

CHAPTER 183—S.F.No. 1888

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; establishing and modifying programs that promote college affordability; providing for agriculture education; clarifying the role of the higher education services office; making technical changes related to the post-secondary merger; increasing the higher education facilities authority bonding authority; modifying certain conditions for the Minnesota state colleges and universities; prescribing uses for the permanent university fund; extending the repeal of the farmer-lender mediation act; permitting certain land conveyances; placing a condition on referenda by campus student associations; establishing the Minnesota Virtual University, a roundtable on vocational technical education, and an agriculture education leadership council; amending Minnesota Statutes 1996, sections 16A.69, subdivision 2; 125.1385, subdivision 2; 126.56, subdivisions 2, 4a, and 7; 135A.052, subdivision 1; 136A.03; 136A.101, by adding a subdivision; 136A.121, subdivisions 5 and 9a; 136A.125, subdivision 4; 136A.135; 136A.136, subdivision 2; 136A.16, subdivision 8, and by adding subdivisions; 136A.171; 136A.173, subdivision 3; 136A.233, subdivisions 2, 3, and by adding a subdivision; 136A.29, subdivision 9; 136F.28, subdivision 2; 136F.32; 136F.49; 136F.581, subdivision 2; 136F.72, subdivision 1; 136F.80; 137.022, subdivision 2; 181.06, subdivision 2; 216C.27, subdivision 7; and 583.22, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1994, chapter 643, section 19, subdivision 9, as amended; Laws 1996, chapter 366, section 6; and Laws 1997, chapter 32, by adding a section; proposing coding for new law in Minnesota Statutes, chapters 16A; 136A; and 136F; proposing coding for new law as Minnesota Statutes, chapter 41D; repealing Minnesota Statutes 1996, sections 126.113 and 137.41; Laws 1995, chapter 212, article 4, section 34; and Laws 1995, First Special Session chapter 2, article 1, sections 35 and 36.

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 "1998" or "1999" in this article indicates that the amount is appropriated to be available for the fiscal year ending June 30, 1998, or June 30, 1999, respectively. "The first year" is fiscal year 1998. "The second year" is fiscal year 1999. "The biennium" is fiscal years 1998 and 1999.

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

SUMMARY BY FUND

	1998	1999	TOTAL
General	\$1,180,479,000	\$1,191,244,000	\$2,371,723,000

SUMMARY BY AGENCY - ALL FUNDS

	1998	1999	TOTAL
Higher Education Services Office	136,806,000	140,802,000	277,608,000
Board of Trustees of the Minnesota State Colleges and Universities	501,682,000	513,954,000	1,015,636,000
Board of Regents of the University of Minnesota	540,842,000	535,206,000	1,076,048,000
Mayo Medical Foundation	1,149,000	1,282,000	2,431,000

APPROPRIATIONS
Available for the Year
Ending June 30

1998 1999

Sec. 2. HIGHER EDUCATION
SERVICES OFFICE

Subdivision 1. Total
Appropriation

136,806,000 140,802,000

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

Subd. 2. State Grants
99,046,000 115,171,000

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 \$7,860 in the first year and \$8,055 in the second year for four-year institutions and \$6,050 in the first year and \$6,200 in the second year for two-year institutions.

This appropriation contains money to set the living and miscellaneous expense allowance at \$4,500 in the first year and \$4,885 in the second year.

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.

\$50,000 in each year is for the loan repayment assistance program of Minnesota to reimburse graduates of Minnesota law schools working as lawyers in Minnesota who meet the eligibility criteria for loan repayment for law school debt. The eligibility criteria must include the following: (1) recipient's annual household income is \$30,000 or less; and (2) recipient is providing legal services full time for economically disadvantaged persons for (a) a nonprofit agency as defined by section 501(c)(3), 501(c)(4), or 501(c)(5) of the Internal Revenue Code of 1986; (b) Native American tribal governments, court systems, and public interest organizations; (c) public defense corporations; or (d) the state board of public defense. The money may be released to the program only in amounts that have been matched dollar for dollar with private money.* **(The preceding text beginning "\$50,000" was vetoed by the governor.)**

This appropriation contains money for the National Service Scholars program.

Subd. 3. Interstate Tuition
Reciprocity

4,000,000	4,000,000
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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

9,444,000	9,444,000
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Subd. 5. Minitex Library Program

2,608,000	2,608,000
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This appropriation contains money for on-line access to science and technology periodicals.

Subd. 6. Learning Network of Minnesota

5,500,000	5,292,000
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Up to \$1,500,000 of this amount is to assist in establishing a gigabit capacity point of presence at the University of Minnesota—Twin Cities and to support the University's participation in the national Internet two initiative for research and development of telecommunications networks. This appropriation is available to the extent matched by the University of Minnesota or private sources.

This appropriation includes money for quality improvements and inter-region and interstate connectivity for MnNet.

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. Minnesota Library Information Network

12,000,000	-0-
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This appropriation is for implementation of the Minnesota library information network, which shall be developed in cooperation with the library planning task force, and shall

include: (1) an integrated library system that will serve the libraries of the University of Minnesota; the Minnesota state colleges and universities system; state government; interested public, school, and private college libraries; and not-for-profit institutions that meet the requirements; and (2) a common services gateway creating links to the integrated library system for compatible school, public, and not-for-profit library information systems statewide. Staff needed for training and user support, technical support, installation, and operation of the network shall be obtained from the Minnesota state colleges and universities system, the University of Minnesota, and other entities that have experience and expertise in operating a large library automation system. This appropriation is available until expended or until the network is completed, whichever occurs first.

Subd. 9. Edvest		
	1,519,000	1,520,000

Subd. 10. Agency Administration		
	2,689,000	2,767,000

This appropriation includes money for the Minnesota Minority Education Partnership.

Money encumbered for youth works post-service benefits shall not cancel but is available until the participants for whom the money was encumbered are no longer eligible to draw benefits.

The higher education advisory council and the student advisory council shall not expire on June 30, 1997, but shall continue for the biennium.

Subd. 11. 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. 12. Transfers

The higher education services office may transfer unencumbered balances from the appropriations in this section to the state

grant appropriation, the interstate tuition reciprocity appropriation, the child care appropriation, and the state work study appropriation.

The higher education services office shall make recommendations to the 1998 and 1999 legislatures on how to use any savings resulting from federal Pell grant changes. Options for the office to consider shall include, but not be limited to, reducing the assigned family responsibility for independent students and reducing the student share in the state grant formula.

Subd. 13. Nonrecurring Appropriations

The appropriations for the Minnesota library information network, quality improvements on MnNet, inter-region and interstate connectivity for MnNet, and the National Service Scholars program are nonrecurring.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total

Appropriation	501,682,000	513,954,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

In fiscal year 1998, each college and university is to receive its fiscal year 1997 state appropriation adjusted for enrollment changes. In addition, instructional and noninstructional appropriation increases for educational improvements, performance, technology, equipment, and the electronic academy are to be distributed to the colleges and universities based on a weighted average as follows:

- (1) each campus's proportion of the fiscal year 1997 state appropriation, weighted at 70 percent; and
- (2) the proportion of each campus to the total system full-year equivalent enrollment for the 1996-1997 academic year, weighted at 30 percent.

