision 3, is amended to read:

Subd. 3. **DUTIES.** The advisory council shall:

(1) develop a statement of the selection criteria to be applied and a description of the responsibilities and duties of a member of the ~~higher education~~ board and shall distribute this to potential candidates; and

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

Sec. 8. Minnesota Statutes 1994, section 136E.02, subdivision 4, is amended to read:

Subd. 4. **RECOMMENDATIONS.** The advisory council shall recommend at least two and not more than four candidates for each seat. By ~~January 2~~ April 15 of each even-numbered year, the advisory council shall submit its recommendations to the governor. The governor is not bound by these recommendations.

Sec. 9. Minnesota Statutes 1994, section 136E.021, subdivision 2, is amended to read:

Subd. 2. **CRITERIA.** After consulting with the ~~higher education~~ board of trustees candidate advisory council, the student associations shall jointly develop a statement of the selection criteria to be applied to potential candidates.

Sec. 10. Minnesota Statutes 1994, section 136E.04, subdivision 1, is amended to read:

Subdivision 1. **GENERAL AUTHORITY.** The board shall ~~manage, super-~~

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

~~wise, and control possess all powers necessary to govern the technical state colleges, community colleges, and state universities and all related property. # Those powers shall include, but are not limited to, those enumerated in this section. The board shall prescribe courses of study and conditions of admission, prepare and confer diplomas set tuition and fees, prescribe requirements for completion of programs, approve the awarding of appropriate certificates, diplomas, and degrees, and adopt suitable policies for the institutions it manages governs.~~ Sections 14.01 to 14.47 do not apply to policies and procedures of the board.

Sec. 11. Minnesota Statutes 1994, section 136E.04, is amended by adding a subdivision to read:

Subd. 1a. GOVERNANCE AUTHORITY. The board shall have the authority needed to operate and govern the state colleges and universities unless otherwise directed or limited by law.

Sec. 12. Minnesota Statutes 1994, section 136E.04, is amended by adding a subdivision to read:

Subd. 4a. OFFICE LOCATION. Notwithstanding chapter 16B, the board may select the location for its central office.

Sec. 13. **[136E.04] CHANCELLOR.**

The board shall appoint a chancellor who shall serve in the unclassified service. The chancellor shall possess powers and perform duties as delegated by the board. The board shall set the salary of the chancellor according to section 15A.081, subdivision 7b.

DESIGNATION

Sec. 14. **[136F.10] DESIGNATION.**

The following are designated as the Minnesota state colleges and universities: the community colleges located at Austin, Bloomington, Brainerd, Brooklyn Park, Cloquet, Coon Rapids, Ely, Fergus Falls, Grand Rapids, Hibbing, International Falls, Inver Grove Heights, Minneapolis, Rochester, Thief River Falls, Virginia, White Bear Lake, Willmar, and Worthington; the community college centers located at Cambridge and Duluth; the state universities located at Bemidji, Mankato, Marshall, Moorhead, St. Cloud, Winona, and the Twin Cities metropolitan area; and the technical colleges located at Alexandria, Albert Lea, Anoka, Austin, Bemidji, Brainerd, Brooklyn Park, Canby, Detroit Lakes, Duluth, East Grand Forks, Eden Prairie, Eveleth, Faribault, Granite Falls, Hibbing, Hutchinson, Jackson, Minneapolis, Mahtomedi, Moorhead, North Mankato, Pine City, Pipestone, Red Wing, Rochester, Rosemount, St. Cloud, St. Paul, Staples, Thief River Falls, Wadena, Willmar, and Winona.

Sec. 15. **[136F.12] FOND DU LAC CAMPUS.**

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

The Fond du Lac campus has a unique mission among two-year colleges to serve the lower division general education needs in Carlton and south St. Louis counties, and the education needs of American Indians throughout the state and especially in northern Minnesota. Accordingly, while the college is governed by the board of trustees, its governance is accomplished in conjunction with the board of directors of Fond du Lac tribal college. By July 1, 1995, the board of trustees and the board of directors of Fond du Lac tribal college shall implement the mechanisms necessary to accomplish the sharing of authority while ensuring accountability for college actions. The mechanisms shall supersede any previous arrangement, agreement, or memorandum of understanding.

Sec. 16. [136F.14] CAMPUS MERGER OR REORGANIZATION.

The board may merge or reorganize campuses or centers for the purpose of increased efficiency, use of personnel, placement of programs, student access, and other needs as determined by the board. The board shall report its action to the legislature.

Sec. 17. [136F.16] CAMPUS ESTABLISHMENT.

Subdivision 1. NEW STATE COLLEGES AND UNIVERSITIES. A new state college or university shall be established only by specific legislation. For the purposes of this subdivision, campuses or centers that are merged or reorganized under section 136F.14 are not new state colleges or universities.

Subd. 2. CAMPUS OR CENTER SITE. The board may determine the exact location and site for each campus or center.

Subd. 3. OFF-CAMPUS SITES. The board shall not establish off-campus centers or other permanent sites to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area.

Sec. 18. [136F.18] CAMPUS CLOSING.

The board may close a campus or center under its jurisdiction. Prior to closing a campus or center, the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.

STUDENTS

Sec. 19. [136F.21] STUDENT HEALTH.

Subdivision 1. HEALTH SERVICE. The board shall offer health services for students at each state university and may offer health services for students at each state college. The health services may be offered either on campus or in the

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

nearby community. The board may charge each student a health service fee set by the board. The fees shall be used to maintain the health service and equip and construct facilities. The fee may be used to contract for health, medical, and hospitalization insurance for students. The fees shall be deposited in an activity fund and are annually appropriated to the board for the purposes of this subdivision. Each state college and university shall provide an annual financial accounting of the health service money to the board.