The system shall report to the legislature on the board's progress in developing a new allocation model by February 1, 1998.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$650,469,000 in the first year and \$664,765,000 in the second year.

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 contains money for educational enhancements including improvements in programs, student services, advising, library acquisitions, and class size and availability, while holding down tuition increases.

This appropriation contains money for further development of the electronic academy, including delivery of academic programs statewide via electronic technology, development of multimedia instructional technology across the curriculum, development of automated student services available online and through the Internet, provision of technological services for staff and students, staff development, and challenge grants for innovative technology applications. Up to \$300,000 each year is for central office costs associated with the implementation of the electronic academy.

This appropriation includes money for improvements in instructional technology and equipment to be used for the benefit of faculty and students on campus.

This appropriation contains money to develop and implement a common student information system and central data management system, and to upgrade the management information systems network.

During the biennium, each college and university shall demonstrate to the board that, in the face of 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.

During the biennium, technical and consolidated colleges shall make use of instructional advisory committees consisting of employers, students, and instructors. The instructional advisory committee shall be consulted when a technical program is proposed to be created, modified, or eliminated. If a decision is made to eliminate a program, a college shall adequately notify students and make plans to assist students affected by the closure.

In each year the board of trustees shall increase the percentage of the total general fund expenditures for direct instruction, as reported in the federal Integrated Postsecondary Education Data System (IPEDS). By February 15 of 1998 and 1999, the board of trustees shall report to the legislature the percentage of total general fund expenditures spent on direct instruction and on administrative support during the previous fiscal year.

In the process of converting to semesters, the system and campuses shall develop and incorporate mechanisms to improve credit transfer as they redesign curriculum.

This appropriation contains money for the Virtual University.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$45,765,000 in the first year and \$43,741,000 in the second year.

This appropriation contains money to reimburse campuses for snow and flood disasters.

This appropriation contains money to pay the first year's assessments for the road and

entrance improvements at Inver Hills Community College. It is anticipated that the remainder of the costs will be paid from bond sources.

This appropriation contains money for development and implementation of the Minnesota career and education planning system in partnership with the University of Minnesota, the department of children, families, and learning, and the Minnesota office of technology. System maintenance and operation costs must be paid by participating agencies and institutions.

\$204,000 in the first year and \$99,000 in the second year are for debt service payments.

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

\$150,000 in the first year is to establish pilot programs at one community college, one technical college, and one consolidated community technical college to expand the child care offerings on campus to include infant care. To be chosen by the board to receive a grant, a campus must demonstrate that (1) it has an exemplary child care program, (2) there is demand for infant care on campus, and (3) it has the physical and financial capacity to sustain an infant care program after the pilot grant has expired. The board shall provide an evaluation of the pilot programs and its recommendations on expanding infant care to other campuses to the education committees of the legislature as part of its 2000–2001 biennial budget request.

Subd. 4. State Council on Vocational Technical Education

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

Subd. 5. Nonrecurring Appropriations

The appropriations for the information management system, technology, equipment, the Virtual University, the Minnesota career and education planning system, building repairs and betterment, snow and flood disaster,

state council on vocational education, Inver Hills Community College road assessment, and the infant care pilot project are nonrecurring.

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

Subdivision 1. Total

Appropriation

540,842,000

535,206,000

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

Subd. 2. Operations and Maintenance

470,998,000

468,362,000

(a) Instructional Expenditures

The legislature estimates that instructional expenditures will be \$420,752,000 in the first year and \$423,096,000 in the second year.

This appropriation includes money for the Virtual University.

This appropriation includes money for programmatic improvements.

(b) Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$182,073,000 in the first year and \$178,649,000 in the second year.

This appropriation contains money for the development and implementation of the Minnesota career and education planning system in partnership with the Minnesota state colleges and universities, the department of children, families, and learning, and the Minnesota office of technology. System maintenance and operation costs must be paid by participating agencies and institutions.

\$3,000,000 in the first year is to supplement the appropriation under Laws 1996, chapter 463, section 14, subdivision 7, for the Mariucci ice and tennis facility. The facility shall be a multisheet ice arena, unless the board of regents determines, after consultation with the Minnesota amateur sports commission, that construction of a multisheet ice

arena is not feasible. Any net profits from the operation of the facility must go to the women's athletic department.

\$250,000 in the first year is for the academic health center to provide research grants of up to \$20,000 to faculty. These grants shall be given to provide developmental support for projects that have a strong potential for future funding from outside sources.

By February 15 of each year, the University shall report to the higher education divisions of the legislature on its efforts to improve opportunities for female athletes consistent with Title IX.

This appropriation contains money for the violence and abuse prevention program. The legislature intends this to be the final state appropriation. Future financing must be from nonstate sources.

Subd. 3. Special
Appropriation

69,844,000

66,844,000

The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 1999 biennial budget document.

(a) Agriculture and Extension Service

51,047,000

51,047,000

This appropriation is for the Agricultural Experiment Station, Minnesota Extension Service, and for initiatives designed to sustain Minnesota's renewable natural resource-based industries, including, but not limited to, regional sustainable agriculture partnerships, research on wheat and barley scab, spring wheat, grapes and wine, and canola.

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

During the biennium, the university shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of range of size and income distribution of farms and agribusinesses and must not disproportionately

represent those from the upper half of the size and income distributions.

This appropriation contains money for agriculture education including money for the Minnesota agriculture leadership council and for grants. It also includes money for the university to improve recruitment and collaborative efforts at the college of agriculture, food, and environmental science.

(b) Health Sciences

10,066,000	7,066,000
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This appropriation is for indigent patients (county papers), rural physicians associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.

By January 15, 1998, the board of regents, after consultation with the board of animal health, the livestock industry, and the Minnesota Veterinary Medical Association, is requested to make recommendations to the higher education finance divisions of the legislature regarding transfer of funding for the Veterinary Diagnostic Laboratory to the board of animal health.

This appropriation contains money for technology transfer, research and public service, and the Biomedical Engineering Center endowment.

(c) Institute of Technology

1,552,000	1,552,000
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This appropriation is for the Geological Survey and the Talented Youth Mathematics Program.

(d) System Specials

7,179,000	7,179,000
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This appropriation is for general research, student loans matching money, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit. For the biennium, the board shall not reduce the total allocation for industrial relations education.

Subd. 4. Nonrecurring Appropriations

The appropriations for the administrative process redesign, the Virtual University, the Minnesota career and education planning system, the Biomedical Engineering Center endowment, technology transfer, women's ice sheet and tennis facility, violence and abuse prevention program, and programmatic improvements and performance are non-recurring.