Subd. 2. HEALTH BENEFITS. The board may contract for hospital benefits coverage and medical benefits coverage for students in the state colleges and universities in the same manner as authorized by section 43A.23 for state employees.

Sec. 20. Minnesota Statutes 1994, section 136E.525, subdivision 1, is amended to read:

Subdivision 1. **STATEWIDE.** The board shall recognize one statewide student association for the community colleges, one for the state universities, and one for the technical colleges. Each ~~statewide~~ campus student association shall be affiliated with its ~~campus statewide~~ campus student associations ~~but~~ association and all students enrolled on those campuses shall be members of their respective statewide association.

Sec. 21. Minnesota Statutes 1994, section 136E.525, subdivision 2, is amended to read:

Subd. 2. **FEES.** Each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board for review. The board may revise or reject the fee change. Fees must be collected by each ~~community state~~ state college; ~~state and~~ state university; and ~~technical college~~ and shall be credited to each association's account to be spent as determined by that association.

Sec. 22. **[136F.22] STUDENT ASSOCIATIONS; PURCHASING AUTHORITY.**

Notwithstanding chapter 16A or 16B, the student associations recognized by the board of trustees of the Minnesota state colleges and universities may purchase goods or materials through state purchasing authority for the ordinary day-to-day operations of the associations. The student associations must be non-profit 501(c)(3) organizations in order to qualify for this authority. The department of administration may require that the purchase documents be approved by appropriate officials in the board's central office.

Sec. 23. **[136F.24] LEGAL COUNSELING AND SERVICE PROGRAM; FUNDING.**

Notwithstanding section 8.06, or any other law or rule to the contrary, the official campus student association at each state college or university may fund

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

a program to provide legal counseling and services to students of the state college or university. The money shall be from an account of the state college and university activity funds allocated to the student associations or other money assigned to them.

Sec. 24. **[136F.25] ABSENCE FOR CHEMICAL ABUSE TREATMENT.**

If a student is absent from a state college or university to participate in a chemical abuse treatment program licensed by the state, the student, upon request, shall remain on the roll in the educational program of the state college or university in which the student is enrolled, according to policies adopted by the board.

Sec. 25. **[136F.28] SOUTHWEST ASIA VETERANS; TECHNICAL COLLEGES.**

Subdivision 1. GRANTS. A Southwest Asia veteran who enrolls in a technical college program, and who is a Minnesota resident whose entire education has not included completion of at least one technical college program is 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 (1) 115 credits in a technical college program, or (2) 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.

Subd. 2. DEFINITIONS. For the purpose of this section, "Southwest Asia veteran" means a person who:

(1) served in the active military service in any branch of the armed forces of the United States any time between August 1, 1990 and February 27, 1992;

(2) became eligible for the Southwest Asia Service Medal as a result of the service;

(3) was a Minnesota resident at the time of induction into the armed forces and for the one year immediately preceding induction; and

(4) has been separated or discharged from active military service under conditions other than dishonorable.

CURRICULUM

Sec. 26. **[136F.30] COURSES AND PROGRAMS.**

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

The board shall prescribe the courses of study, including graduate and undergraduate academic programs, training in professional, semiprofessional, and technical fields, and adult education. The board shall avoid duplicate program offerings. The board shall place a high priority on ensuring the transferability of credit.

Sec. 27. [136F.32] DEGREES; DIPLOMAS; CERTIFICATES.

The board may approve awarding of appropriate certificates, diplomas, or degrees to persons who complete a prescribed curriculum.

Sec. 28. [136F.36] TECHNICAL COLLEGE CARPENTRY PROGRAM CONSTRUCTION AUTHORITY.

Subdivision 1. AUTHORITY TO ACQUIRE, DEVELOP, AND SELL REAL PROPERTY FOR INSTRUCTIONAL PURPOSES. For the purpose of instructional construction by technical colleges, the board may purchase or otherwise acquire real property that it does not intend to use as a permanent educational site. The board may, upon the terms and conditions it sets, develop and sell real property acquired under this section. Sale shall be for fair market value. Where real property acquired under this section cannot be sold for fair market value, the board may lease the real property under the terms and conditions it sets. The board may also contract for the use of real property it does not own. Where the board makes improvements to real property it does not own, the landowner shall compensate the board for the fair market value of the board's contribution to the improvements. No other authorizing legislation or legislative approval is required for an acquisition, improvement, or sale under this section. Proceeds from the sale, lease, or improvement of real property under this section are appropriated to the board.

Subd. 2. EXEMPTIONS. The sale requirements of chapters 92 and 94 do not apply to this section, nor do the leasing provisions of section 16B.24, nor do the construction supervision and control provisions of sections 16B.30 to 16B.335. The board will normally competitively bid contracts related to instructional construction but, notwithstanding the provisions of sections 16B.07 to 16B.09, may negotiate contracts without competitive bidding where it deems appropriate.

Subd. 3. WARRANTIES. The board may, in its discretion, offer the warranties contained in chapter 327A.

HUMAN RESOURCES

Sec. 29. [136F.40] APPOINTMENT OF PERSONNEL.

The board shall appoint all presidents, teachers, and other necessary employees and shall prescribe their duties consistent with chapter 43A. Salaries and benefits of employees must be determined according to chapters 43A and 179A.

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

Sec. 30. Minnesota Statutes 1994, section 136E.31, is amended to read:

136E.31 ASSIGNMENT TO BARGAINING UNITS.

Actions by the ~~higher education~~ board to merge or redesignate institutions or to promote collaborative efforts between institutions must not unilaterally change faculty assignments to bargaining units provided in section 179A.10, subdivision 2.

Sec. 31. [136F.42] EXTENDED LEAVES OF ABSENCE.

Subdivision 1. DEFINITION. As used in this section, "teacher" means a person on the instructional or administrative staff of the state colleges and universities who is a member of the teachers retirement association under chapter 354 or who is covered by the unclassified employees plan under chapter 352D or individual retirement account plan under chapter 354B. It shall not include a chancellor, deputy chancellor, or vice-chancellor.

Subd. 2. GRANTING AUTHORITY. The board may grant an extended leave of absence without salary to a full-time teacher who has been employed by the board for at least five years and has at least ten years of allowable service as defined in section 354.05, subdivision 13. The maximum duration of an extended leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence under this section shall be taken by mutual consent of the board and the teacher. No teacher may receive more than one leave of absence under this section.

Subd. 3. REINSTATEMENT. A teacher on an extended leave of absence under this section shall have the right to be reinstated to the same position or a similar position within the department or program from which the leave was granted at the beginning of the school year which immediately follows a year of extended leave of absence, unless the teacher is discharged or placed on retrenchment or on layoff or the teacher's contract is terminated while the teacher is on the extended leave. The board shall not be obligated to reinstate a teacher who is on an extended leave of absence under this section unless the teacher advises the board of an intention to return before February 1 in the school year preceding the school year in which the teacher wishes to return.

Subd. 4. SENIORITY RIGHTS. A teacher who is reinstated to the same or similar position after an extended leave under this section shall not lose tenure or credit for previous seniority in the employing state college or university. A teacher shall not accrue seniority credit during the time of a leave of absence under this section, except that a teacher at a state college or university may accrue seniority credit during the leave, consistent with the conditions of the collective bargaining agreement.

Subd. 5. SALARY. The years spent by a teacher on an extended leave of absence under this section shall not be included in the determination of the

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

teacher's salary upon reinstatement to the same or similar position by the board. The credits earned by a teacher on an extended leave of absence under this section shall not be included in the determination of the teacher's salary upon reinstatement to the same or similar position by the board for a period of time equal to the time of the extended leave of absence.

Subd. 6. ALTERNATE LEAVE. The board may grant a teacher a leave of absence which is not subject to the provisions of this section and section 354.094.

Sec. 32., [136F.43] ANNUITIES.

Subdivision 1. PURCHASE. At the request of an employee, the board may negotiate and purchase an individual annuity contract for an employee for retirement or other purposes from a company licensed to do business in Minnesota, and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire premium due or to become due under the contract. The allocation shall be made in a manner that will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own the contract and the employee's rights thereunder shall be nonforfeitable except for failure to pay premiums.

Subd. 2. DEPOSITS; PAYMENT. All amounts so allocated shall be deposited in an annuity account established by the board. Payment of annuity premiums shall be made when due or in accordance with the salary agreement entered into between the employee and the board. The money in the annuity account is not subject to the budget, allotment, and incumbrance system provided for in chapter 16A.

Sec. 33. [136F.44] NONPROFIT FOUNDATION PAYROLL DEDUCTION.

Subdivision 1. REQUEST; WARRANT. The commissioner of finance, upon the written request of an employee of the board, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit state college or university foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation. The Penny fellowship of the Minnesota state university student association shall be considered a nonprofit state college and university foundation for purposes of this section.

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

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

(1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended;

(2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1986, as amended;

(3) secures funding solely for distribution to a state college or university or for distribution to students in the form of scholarships; and

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

Subd. 3. SOLICITATION. Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.

Sec. 34. [136F.45] EMPLOYER-PAID HEALTH INSURANCE.

(a) This section applies to a person who:

(1) retires from the state university system, the technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty, with at least ten years of service credit in the system from which the person retires;

(2) was employed on a full-time basis immediately preceding retirement as a state university, technical college, or community college faculty member;

(3) begins drawing an annuity from the teachers retirement association or from the first class cities teachers retirement funds; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than \$35,000 in a calendar year from employment in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the employer and the employee. The employer may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The employer shall determine the time of year the employee shall work.

(c) For a person eligible under paragraphs (a) and (b), the employing board shall make the same employer contribution for hospital, medical, and dental benefits as would be made if the person were employed full time.

(d) For work under paragraph (a), a person must receive a percentage of the person's salary at the time of retirement that is equal to the percentage of time the person works compared to full-time work.

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

(e) If a collective bargaining agreement covering a person provides for an early retirement incentive that is based on age, the incentive provided to the person must be based on the person's age at the time employment under this section ends. However, the salary used to determine the amount of the incentive must be the salary that would have been paid if the person had been employed full time for the year immediately preceding the time employment under this section ends.

Sec. 35. [136F.495] LICENSURE.

The board may adopt policies for licensure of teaching personnel in technical colleges and may establish a processing fee for the issuance, renewal, or extension of a license.

ADMINISTRATION

Sec. 36. [136F.50] COOPERATION OR PROMOTION OF A STATE COLLEGE OR UNIVERSITY.

The board may cooperate by contractual arrangement or otherwise with responsible persons, firms, corporations, associations, or governmental agencies to promote short courses, research, and other programs and activities in the state colleges and universities as in the judgment of the board contribute to the development of the state colleges and universities and the welfare of their students.

Sec. 37. Minnesota Statutes 1994, section 136E.05, is amended to read:

136E.05 LOCAL ADVISORY COMMITTEES.

Subdivision 1. APPOINTMENT. The president, ~~with the approval of the chancellor and the board,~~ may appoint a local advisory committee for each campus. Committee members must be qualified people who have knowledge of and interest in the campus. The board shall define the role and authority of the advisory committees and establish procedures for the appointment, terms, and termination of members. The president or an appointee of the president shall regularly meet and consult with the local advisory committee.