Sec. 5. MAYO MEDICAL FOUNDATION

Subdivision 1. Total

Appropriation	1,149,000	1,282,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Medical School

441,000	455,000
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The state of Minnesota shall pay a capitation of \$11,047 in the first year and \$11,378 in the second year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

Subd. 3. Family Practice and Graduate Residency Program

408,000	467,000
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The state of Minnesota provides a capitation of \$15,107 in the first year and \$15,560 in the second year for each student.

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

300,000	360,000
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This appropriation is to the Mayo foundation to support 10 resident physicians in the first year and 12 resident physicians in the second year in the St. Cloud Hospital-Mayo Family Practice Residency Program. 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.

Sec. 6. POST-SECONDARY SYSTEMS

The legislature intends that the University of Minnesota and the Minnesota state colleges and universities correct technical college credit transfer problems. The systems, in conjunction with their campuses and with faculty and student representatives, shall convene faculty task forces in appropriate curricular areas to determine, within sound academic standards, which technical college courses shall transfer to academic institutions and whether each course is accepted for general education, major field, or elective credit. The task forces shall complete their work in time to implement changes for the 1998-1999 academic year. The systems shall develop mechanisms for assessing the success of the changes after they have been implemented and shall determine whether this process should be used to update the entire transfer curriculum, particularly in light of semester conversion. The systems shall report on their progress and recommendations for any further action as part of the 2000-2001 biennial budget request. By February 1, 1998, the systems shall provide a brief progress report that includes an assessment of the feasibility of common course numbering.

A college or university that establishes a lab school shall report to its governing board and the higher education divisions of the legislature by February 1, 1999, on all direct and indirect expenditures related to the establishment and operation of the school. The report shall include documentation of all sources of financing for these expenses.

The University of Minnesota and the Minnesota state colleges and universities shall jointly prepare a report to be submitted to the higher education divisions of the legislature by February 1, 1998, that provides a detailed review of current and planned expenditures

on information technology. The plan shall specify the goals and objectives of the systems and the campuses in their use of technology and demonstrate how these goals and objectives will serve the state's interest in higher education.

ARTICLE 2

COLLEGE AFFORDABILITY

Section 1. [16A.645] GOPHER STATE BONDS.

Subdivision 1. ESTABLISHMENT OF PROGRAM. The commissioner of finance, in consultation with the University of Minnesota, the Minnesota state colleges and universities, and the private college council, shall establish a college savings bond program, to be known as "gopher state bonds" to encourage individuals to save for higher education costs by investing in state general obligation bonds. The program consists of: (1) issuing a portion of the state general obligation bonds in zero coupon form and in denominations and maturities that will be attractive to individuals saving to pay for higher education costs; and (2) developing a program for marketing the bonds to investors who are saving to pay for higher education costs. The commissioner of finance may designate all or a portion of each state general obligation bond sale as "gopher state bonds."

Subd. 2. DENOMINATIONS; MATURITIES. The commissioner shall determine the appropriate denominations and maturities for gopher state bonds. It is the intent of the legislature to make bonds available in as small denominations as is feasible given the costs of marketing and administering the bond issue. Minimum denominations of \$500 must be made available. The minimum denomination bonds need not be made available for bonds of all maturities. For purposes of this section, "denomination" means the compounded maturity amount of the bond.

Subd. 3. DIRECT SALE PERMITTED. Notwithstanding the provisions of section 16A.646, subdivision 5, the commissioner may sell any series of gopher state bonds directly to the public or to financial institutions for prompt resale to the public upon the terms and conditions and the restrictions the commissioner prescribes. The commissioner may enter into all contracts deemed necessary or desirable to accomplish the sale in a cost-effective manner including a private or negotiated sale, but the commissioner may contract for investment banking and banking services only after receiving competitive proposals for the services.

Subd. 4. MARKETING PLAN. The commissioner and the higher education advisory council shall develop a plan for marketing gopher state bonds.

The plan must include strategies to:

- (1) inform parents and relatives about the availability of the bonds;

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(2) take orders for the bonds;

(3) target the sale of the bonds to Minnesota residents, especially parents and relatives of children who are likely to seek higher education;

(4) ensure that purchase of the bonds by corporations will not prevent individuals and relatives of future students from buying them; and

(5) market the bonds at the lowest cost to the state.

Subd. 5. **EFFECT ON STUDENT GRANTS.** The first \$25,000 of gopher state bonds purchased for the benefit of a student must not be considered in determining the financial need of an applicant for the state grant program under section 136A.121. This \$25,000 is in addition to any other asset exclusion authorized under chapter 136A.

Sec. 2. [16A.646] ZERO COUPON BONDS.

Subdivision 1. **AUTHORITY TO ISSUE.** When authorized by law to issue state general obligation bonds, the commissioner may issue all or part of the bonds as serial maturity bonds or as zero coupon bonds or a combination of the two.

Subd. 2. **DEFINITIONS.** For purposes of this section and section 16A.645, the following terms have the meanings given them.

(a) "Compounded maturity" means the amount of principal and interest payable at maturity on zero coupon bonds.

(b) "Serial maturity bonds" means bonds maturing on a specified day in two or more consecutive years and bearing interest at a specified rate payable periodically to maturity or prior redemption.

(c) "Zero coupon bonds" means bonds in a stated principal amount, maturing on a specified date or dates, and bearing interest that accrues and compounds to and is payable only at maturity or upon prior redemption of the bonds.

Subd. 3. **METHOD OF SALE; PRINCIPAL AMOUNT.** Except as otherwise provided by this section or section 16A.645, any series of bonds including zero coupon bonds must be issued and sold under the provisions of section 16A.641. The stated principal amount of zero coupon bonds must be used to determine the principal amount of bonds issued under the laws authorizing issuance of state general obligation bonds.

Subd. 4. **SINKING FUND.** The commissioner's order authorizing the issuance of zero coupon bonds shall establish a separate sinking fund account for the zero coupon bonds in the state bond fund. There is annually appropriated from the general fund to each zero coupon bond account, beginning in the year in which the zero coupon bonds are issued, an amount not less than the sum of:

(1) the total stated principal amount of the zero coupon bonds that would have matured from their date of issue to and including the second July 1 following the transfer of appropriated money, if the bonds matured serially in an equal principal amount in each year during their term and in the same month as their stated maturity date; plus

(2) the total amount of interest accruing on the stated principal amount of the bonds and on interest previously accrued, from bonds date of issue to and including the second July 1 following the transfer of appropriated money; less

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(3) the amount in the sinking fund account for the payment of the compounded maturity amount of the bonds, including interest earnings on amounts in the account. This appropriation is in lieu of all other appropriations made with respect to zero coupon bonds. The appropriated amounts must be transferred from the general fund to the sinking fund account in the state bond fund by December 1 of each year.