Subd. 2. COMPENSATION. Advisory committee members shall serve without compensation and without reimbursement for expenses.

Sec. 38. [136F.54] PARKING AND TRAFFIC REGULATION.

Subdivision 1. BOARD POWER. Notwithstanding section 169.966, the board may authorize a state college or university to adopt and enforce policies, regulations, or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied, or operated by the state college or university.

Subd. 2. FINES; FEES. A state college or university may collect a fine and

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

a towing fee for a violation. Money collected under this section by a state college or university is annually appropriated to the state college or university for parking lot maintenance, improvement, and policy enforcement.

Subd. 3. DISPUTES. A state college or university, with the approval of the board, shall establish procedures to resolve a dispute arising from enforcement of a policy.

Subd. 4. PROCEDURE. Chapter 14 does not apply to this section.

Subd. 5. ENFORCEMENT. Every sheriff, constable, police officer, or other peace officer shall have authority to enforce all policies and ordinances adopted pursuant to this section and shall have authority to arrest and prosecute offenders for violations of law.

Sec. 39. [136F.56] STUDENT HOUSING MANAGEMENT.

The board may contract with student housing facility owners or on-site management firms to assist in the operation, control, and management of the facility.

Sec. 40. [136F.58] STATE COUNCIL ON VOCATIONAL TECHNICAL EDUCATION.

Subdivision 1. STATE AGENCY PURPOSE. The state council on vocational technical education, formerly known as the Minnesota state advisory council for vocational education, is a state agency in the executive branch. Its purpose is to implement section 112 of the Carl D. Perkins Vocational Education Act of 1984, United States Code, title 20, section 2322, and other purposes necessary to improve vocational technical education.

Subd. 2. MEMBERS; TERMS. The governor shall appoint the members of the council according to United States Code, title 20, section 2322. Except as otherwise provided by that act, members are governed by section 15.0575.

Subd. 3. OFFICES. The commissioner of administration shall provide the council with suitable office space, furnishings, and equipment.

Subd. 4. FUNDING. Federal, state, or private money received by the council must be deposited in the state treasury and credited to a special account for the council. The council has sole authority to spend its money. The money may not be diverted or reprogrammed by any agency or person to any other purpose. Unless restricted by federal or other state law, the council may carry forward any unexpended balance from one fiscal year to the next and from one fiscal biennium to the next.

Subd. 5. SERVICE CONTRACTS. The council may contract for the services it needs to carry out its function. The council may also contract to provide services to other organizations. The contracts are not subject to the contract approval procedures of the commissioner of administration or of chapter 16B.

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

Subd. 6. FISCAL AGENT. The board shall act as fiscal agent for the council and provide other support services necessary for disbursements, accounting, auditing, and reporting.

Subd. 7. STAFF. The council may employ an executive director and other staff needed to carry out its duties. The executive director shall serve in the unclassified service and may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The council may contract with professional, technical, and clerical consultants and interns needed to carry out its functions.

Sec. 41. [136F.591] BOOKSTORES.

The board may permit a state college or university to conduct a bookstore in a state college or university building, or may allocate space in a state college or university building and permit a person or corporation to conduct a bookstore therein without rent at the board's pleasure and on such conditions as the board may impose. The board may provide insurance, at no cost to the state, for the inventory of a bookstore a state college or university conducts in its building.

FACILITIES

Sec. 42. [136F.60] COLLEGE AND UNIVERSITY SITES; ACQUISITION.

Subdivision 1. PURCHASE OF NEIGHBORING PROPERTY; STATE UNIVERSITIES. The board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of a state university. Before taking action, the board shall consult with the chairs of the senate finance committee and the house ways and means committee about the proposed action. The board shall explain the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition. The amount needed may be spent from sums previously appropriated for purposes of the state colleges and universities, including, but not limited to, general fund appropriations for instructional or noninstructional expenditures, general fund appropriations carried forward, or state college and university activity fund appropriations. The board may pay relocation costs, at its discretion, when acquiring property.

Subd. 2. METHODS OF ACQUISITION. If money has been appropriated to the board to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under chapter 117.

Sec. 43. Minnesota Statutes 1994, section 136E.692, subdivision 1, is amended to read:

Subdivision 1. CONSTRUCTION; IMPROVEMENTS. The higher educa-

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

tion board shall supervise and control the preparation of plans and specifications for the construction, alteration, repair, or enlargement of ~~community college, state university, and technical state college~~ and university buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Sec. 44. Minnesota Statutes 1994, section 136E.692, subdivision 3, is amended to read:

Subd. 3. **DISPUTE RESOLUTION.** In contracting for projects, the ~~higher education~~ board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Sec. 45. **[136F.68] CAPITAL PROJECTS BIDDING PROCEDURES.**

In awarding contracts for capital projects under section 136E.692, the board shall consider the documentation provided by the bidders regarding their qualifications, including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall set procedures to administer this section, which must include practices that will assist in the economic development of small businesses, small targeted group businesses, and businesses in economically disadvantaged areas designated under section 16B.19.

Sec. 46. **[136F.19] STATE PROPERTY AGREEMENTS.**

Notwithstanding section 16B.24, the board may enter into an agreement with an intermediate school district for the cooperative use of state property for an initial period of ten years, which may be renewed or extended for additional periods of up to ten years each.

FINANCE

Sec. 47. **[136F.70] TUITION; FEES; ACTIVITIES FUNDS.**

Subdivision 1. TUITION. The board shall set rates of tuition for the various instructional programs. The board may waive tuition for certain persons, courses, and programs.

Subd. 2. FEES. The board may prescribe fees to be charged students for student unions, state college and university activities, functions, and purposes.

Subd. 3. REFUNDS. The board may make refunds to students for tuition, activity fees, union fees, and any other fees from imprest cash funds. The imprest cash fund shall be reimbursed periodically by checks or warrants drawn on the funds and accounts to which the refund should ultimately be charged. The amounts necessary to pay the refunds are appropriated from the funds and accounts to which they are charged.

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

Sec. 48. [136F.71] RECEIPTS.

Subdivision 1. APPROPRIATION OF RECEIPTS. All receipts of every kind, nature, and description, including student tuition and fees, all federal receipts, aids, contributions, and reimbursements, but not including receipts attributable to state colleges and universities activity funds, in all the state colleges and universities are appropriated to the board, but are subject to budgetary control to be exercised by the commissioner of finance. The balance in these funds shall not cancel on June 30, but shall be available in the next fiscal year.

Subd. 2. ACTIVITY FUNDS. All receipts attributable to the state colleges and universities activity funds and deposited in the state treasury are appropriated to the board and are not subject to budgetary control as exercised by the commissioner of finance.

Sec. 49. [136F.72] FUNDS.

Subdivision 1. ACTIVITY FUNDS. The board may establish in each state college and university a fund to be known as the activity fund. The purpose of these funds shall be to provide for the administration of state college and university activities designed for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings. The activity funds shall encompass accounts for student activities, student health services authorized college and university agencies, authorized auxiliary enterprises, student loans, gifts and endowments, and other accounts as the board may prescribe.

Subd. 2. ADMINISTRATIVE FUND AND ACCOUNTS. The board may establish a fund within the board office for management of employee retirement funds. The board may establish an administrative fund at each state college and university or within the board office for the administration of contracts, student equipment purchases, and receipt and transfer of foreign program money.

Subd. 3. ADMINISTRATION. The board, independent of other authority and notwithstanding chapters 16A and 16B, shall administer the money collected for the state colleges and universities activity funds and the administrative fund. All activity fund money collected shall be administered under the policies of the board subject to audit of the legislative auditor.

Subd. 4. IMPREST CASH FUNDS. The board may establish an imprest cash fund in each of its state colleges and universities.

Sec. 50. [136F.73] CASH OVER AND SHORT ACCOUNT OF IMPREST CASH FUND.

The board may establish a cash over and short account within the imprest cash fund for each state college and university. This account shall be used to record on a daily basis overages and shortages of cash receipts. At the end of each fiscal year, the board shall credit or debit the overage or shortage from each state college or university to the board maintenance and equipment appropriation

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

account. In the instance of a debit balance remaining in any cash over and short accounts, the board may transfer from the maintenance and equipment appropriation account moneys sufficient to offset such debit balance. The commissioner of finance shall make the appropriate adjustments and entries on the general books of account of the state.

Sec. 51. [136F.74] CARRY-OVER AUTHORITY.

The board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over any unexpended balance into the following biennium. The amounts carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Sec. 52. [136F.75] LITIGATION AWARDS.

Notwithstanding any law to the contrary, the board may keep money received from successful litigation by or against the board. Awards made to the state or the board resulting from litigation against or by the board must be kept by the board to the credit of the account from which the litigation was originally funded. An award that exceeds the costs incurred in the litigation shall be used by the board for repair or replacement projects.

Sec. 53. [136F.77] TECHNICAL EQUIPMENT.

Subdivision 1. PROPRIETARY PURCHASES. Notwithstanding the competitive bidding requirements of chapter 16B, technical educational equipment may be purchased for state colleges and universities on request of the board either by brand designation or in accordance with standards and specifications prescribed by the board. The purchase is subject to supervision by the information policy office under section 16B.41.

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

Sec. 54. [136F.79] SOLE STATE AGENCY.

The board is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The board shall develop and submit the state plan for vocational technical education. The board shall develop the state plan according to terms of agreement with the state board of education.

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

GRANTS AND GIFTS

Sec. 55. [136F.80] GRANTS; GIFTS; BEQUESTS; DEVISES; ENDOWMENTS.

Subdivision 1. RECEIPT AND ACCEPTANCE. The board may apply for, receive, and accept on behalf of the state and for the benefit of any state college or university any grant, gift, bequest, devise, or endowment that any person, firm, corporation, foundation, association, or government agency may make to the board for the purposes of the state colleges and universities. The board may use any money given to it or to any of the state colleges and universities consistent with the terms and conditions under which the money was received and for the purposes stated. All moneys received are appropriated to the board for use in the colleges and universities. These moneys shall not be taken into account in determining appropriations or allocations. All taxes and special assessments constituting a lien on any real property received and accepted by the board under this section shall be paid in full before title is transferred to the state.

Subd. 2. DEPOSIT OF MONEY. The board shall provide by policy, in accordance with provisions of chapter 118, for the deposit of all money received or referred to under this section. Whenever the board shall by resolution determine that there are moneys in the state college or university funds not currently needed, the board may by resolution authorize and direct the president of the college or university to invest a specified amount in securities as are duly authorized as legal investments for savings banks and trust companies. Securities so purchased shall be deposited and held for the board by any bank or trust company authorized to do a banking business in this state.

Sec. 56. Laws 1991, chapter 356, article 9, section 9, as amended by Laws 1994, chapter 532, article 5, section 1, subdivision 1, is amended to read:

Subdivision 1. **TRANSFER OF POWERS; GENERALLY.** The state board of technical colleges, the state board for community colleges, and the state university board and their respective chancellors retain responsibility for operating and managing their systems until July 1, 1995. On July 1, 1995, the authority, duties, responsibilities, related property of the state board of technical colleges, school boards, intermediate school boards, and joint vocational technical boards with respect to technical colleges, the state board for community colleges, and the state university board are transferred to the higher education board board of trustees of the Minnesota state colleges and universities under Minnesota Statutes, section 15.039.