Subd. 5. SALE. Except as otherwise provided in section 16A.645, zero coupon bonds, or a series of bonds including zero coupon bonds, must be sold at public sale at a price not less than 98 percent of their stated principal amount. No state trunk highway bond may be sold for a price of less than par and accrued interest.

Sec. 3. Minnesota Statutes 1996, section 136A.101, is amended by adding a subdivision to read:

Subd. 5a. ASSIGNED FAMILY RESPONSIBILITY. "Assigned family responsibility" means the amount of a family contribution to a student's cost of attendance, as determined by a federal need analysis, except that, beginning for the 1998-1999 academic year, up to \$25,000 in savings and other assets shall be subtracted from the federal calculation of net worth before determining the contribution. For dependent students, the assigned family responsibility is the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 80 percent of the student contribution.

Sec. 4. Minnesota Statutes 1996, 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) the assigned student responsibility of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(2) the assigned family responsibility, as determined by 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 as defined in section 136A.101; and

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

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

Sec. 5. Minnesota Statutes 1996, section 136A.121, subdivision 9a, is amended 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.

New language is indicated by underline, deletions by strikeout.

Sec. 6. Minnesota Statutes 1996, 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:

- (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 office; and
- (3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be ~~\$1,700~~ \$2,000 for each eligible child per academic year. The 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. 7. Minnesota Statutes 1996, section 136A.1355, is amended to read:

136A.1355 RURAL PHYSICIANS.

Subdivision 1. **CREATION OF ACCOUNT.** A rural physician education account is established in the health care access fund. ~~The higher education services office commissioner shall use money from the account to establish a loan forgiveness program for medical students residents agreeing to practice in designated rural areas, as defined by the commissioner.~~

Subd. 2. **ELIGIBILITY.** To be eligible to participate in the program, a prospective physician must submit a letter of interest to the ~~higher education services office commissioner.~~ A student or resident who is accepted must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Subd. 3. **LOAN FORGIVENESS.** ~~For each fiscal years beginning on and year after July 1, 1995, the higher education services office commissioner may accept up to four applicants who are fourth year medical students, three 12 applicants who are medical residents, including four applicants who are pediatric residents, and four six applicants who are family practice residents, and one applicant who is an two applicants who are internal medicine resident residents, per fiscal year for participation in the loan forgiveness program. If the higher education services office commissioner does not receive enough applicants per fiscal year to fill the number of residents in the specific areas of practice, the resident applicants may be from any area of practice. The eight 12 resident applicants may be in any year of training; however, priority must be given to the following categories of residents in descending order: third year residents, second year residents, and first year residents. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education services office commissioner shall annually pay an amount equal to one year of qualified loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment. In addition, if in any year that a resident participating in the loan forgiveness program serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments to enable~~

New language is indicated by underline, deletions by strikeout.

the rural physician to take a vacation, engage in activities outside the practice area, or otherwise be relieved of rural practice commitments, the participating resident may designate up to an additional \$2,000, above the \$10,000 yearly maximum, for each year of residency during which the resident substitutes for a rural physician for four or more weeks.

Subd. 4. **PENALTY FOR NONFULFILLMENT.** If a participant does not fulfill the required three-year minimum commitment of service in a designated rural area, the higher education services office commissioner shall collect from the participant the amount paid by the commissioner under the loan forgiveness program. The higher education services office commissioner shall deposit the money collected in the rural physician education account established in subdivision 1. The commissioner shall allow waivers of all or part of the money owed the commissioner if emergency circumstances prevented fulfillment of the three-year service commitment.

Subd. 5. **LOAN FORGIVENESS; UNDERSERVED URBAN COMMUNITIES.** For each fiscal year year beginning on and after July 1, 1995, the higher education services office commissioner may accept up to four applicants who are either fourth year medical students, or residents in family practice, pediatrics, or internal medicine per fiscal year for participation in the urban primary care physician loan forgiveness program. The resident applicants may be in any year of residency training; however, priority will be given to the following categories of residents in descending order: third year residents, second year residents, and first year residents. If the higher education services office commissioner does not receive enough qualified applicants per fiscal year to fill the number of slots for urban underserved communities, the slots may be allocated to students or residents who have applied for the rural physician loan forgiveness program in subdivision 1. Applicants are responsible for securing their own loans. 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. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated underserved urban area, up to a maximum of four years, the higher education services office commissioner shall annually pay an amount equal to one year of qualified loans. Participants who move their practice from one designated underserved urban community to another remain eligible for loan repayment.

Sec. 8. Minnesota Statutes 1996, section 136A.136, subdivision 2, is amended to read:

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;

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(2) working part time, up to 32 fewer hours than the person's regular schedule per pay period, for the health care facility organization, while maintaining full salary and original benefits and a salary greater than the number of hours worked;

(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.

Sec. 9. Minnesota Statutes 1996, 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.

(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 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 person's residence of the handicapped person or the person over 65, or a private, for-profit employer employing a student as an intern in a position directly related to the student's field of study that will enhance the student's knowledge and skills in that field.

(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. 10. Minnesota Statutes 1996, section 136A.233, subdivision 3, is amended to read:

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

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

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

(b) In selecting students for participation, priority must be given to students enrolled for at least 12 credits.

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

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

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

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

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

(h) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Sec. 11. Minnesota Statutes 1996, section 136A.233, is amended by adding a subdivision to read:

Subd. 4. COOPERATION WITH LOCAL SCHOOLS. Each campus using the state work study program is encouraged to cooperate with its local public elementary and secondary schools to place college work study students in activities in the schools, such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards including the profiles of learning. College students shall work under direct supervision; therefore, school hiring authorities are not required to request criminal background checks on these students under section 120.1045.

Sec. 12. [136A.241] EDVEST PROGRAM ESTABLISHED.

An EdVest savings program is established. In establishing this program, the legislature seeks to encourage individuals to save for post-secondary education by:

(1) providing a qualified state tuition program under federal tax law;

(2) providing matching grants for contributions to the program by low- and middle-income families; and

(3) by encouraging individuals, foundations, and businesses to provide additional grants to participating students.

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

Sec. 13. [136A.242] DEFINITIONS.

Subdivision 1. GENERAL. For purposes of sections 136A.241 to 136A.245, the following terms have the meanings given.

Subd. 2. ADJUSTED GROSS INCOME. "Adjusted gross income" means adjusted gross income as defined in section 62 of the Internal Revenue Code.

Subd. 3. BENEFICIARY. "Beneficiary" means the designated beneficiary for the account, as defined in section 529(e)(1) of the Internal Revenue Code.

Subd. 4. BOARD. "Board" means the state board of investment.

Subd. 5. DIRECTOR. "Director" means the director of the higher education services office.

Subd. 6. EXECUTIVE DIRECTOR. "Executive director" means the executive director of the state board of investment.

Subd. 7. INTERNAL REVENUE CODE. "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

Subd. 8. OFFICE. "Office" means the higher education services office.

Subd. 9. PROGRAM. "Program" or "EdVest" refers to the program established under sections 136A.241 to 136A.245.