Effective July 1, 1995, school boards, intermediate school boards, and joint vocational technical boards shall transfer to the higher education board state all real property, personal property, and improvements and attachments thereto related to technical colleges as ~~determined by the higher education board~~, and shall convey all interests in the property. The school boards, intermediate school boards, and joint vocational technical boards shall not receive compensation for

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

the conveyance of the interests. For a school board or a joint vocational technical board, on July 1, 1995, title and ownership of all personal property, real property, and improvements and attachments thereto related to technical colleges as determined by the board of trustees of the Minnesota state colleges and universities shall vest in the state, under the management, supervision, and control of the board of trustees of the Minnesota state colleges and universities. For an intermediate school board, on July 1, 1995, title and ownership of all personal property, real property, and improvements and attachments thereto related to technical colleges as determined by the board of trustees of the Minnesota state colleges and universities and the intermediate school board shall vest in the state, under the management, supervision, and control of the board of trustees of the Minnesota state colleges and universities. If by June 15, 1995, the higher education board and an intermediate school board cannot agree on ownership of personal property, real property, and improvements and attachments thereto, the commissioner of the bureau of mediation services shall appoint a special mediator under Minnesota Statutes, section 179.02, subdivision 2, to settle the dispute. On or after July 1, 1995, a school board or intermediate school board that has transferred property under this subdivision, if requested by the board of trustees of the Minnesota state colleges and universities, shall issue a deed of conveyance or other document appropriate to transfer title or ownership to the state to serve as evidence of transfer of title or ownership. The board of trustees of the Minnesota state colleges and universities as successor in interest to any joint vocational technical board may execute such a deed of conveyance or other appropriate document to the state for that purpose. All debt service payments on the transferred property that have a due date on or after July 1, 1995, become the responsibility of the higher education board of trustees of the Minnesota state colleges and universities.

On July 1, 1995, all other obligations incurred on behalf of a technical college by a school board, a joint vocational district under Minnesota Statutes, section 136C.60, or an intermediate school district under Minnesota Statutes, chapter 136D, which will not be satisfied on or before June 30, 1995, transfer to the ~~higher education board of trustees of the Minnesota state colleges and universities~~ subject to limits identified in state law or in plans or policies of the ~~higher education board of trustees of the Minnesota state colleges and universities~~ subject to legislative approval.

The state board of technical colleges, state board for community colleges, and state university board are abolished, effective July 1, 1995.

For the purposes of this subdivision "higher education board" is the same entity as "board of trustees of the state colleges and universities."

Sec. 57. Laws 1993, First Special Session chapter 2, article 9, section 1, subdivision 7, is amended to read:

Subd. 7. **EXPIRATION.** This section expires on June 30, ~~1995~~ 1997.

Sec. 58. Laws 1994, chapter 532, article 6, section 12, is amended to read:

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

Sec. 12. REVISOR INSTRUCTION.

(4) In the 1996 edition of Minnesota Statutes, the revisor shall renumber sections ~~136.31 as 136E.80; 136.31, subdivision 7, as 136E.80; subdivision 6, 136.32 as 136E.81; 136.33 as 136E.82; 136.34 as 136E.83; 136.35 as 136E.84; 136.36 as 136E.85; 136.37 as 136E.86; 136.38 as 136E.87; 136.41, subdivision 8, as 136E.88; subdivision 1, 136.41, subdivision 9, as 136E.88; subdivision 2, 136.41, subdivision 10, as 136E.89; subdivision 3.~~

(4b) The revisor shall add "Federal Tax on Interest" as a headline to section 136.41, subdivision 9.

Sec. 59. **TRANSFER OF RETIREMENT FUND MEMBERSHIP FOR TECHNICAL COLLEGE EMPLOYEES; ELECTION TO RETAIN RETIREMENT FUND MEMBERSHIP.**

A person who is employed by a technical college or by the technical college system on June 30, 1995, and who is transferred to state employment shall remain a member of the public employees retirement association or the Minneapolis employees retirement fund, whichever applies, unless the person affirmatively elects, in writing, retirement coverage by the general state employees retirement plan of the Minnesota state retirement system. The following provisions govern the election of a transfer or the retention of retirement benefit coverage:

(1) For a person who desires to transfer benefit coverage, the affirmative written election must be made within 120 days of the transfer of the employee to state employment.

(2) On behalf of transferred employees who retain retirement benefit coverage with the pretransfer retirement plan, the board shall make the applicable employer contributions to the public employees retirement association under Minnesota Statutes, section 353.27, subdivisions 3 and 3a, or the same percentage of covered payroll employer contribution to the Minneapolis employees retirement fund that special school district No. 1 is required to make for that school year under Minnesota Statutes, section 422A.101, subdivision 2.

(3) An employee who makes a retirement benefit coverage transfer election under this section may revoke that election at any time within the first six months after the person becomes a state employee. Once an employee revokes the retirement benefit coverage transfer election, the employee may not make another election. If the initial retirement benefit coverage transfer election is revoked, all retirement contributions made by or on behalf of the employee revoking a prior election must be transferred to the applicable retirement plan as though they were erroneous deductions or contributions, plus monthly interest at an annual rate of 8.5 percent, compounded monthly, and the balance remaining between any contribution amount transferred and the amount of contributions that otherwise would have been due are payable in the applicable proportions by the revoking employee and the board, plus monthly interest at an annual rate of 8.5 percent, compounded monthly.

New language is indicated by underlining, deletions by ~~strikethrough~~.