Sec. 14. [136A.243] HIGHER EDUCATION SERVICES OFFICE.

Subdivision 1. RESPONSIBILITIES. (a) The director shall establish the rules, terms, and conditions for the program, subject to the requirements of sections 136A.241 to 136A.245.

(b) The director shall prescribe the application forms, procedures, and other requirements that apply to the program.

Subd. 2. ACCOUNTS-TYPE PROGRAM. The office must establish the program and the program must be operated as an accounts-type program that permits individuals to save for qualified higher education costs incurred at any institution, regardless of whether it is private or public or whether it is located within or outside of this state. A separate account must be maintained for each beneficiary for whom contributions are made.

Subd. 3. CONSULTATION WITH STATE BOARD OF INVESTMENT. In designing and establishing the program's requirements and in negotiating or entering contracts with third parties under subdivision 8, the director shall consult with the executive director.

Subd. 4. PROGRAM TO COMPLY WITH FEDERAL LAW. The director shall take steps to ensure that the program meets the requirements for a qualified state tuition program under section 529 of the Internal Revenue Code. The director may request a private letter ruling or rulings from the Internal Revenue Service or take any other steps to ensure that the program qualifies under section 529 of the Internal Revenue Code or other relevant provisions of federal law.

Subd. 5. MINIMUM PENALTY. In establishing the terms of the program, the office must provide that refunds of amounts in an account are subject to a minimum penalty,

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

as required by section 529(b)(3) of the Internal Revenue Code. If the refunds or payments are not used for qualified higher education expenses of the designated beneficiary, this penalty must equal, at least, the proportionate amount of any matching grants deposited in the account under section 136A.245 and the investment return on the grants, plus an additional penalty that meets the requirement of federal law.

Subd. 6. THREE-YEAR PERIOD FOR WITHDRAWAL OF GRANTS. A matching grant deposited in the account under section 136A.245 may not be withdrawn within three years of the establishment of the account of the beneficiary. In calculating the three-year period, the period held in another account is included, if the account includes a rollover from another account under section 529(c)(3)(C) of the Internal Revenue Code.

Subd. 7. MARKETING. The director shall make parents and other interested individuals aware of the availability and advantages of the program as a way to save for higher education costs. The cost of these promotional efforts must be paid entirely from state general fund appropriations and may not be funded with fees imposed on participants.

Subd. 8. ADMINISTRATION. The director shall administer the program, including accepting and processing applications, maintaining account records, making payments, making matching grants under section 136A.245, and undertaking any other necessary tasks to administer the program. The office may contract with one or more third parties to carry out some or all of these administrative duties, including promotion and marketing of the program. The office and the board may jointly contract with third-party providers, if the office and board determine that it is desirable to contract with the same entity or entities for administration and investment management.

Subd. 9. AUTHORITY TO IMPOSE FEES. The office may impose fees on participants in the program to recover the costs of administration. The office must use its best efforts to keep these fees as low as possible, consistent with efficient administration, so that the returns on savings invested in the program will be as high as possible.

Sec. 15. [136A.244] INVESTMENT OF ACCOUNTS.

Subdivision 1. STATE BOARD TO INVEST. The state board of investment shall invest the money deposited in accounts in the program.

Subd. 2. PERMITTED INVESTMENTS. The board may invest the accounts in any permitted investment under section 11A.24.

Subd. 3. CONTRACTING AUTHORITY. The board may contract with one or more third parties for investment management, recordkeeping, or other services in connection with investing the accounts. The board and office may jointly contract with third-party providers, if the office and board determine that it is desirable to contract with the same entity or entities for administration and investment management.

Subd. 4. FEES. The board may impose fees on participants in the program to recover the cost of investment management and related tasks for the program. The board must use its best efforts to keep these fees as low as possible, consistent with high quality investment management, so that the returns on savings invested in the program will be as high as possible.

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Sec. 16. **[136A.245] MATCHING GRANTS.**

Subdivision 1. MATCHING GRANT QUALIFICATION. By March 1 of each year, a state matching grant must be added to each account established under the program if the following conditions are met:

(1) the contributor applies, in writing in a form prescribed by the director, for a matching grant;

(2) a minimum contribution of \$200 was made during the preceding calendar year;
and

(3) the family income of the beneficiary did not exceed \$80,000.

Subd. 2. FAMILY INCOME. For purposes of this section, "family income" means:

(1) if the beneficiary is under age 25, the combined adjusted gross income of the beneficiary's parents as reported on the federal tax return or returns for the most recently available tax year; or

(2) if the beneficiary is age 25 or older, the combined adjusted gross income of the beneficiary and spouse, if any.

Subd. 3. AMOUNT OF MATCHING GRANT. The amount of the matching grant for a beneficiary equals:

(1) if the beneficiary's family income is \$50,000 or less, 15 percent of the sum of the contributions made to the beneficiary's account during the calendar year, not to exceed \$300; and

(2) if the beneficiary's family income is more than \$50,000 but not more than \$80,000, five percent of the sum of the contributions made to the beneficiary's account during the calendar year, not to exceed \$300.

Subd. 4. BUDGET LIMIT. If the total amount of matching grants determined under subdivision 3 exceeds the amount of the appropriation for the fiscal year, the director shall proportionately reduce each grant so that the total equals the available appropriation.

Subd. 5. COORDINATION WITH DEPARTMENT OF REVENUE. In administering matching grants, the director may require that applicants submit sufficient information to determine whether the beneficiary qualifies for a grant, including the Social Security numbers, family income information, and any other information the director determines necessary. The applicant or applicants may authorize the director to request information from the commissioner of revenue to verify eligibility for a grant from tax information on file with the commissioner or obtained from the Internal Revenue Service. If this method is used and the taxpayer has authorized a release of the information to the director, the commissioner of revenue may verify that the beneficiary is eligible for a grant at a specified rate and maximum and disclose that information to the director, notwithstanding the provisions of chapter 270B.

Subd. 6. PRIVATE CONTRIBUTIONS. (a) The office may solicit and accept contributions from private corporations, other businesses, foundations, or individuals to provide:

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

(1) matching grants under this section in addition to those funded with direct appropriations; or

(2) grants to students who withdraw money from accounts established under the program.

(b) Amounts contributed may only be used for those purposes. Amounts contributed are appropriated to the director to make grants.

(c) Contributors may designate a specific field of study, geographic area, or other criteria that govern use of the grants funded with their contributions, but may not discriminate on the basis of race, ethnicity, or gender. The office may refuse contributions that are subject, in the judgment of the director, to unacceptable conditions on their use.

Sec. 17. Minnesota Statutes 1996, section 181.06, subdivision 2, is amended to read:

Subd. 2. **PAYROLL DEDUCTIONS.** A written contract may be entered into between an employer and an employee wherein the employee authorizes the employer to make payroll deductions for the purpose of paying union dues, premiums of any life insurance, hospitalization and surgical insurance, group accident and health insurance, group term life insurance, group annuities or contributions to credit unions or a community chest fund, a local arts council, a local science council or a local arts and science council, or Minnesota benefit association, a federally or state registered political action committee, or participation in any employee stock purchase plan or savings plan for periods longer than 60 days, including gopher state bonds established under section 16A.645.

Sec. 18. STUDENT FEES.

By December 1, 1998, the higher education services office shall provide information to the public post-secondary boards advising them how to maximize financial aid when establishing student fees.

Sec. 19. NATIONAL SERVICE SCHOLARS PROGRAM.

A national service scholars program is established under the administration of the higher education services office to match scholarship grants made under the National Service Scholars program of the Corporation for National Service to students attending Minnesota high schools and who will attend a Minnesota post-secondary institution. Not more than one matching grant of \$500 may be made for each high school per year. The state money shall be available until June 30, 1999, if federal money is available.

Sec. 20. REVISOR'S INSTRUCTION.

The revisor of statutes shall renumber Minnesota Statutes, section 136A.1355, in an appropriate place in Minnesota Statutes, chapter 144.

Sec. 21. EFFECTIVE DATE.

Section 5 is effective the day following final enactment. Sections 1, 2, and 17 are effective for the sale of general obligation bonds after July 1, 1998.

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ARTICLE 3

OTHER PROVISIONS

Section 1. Minnesota Statutes 1996, section 16A.69, subdivision 2, is amended to read:

Subd. 2. **TRANSFER BETWEEN ACCOUNTS.** Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement, or upon the abandonment of the project, the agency to whom the appropriation was made may transfer the unencumbered balance in the project account to another project enumerated in the same section of that appropriation act. The transfer must be made only to cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this section is appropriated for the purposes for which transferred. For transfers for technical colleges by the state board of technical trustees of the Minnesota state colleges and universities, the total cost of both projects and the required local share for both projects are adjusted accordingly. The agency proposing a transfer shall report to the chair of the senate finance committee and the chair of the house of representatives ways and means committee before the transfer is made under this subdivision.

Sec. 2. **[41D.01] MINNESOTA AGRICULTURE EDUCATION LEADERSHIP COUNCIL.**

Subdivision 1. ESTABLISHMENT; MEMBERSHIP. The Minnesota agriculture education leadership council is established. The council is composed of 16 members as follows:

- (1) the chair of the University of Minnesota agricultural education program;
- (2) a representative of the commissioner of children, families, and learning;
- (3) a representative of the Minnesota state colleges and universities recommended by the chancellor;
- (4) the president and the president-elect of the Minnesota vocational agriculture instructors association;
- (5) a representative of the Future Farmers of America Foundation;
- (6) a representative of the commissioner of agriculture;
- (7) the dean of the college of agriculture, food, and environmental sciences at the University of Minnesota;
- (8) two members representing agriculture education and agriculture business appointed by the governor;
- (9) the chair of the senate committee on agriculture and rural development;
- (10) the chair of the house committee on agriculture;
- (11) the ranking minority member of the senate committee on agriculture and rural development, and a member of the senate committee on children, families and learning

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designated by the subcommittee on committees of the committee on rules and administration; and

(12) the ranking minority member of the house agriculture committee, and a member of the house education committee designated by the speaker.

Subd. 2. POWERS AND DUTIES. Specific powers and duties of the council are to:

(1) develop recommendations to the legislature and the governor and provide review for agriculture education programs in Minnesota;

(2) establish a grant program to foster and encourage the development of secondary and post-secondary agriculture education programs;

(3) coordinate and articulate Minnesota's agriculture education policy across all programs and institutions;

(4) identify the critical needs for agriculture educators;

(5) serve as a link between the agribusiness sector and the agriculture education system to communicate mutual concerns, needs, and projections;

(6) establish and maintain an increased awareness of agriculture education and its continued need to all citizens of Minnesota;

(7) operate the Minnesota center for agriculture education created in section 41D.03;

(8) gain broad public support for agriculture education in Minnesota; and

(9) report annually on its activities to the senate agriculture and rural development committee and the house agriculture committee.

**Subd. 3. COUNCIL OFFICERS; TERMS AND COMPENSATION OF AP-
POINTEES; STAFF.** (a) The chair of the senate agriculture and rural development committee and the chair of the house agriculture committee are the cochairs of the council.

(b) The council's membership terms, compensation, filling of vacancies, and removal of members are as provided in section 15.0575.

(c) The council may employ an executive director and any other staff to carry out its functions.

Subd. 4. EXPIRATION. This section expires on June 30, 2002.

Sec. 3. [41D.02] AGRICULTURE EDUCATION GRANT PROGRAM.

Subdivision 1. ESTABLISHMENT. The Minnesota agriculture education leadership council shall establish a program to provide grants under subdivisions 2 and 3 to educational institutions and other appropriate entities for secondary and post-secondary agriculture education programs.

Subd. 2. SECONDARY AGRICULTURAL EDUCATION. The council may provide grants for:

(1) planning and establishment costs for secondary agriculture education programs;

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- (2) new instructional and communication technologies; and
- (3) curriculum updates.

Subd. 3. POST-SECONDARY EDUCATION. The council may provide grants for:

- (1) new instructional and communication technologies; and
- (2) special project funding, including programming, in-service training, and support staff.

Sec. 4. [41D.03] MINNESOTA CENTER FOR AGRICULTURE EDUCATION.

Subdivision 1. GOVERNANCE. The Minnesota center for agriculture education is governed by the Minnesota agriculture education leadership council.

Subd. 2. POWERS AND DUTIES OF COUNCIL. (a) The council has the powers necessary for the care, management, and control of the Minnesota center for agriculture education and all its real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The council may employ necessary employees, and contract for other services to ensure the efficient operation of the center for agriculture education.

(c) The council may receive and award grants. The council may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance. The council shall adopt internal procedures to administer and monitor aids and grants.

(d) The council may establish or coordinate evening, continuing education, and summer programs for teachers and pupils.

(e) The council may determine the location for the Minnesota center for agriculture education and any additional facilities related to the center, including the authority to lease a temporary facility.

(f) The council may enter into contracts with other public and private agencies and institutions for building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the council itself. The council may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or educational cooperative service units to provide supplemental educational instruction and services.

Subd. 3. CENTER ACCOUNT. There is established in the state treasury a center for agriculture education account in the special revenue fund. All money collected by the council, including rental income, shall be deposited in the account. Money in the account, including interest earned, is appropriated to the council for the operation of its services and programs.

Subd. 4. EMPLOYEES. (a) The council shall employ persons who shall serve in the unclassified service.

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(b) The employees hired under this subdivision and any other necessary employees hired by the council shall be state employees in the executive branch.

Subd. 5. **POLICIES.** The council may adopt administrative policies about the operation of the center.