(4) The executive directors of the Minnesota state retirement system, the public employees retirement association, and the Minneapolis employees retirement fund, and the chancellor of the higher education system, shall confer and jointly adopt appropriate procedures for making the retirement benefit coverage transfer elections under this section.

(5) The executive directors of the public employees retirement association, the Minnesota state retirement system, and the Minneapolis employees retirement fund, whichever applies, shall, upon request, provide appropriate benefit counseling to applicable affected employees on the effect of electing retirement benefit coverage by the general state employees retirement plan of the Minnesota state retirement system.

Sec. 60. INSURANCE TRANSITION.

This section applies to a technical college employee of a school district, intermediate district, or regional district who becomes a state employee on July 1, 1995. If such an employee had amounts withheld from paychecks issued by the district either before or after June 30, 1995, to cover the costs of insurance benefits for a period after June 30, 1995, the district must refund any such amounts to the employee by September 1, 1995. The district must also transfer any money designated as the employer share of these benefits to the board of trustees of the Minnesota state colleges and universities to be credited toward the employer share of insurance benefits.

Sec. 61. COLLEGE AND UNIVERSITY ADMINISTRATION.

By February 15, 1996, the board of trustees shall report to the education committees of the house of representatives and senate on plans to reduce the administrative costs in the state colleges and universities. The plan shall outline the board's goals for administrative cost reductions at both the system office and the colleges and universities, efforts to promote collaboration among institutions, increases in productivity for administrators, faculty, staff, and students, and measures to reduce overlap and duplication in programs.

Sec. 62. ELIMINATING STATUTES; BOARD RECOMMENDATIONS.

By January 1, 1996, the board of trustees of the Minnesota state colleges and universities and the board of regents of the University of Minnesota shall provide the education committees of the legislature with recommendations to reduce the number of statutory sections relating to higher education, including, but not limited to, recommendations regarding statutory sections that could be incorporated in board policies or procedures, and regarding statutory sections that are obsolete.

Sec. 63. EARLY SEPARATION INCENTIVES.

Subdivision 1. EMPLOYER PARTICIPATION; HIGHER EDUCATION AGENCIES. (a) In order to minimize the disruptive effects of layoffs or reorga-

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

nization attributable to the merger of the state universities, community colleges, and technical colleges, and the restructuring of the higher education coordinating board, employees of the higher education coordinating board, the state university, community college, and technical college systems, and employees of local school districts, joint technical districts, and intermediate districts assigned to a technical college position, who are employed in positions that are to be eliminated in the merger and restructuring, as certified by the chancellor of the higher education board or the executive director of the higher education coordinating board, are entitled to elect an early separation incentive set forth in subdivision 3.

(b) The higher education board and the higher education coordinating board must determine those specific positions to be permanently eliminated as part of the merger or restructuring and identify the employees who may elect one of the early separation incentives established by this section.

(c) For the purposes of this section "higher education board" is the same entity as "board of trustees of the state colleges and universities" and the higher education coordinating board is the same entity as the "higher education services office."

Subd. 2. ELIGIBILITY. A person employed by the employing units identified in subdivision 1 is eligible to elect the incentive if the person:

(1) is an employee of the higher education coordinating board, a state university, community college, or technical college, or an administrative employee of a local school district, joint technical district and intermediate district assigned to a technical college position whose position is to be eliminated;

(2) is at least age 55 but is not yet age 65;

(3) is employed in a permanent position and in active work status at the time the incentive is elected;

(4) upon retirement, termination, or separation is immediately eligible for a retirement annuity from a defined benefit Minnesota public employee pension plan or a distribution from a defined contribution Minnesota public employee pension plan;

(5) retires, separates, or is terminated from an eligible position after June 30, 1994, but before July 1, 1996; and

(6) has been certified by the chancellor of the higher education board or the executive director of the higher education coordinating board as eligible to elect an early separation incentive.

Notwithstanding anything in this subdivision, the executive director of the higher education coordinating board, or the chancellor of the higher education board may certify any employee, regardless of age, as eligible to elect the six-month retraining leave described in subdivision 3, paragraph (d).

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

Subd. 3. INCENTIVES. (a) Eligible employees may elect one of the following incentives but may not elect both.

(b) Retirement under this section means permanent separation or termination from employment with or under the control of the higher education board, the higher education coordinating board, or the higher education systems to be merged.

(c) Employees who separate, terminate, or retire with the early retirement incentive under paragraph (e) may not be rehired by the state in any employment position under the control of the higher education board or the higher education coordinating board.

(d) An eligible employee who receives a termination notice after July 1, 1994, may elect to take a six-month retraining leave in order to complete a course of study that is approved by the higher education board or the higher education coordinating board and which is designed to prepare the employee to assume a faculty position at a state university, community college, or technical college. The retraining leave must be at the full salary level that the person received immediately before the termination notice, including fringe benefits. The leave must be completed no later than June 30, 1996. Employees who seek to return to teaching must satisfy the qualifications established by applicable collective bargaining agreements. Any subsequent faculty appointments must be in accordance with collective bargaining agreements and policies of the higher education board. The individual's pretermination notice employment ceases at the conclusion of the retraining leave. Individual employee eligibility for severance payments must be made in accordance with the policies of the employing unit in effect at the time the incentive was elected. Notice of election of this incentive must be made before April 1, 1996, on forms prescribed by the higher education board.

(e) An eligible employee may elect the following instead of the incentive in paragraph (d):

(1) state-paid hospital, medical, and dental insurance to age 65. An employee who retires, is terminated, or is separated is eligible for single or dependent insurance coverages, whichever applies, and any employer payments to which the person was entitled immediately before retirement, termination, or separation subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans in positions equivalent to the position from which the employee retired, terminated, or separated. The employee is not eligible for employer-paid life insurance. If the employee is not yet age 65 at the time of retirement or separation, the employee is eligible for employer-paid insurance under the provisions of a personnel plan and has at least as many months service with the current employer and as the number of months the individual is under age 65 at the time of retirement; and

(2) if the eligible employee has at least 15 years of combined service credit in a Minnesota public pension plan, a one-time opportunity to purchase up to

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

two years of service credit in or to make not more than two years of additional member contributions to the public pension plan that the employee is a member of at the time of retirement or separation as follows:

(i) Eligible employees may have the additional payment made on the basis of the employee's base salary in the year of separation as denoted in the salary schedule in the applicable employer personnel policy and at the rate and in the manner specified in section 352.04, 353.27, 354.42, or 354A.12, whichever applies. The employee payment must include interest at the rate of 8.5 percent. The employer shall make the required employer contribution and employer additional contribution to the retirement fund as specified in section 352.04, 353.27, 354.42, or 354A.12, whichever applies for an employee who elects this option. Both the required employee and employer payments must be made to the fund before the employee's date of retirement or separation, whichever is earlier.

(ii) Defined contribution plan members in plans established by chapter 352D or 354B must have additional employee and employer contributions made on the basis of the employee's base salary in the year of retirement as denoted in the salary schedule in the applicable employer personnel policy and at the rate and in the manner specified in section 352D.04, subdivision 2, or 354B.04, as applicable. The additional contributions must be made before the employee's date of retirement or separation, whichever is earlier.

Subd. 4. PROFESSIONAL CONTRACTS; SELF LOAN PROGRAM. Notwithstanding anything in this section, employees eligible for early separation incentives under this section may be employed under a professional, technical contract to provide technical assistance relating to the student educational loan fund (SELF) program, or to the statewide database, not to exceed 1,044 hours in any consecutive 12-month period.

Sec. 64. REVISOR INSTRUCTION.

(a) In the next and subsequent editions of Minnesota Statutes, the revisor shall renumber each section in column A with the corresponding number in column B.

<u>COLUMN A</u>	<u>COLUMN B</u>
<u>136.015</u>	<u>136F.015</u>
<u>136.017</u>	<u>136F.017</u>
<u>136.31</u>	<u>136F.90</u>
<u>136.31, subd. 7</u>	<u>136F.90, subd. 6</u>
<u>136.32</u>	<u>136F.91</u>
<u>136.33</u>	<u>136F.92</u>
<u>136.34</u>	<u>136F.93</u>
<u>136.35</u>	<u>136F.94</u>
<u>136.36</u>	<u>136F.95</u>
<u>136.37</u>	<u>136F.96</u>
<u>136.38</u>	<u>136F.97</u>

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

<u>136.41, subd. 8</u>	<u>136F.98, subd. 1</u>
<u>136.41, subd. 9</u>	<u>136F.98, subd. 2</u>
<u>136.41, subd. 10</u>	<u>136F.98, subd. 3</u>
<u>136E.01</u>	<u>136F.02</u>
<u>136E.02</u>	<u>136F.03</u>
<u>136E.021</u>	<u>136F.04</u>
<u>136E.03</u>	<u>136F.05</u>
<u>136E.04, subd. 1</u>	<u>136F.06</u>
<u>136E.04, subd. 8</u>	<u>136F.47</u>
<u>136E.05</u>	<u>136F.52</u>
<u>136E.31</u>	<u>136F.41</u>
<u>136E.525</u>	<u>136F.22</u>
<u>136E.692</u>	<u>136F.66</u>

(b) In the next and subsequent editions of Minnesota Statutes, the revisor shall correct all cross-references to sections renumbered, recodified, or repealed in sections 1 to 65.

(c) In the next and subsequent editions of Minnesota Statutes, the revisor shall change the term "higher education board," and similar terms to "board of trustees of the Minnesota state colleges and universities," or similar terms.

Sec. 65. REPEALER.

Minnesota Statutes 1994, sections 15.38, subdivision 4; 136.01; 136.02; 136.03; 136.031; 136.036; 136.045; 136.065; 136.07; 136.09; 136.10; 136.11; 136.111; 136.12; 136.13; 136.14; 136.141; 136.142; 136.143; 136.144; 136.145; 136.146; 136.147; 136.17; 136.171; 136.172; 136.18; 136.19; 136.20; 136.21; 136.22; 136.232; 136.24; 136.25; 136.261; 136.27; 136.31; 136.311; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.40; 136.41; 136.42; 136.43; 136.44; 136.45; 136.46; 136.47; 136.48; 136.49; 136.50; 136.501; 136.502; 136.503; 136.504; 136.505; 136.506; 136.507; 136.55; 136.56; 136.57; 136.58; 136.60; 136.6011; 136.602; 136.603; 136.61; 136.62; 136.621; 136.622; 136.63; 136.65; 136.651; 136.653; 136.67; 136.70; 136.71; 136.72; 136.88; 136.90; 136C.01; 136C.02; 136C.03; 136C.04; 136C.041; 136C.042; 136C.043; 136C.044; 136C.05; 136C.06; 136C.07; 136C.075; 136C.08; 136C.13; 136C.15; 136C.17; 136C.31; 136C.34; 136C.41; 136C.411; 136C.43; 136C.44; 136C.50; 136C.51; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; 136C.69; 136C.70; 136C.71; 136C.75; 136E.04, subdivisions 2, 3, 4, 5, 6, and 7; 136E.395; and 136E.692, subdivision 4, are repealed.

Sec. 66. EFFECTIVE DATE.

Sections 56 and 63 are effective the day following final enactment.

Presented to the governor May 22, 1995

Signed by the governor May 24, 1995, 10:12 a.m.

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