Subd. 6. **PUBLIC POST-SECONDARY INSTITUTIONS; PROVIDING SPACE.** Public post-secondary institutions shall provide space for the Minnesota center for agriculture education at a reasonable cost to the center to the extent that space is available at the public post-secondary institutions.

Subd. 7. **PURCHASING INSTRUCTIONAL ITEMS.** Technical educational equipment may be procured for programs of the Minnesota center for agriculture education by the council either by brand designation or in accordance with standards and specifications the council may adopt, notwithstanding chapter 16B.

Sec. 5. [41D.04] RESOURCE, MAGNET, AND OUTREACH PROGRAMS.

Subdivision 1. **RESOURCE AND OUTREACH.** The center shall offer resource and outreach programs and services statewide aimed at the enhancement of agriculture education opportunities for pupils in elementary and secondary school.

Subd. 2. **CENTER RESPONSIBILITIES.** The center shall:

(1) provide information and technical services to agriculture teachers, professional agriculture organizations, school districts, and the department of children, families, and learning;

(2) gather and conduct research in agriculture education;

(3) design and promote agriculture education opportunities for all Minnesota pupils in elementary and secondary schools; and

(4) serve as liaison for the department of children, families, and learning to national organizations for agriculture education.

Sec. 6. Minnesota Statutes 1996, section 125.1385, subdivision 2, is amended to read:

Subd. 2. **COMPENSATION.** State money for faculty exchange programs is to compensate for expenses that are unavoidable and beyond the normal living expenses exchange participants would incur if they were not involved in this exchange. The state university board of trustees of the Minnesota state colleges and universities, the board of regents, or of the University of Minnesota, and their respective campuses, in conjunction with the participating school districts, must control costs for all participants as much as possible, through means such as arranging housing exchanges, providing campus housing, and providing university, state, or school district cars for transportation. The boards and campuses may seek other sources of funding to supplement these appropriations, if necessary.

Sec. 7. Minnesota Statutes 1996, section 126.56, subdivision 2, is amended to read:

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;

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- (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 or its equivalent during the semester or quarter prior to application, or have earned at least a B average or its equivalent 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; and
- (7) be 19 years of age or younger.

Sec. 8. Minnesota Statutes 1996, section 126.56, subdivision 4a, is amended to read:

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 services office; and
- (5) be approved by the ~~commissioner~~ director of the higher education services office.

Sec. 9. Minnesota Statutes 1996, section 126.56, subdivision 7, is amended to read:

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

Sec. 10. Minnesota Statutes 1996, section 135A.052, subdivision 1, is amended to read:

Subdivision 1. **STATEMENT OF MISSIONS.** The legislature recognizes each type of public post-secondary system institution to have a distinctive mission within the overall provision of public higher education in the state and a responsibility to cooperate with the each other systems. These missions are as follows:

- (1) the technical ~~college system~~ colleges shall offer vocational training and education to prepare students for skilled occupations that do not require a baccalaureate degree;
- (2) the community ~~college system~~ colleges shall offer lower division instruction in academic programs, occupational programs in which all credits earned will be accepted for transfer to a baccalaureate degree in the same field of study, and remedial studies, for students transferring to baccalaureate institutions and for those seeking associate degrees;

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(3) consolidated community technical colleges shall offer the same types of instruction, programs, certificates, diplomas, and degrees as the technical colleges and community colleges offer;

(4) ~~the state university system universities shall offer undergraduate and graduate instruction through the master's degree, including specialist certificates, in the liberal arts and sciences and professional education; and~~

(4) (5) the University of Minnesota shall offer undergraduate, graduate, and professional instruction through the doctoral degree, and shall be the primary state supported academic agency for research and extension services.

It is part of the mission of each system that within the system's resources the system's governing board and chancellor or president shall endeavor to:

(a) prevent the waste or unnecessary spending of public money;

(b) use innovative fiscal and human resource practices to manage the state's resources and operate the system as efficiently as possible;

(c) coordinate the system's activities wherever appropriate with the activities of ~~the other systems~~ system and governmental agencies;

(d) use technology where appropriate to increase system productivity, improve customer service, increase public access to information about the system, and increase public participation in the business of the system;

(e) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A; and

(f) recommend to the legislature appropriate changes in law necessary to carry out the mission of the system.

Sec. 11. Minnesota Statutes 1996, section 136A.03, is amended to read:

136A.03 EXECUTIVE OFFICERS; EMPLOYEES.

The director of the higher education services office shall possess the powers and perform the duties as prescribed by the higher education services council and shall serve in the unclassified service of the state civil service. The director, or the director's designated representative, on behalf of the office is authorized to sign contracts and execute all instruments necessary or appropriate to carry out the purposes of sections 136A.01 to 136A.178 for the office. The salary of the director shall be established by the higher education services council according to section 15A.081, subdivision 1. The director shall be a person qualified by training or experience in the field of higher education or in financial aid administration. The director may appoint other professional employees who shall serve in the unclassified service of the state civil 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 financial aid and other aspects of higher education and for activities in keeping with the planning and administrative responsibilities of the office and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

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Sec. 12. Minnesota Statutes 1996, section 136A.16, subdivision 8, is amended to read:

Subd. 8. Money made available to the office that is not immediately needed for the purposes of sections 136A.15 to 136A.1702 may be invested by the office. The money must be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. The money may also be invested in prime quality commercial paper that is eligible for investment in the state employees retirement fund. All interest and profits from such investments inure to the benefit of the office or may be pledged for security of bonds issued by the office or its predecessor, the Minnesota higher education coordinating board.

Sec. 13. Minnesota Statutes 1996, section 136A.16, is amended by adding a subdivision to read:

Subd. 13. The office may sue and be sued.

Sec. 14. Minnesota Statutes 1996, section 136A.16, is amended by adding a subdivision to read:

Subd. 14. The office may sell at public or private sale, at the price or prices determined by the office, any note or other instrument or obligation evidencing or securing a loan made by the office or its predecessor, the Minnesota higher education coordinating board.

Sec. 15. Minnesota Statutes 1996, section 136A.16, is amended by adding a subdivision to read:

Subd. 15. The office may obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions.

Sec. 16. Minnesota Statutes 1996, section 136A.171, is amended to read:

136A.171 REVENUE BONDS; ISSUANCE; PROCEEDS.

The higher education services office may issue revenue bonds to obtain funds for loans made in accordance with the provisions of this chapter. The aggregate amount of revenue bonds, issued directly by the office, outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, shall not exceed \$550,000,000. Proceeds from the issuance of bonds may be held and invested by the office pending disbursement in the form of loans. All interest and profits from the investments shall inure to the benefit of the office and shall be available to the board office for the same purposes as the proceeds from the sale of revenue bonds including, but not limited to, costs incurred in administering loans under this chapter and loan reserve funds.

Sec. 17. Minnesota Statutes 1996, section 136A.173, subdivision 3, is amended to read:

Subd. 3. The revenue bonds may be issued as serial bonds or as term bonds, or the office, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the ~~members~~ director of the office and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, payable at such time or times, be in denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such

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manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. The revenue bonds or notes may be sold at public or private sale for such price or prices as the office shall determine. Pending preparation of the definitive bonds, the office may issue interim receipts or certificates which shall be exchanged for such definite bonds.

Sec. 18. Minnesota Statutes 1996, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$350,000,000~~ \$500,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 19. Minnesota Statutes 1996, section 136F.28, subdivision 2, is amended to read:

Subd. 2. **DEFINITIONS.** For the purpose of this section, the following terms have the meaning given to them:

(a) "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.

(b) "Technical college" means a technical college or consolidated community technical college under the governance of the Minnesota state colleges and universities.

Sec. 20. Minnesota Statutes 1996, section 136F.32, is amended to read:

136F.32 DEGREES; DIPLOMAS; CERTIFICATES.

Subdivision 1. APPROVAL. The board may approve awarding of appropriate certificates, diplomas, or degrees to persons who complete a prescribed curriculum.

Subd. 2. TECHNICAL AND CONSOLIDATED TECHNICAL COLLEGES. A technical college or consolidated technical community college shall offer students the option of pursuing diplomas and certificates in each technical education program, unless the board determines that this is not practicable for certain programs. All credits earned for a diploma or certificate shall be applicable toward any available degree in the same program.

Sec. 21. Minnesota Statutes 1996, section 136F.49, is amended to read:

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136F.49 LICENSURE.

The board may shall adopt policies for licensure of teaching personnel in technical colleges and for vocational technical instructors teaching outside the Minnesota state colleges and universities system. The board may establish a processing fee for the issuance, renewal, or extension of a license.

Sec. 22. Minnesota Statutes 1996, section 136F.581, subdivision 2, is amended to read:

Subd. 2. POLICIES AND PROCEDURES. The board shall develop policies, and each college and university shall develop procedures, for purchases and contracts that are consistent with subdivision 1. The policies and procedures shall be developed through the system and campus labor management committees and shall include provisions requiring the system and campuses to determine that they cannot use available staff before contracting with additional outside consultants or services. In addition, each college and university, in consultation with the system office, shall develop procedures for those purchases and contracts that can be accomplished by a college and university without board approval. The board policies must allow each college and university the local authority to enter into contracts for construction projects of up to \$250,000 and to make other purchases of up to \$50,000, without receiving board approval. The board may allow a college or university local authority to make purchases over \$50,000 without receiving board approval.

Sec. 23. Minnesota Statutes 1996, section 136F.72, subdivision 1, is amended to read:

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, federal, state, and private student loans financial aid, gifts and endowments, and other accounts as the board may prescribe.

Sec. 24. Minnesota Statutes 1996, section 136F.80, is amended to read:

136F.80 GRANTS; GIFTS; BEQUESTS; DEVICES; 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, or association, ~~or government agency~~ may make to the board for the purposes of the state colleges and universities, or any federal, state, or private money made available for the purpose of providing student financial aid at 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 under this subdivision are appropriated to the board for use in the colleges and universities and shall be administered within the college and university activity funds. These moneys shall not be taken into account in determining appropriations or allocations. All taxes and special assessments constituting a lien on

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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~~ 118A, 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. Notwithstanding the provisions of chapter ~~118~~ 118A, the state board of investment may invest assets of the board, colleges, and universities when requested by the board, college, or university.

Sec. 25. **[136F.81] TRANSFER OF GIFTS.**

A college or university that receives a gift or bequest that is intended for purposes performed by a foundation approved under section 136F.46 may transfer the money to its foundation, provided the money is used only for public purposes.

Sec. 26. Minnesota Statutes 1996, section 137.022, subdivision 2, is amended to read:

Subd. 2. **INCOME.** The All income from the permanent university fund is appropriated annually to the board of regents. Authority over this income is vested solely in the board but must be used by the board directly to enhance the mission of the university. ~~This appropriation of income must not be used to reduce other appropriations made to the board of regents. The determination of this income shall be based on the procedures detailed in section 11A.16, subdivision 5, or 11A.12, subdivision 2.~~

Sec. 27. Minnesota Statutes 1996, section 216C.27, subdivision 7, is amended to read:

Subd. 7. **BUILDING EVALUATORS.** The commissioner shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy efficiency standards. The commissioner shall, by rule pursuant to chapter 14, adopt standards for the certification and performance of evaluators and set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner shall encourage the certification of existing groups of trained municipal personnel and qualified individuals from community-based organizations and public service organizations. Each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy efficiency standards established pursuant to subdivision 1. The inspections shall be made within 30 days of the request. The commissioner shall enter into an agreement with the ~~department of children, families, and learning~~ board of trustees of the Minnesota state colleges and universities for the provision of evaluator training ~~through at institutions that offer the technical colleges training.~~ The commissioner may contract with the technical colleges board to reduce the training costs to the students. The commissioner may eliminate the examination fee for persons seeking upgraded certificates. The commissioner may also establish requirements for continuing education, periodic recertification, and revocation of certification for evaluators.

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

Sec. 28. Minnesota Statutes 1996, section 583.22, subdivision 5, is amended to read:

Subd. 5. **DIRECTOR.** "Director" means the director of the agricultural extension service conflict and change center at the University of Minnesota's Humphrey Institute or the director's designee.

Sec. 29. 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; Laws 1993, First Special Session chapter 2, article 6, section 2; and Laws 1995, chapter 212, article 2, section 11, 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, ~~1997~~ 1998.

Sec. 30. Laws 1994, chapter 643, section 19, subdivision 9, as amended by Laws 1995, chapter 224, section 124, is amended to read:

Subd. 9. Museum and Center for
American Indian History

1,100,000

This appropriation is for the board of trustees of the Minnesota state colleges and universities to plan, design, and construct a museum and center for American Indian history and policy. The facility shall be located at Bemidji State University. This appropriation is ~~not available unless matched by \$1,000,000 from nonpublic sources dollar for dollar to the extent matched by nonstate money, provided that a minimum of \$500,000 must be raised from nonstate money. If more than \$1,100,000 is raised from nonstate money, the money may be used to expand the project. Initiation of the project must begin prior to June 30, 2001.~~ The board of trustees of the Minnesota state colleges and universities is not required to pay any debt service for this appropriation.

Sec. 31. Laws 1996, chapter 366, section 6, is amended to read:

Sec. 6. MORATORIUM.

Notwithstanding any law to the contrary, until June 30, ~~1997~~ 1998, an educational institution that was licensed under Minnesota Statutes, chapter 141, on December 31, 1995, must continue to comply with the provisions of that chapter and may not use any of the exemptions available under Minnesota Statutes, section 141.35.

Sec. 32. Laws 1997, chapter 32, is amended by adding a section to read:

Sec. 2. EFFECTIVE DATE.

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This act is effective the day after the final enactment of S. F. No. 1888.

Sec. 33. STUDENT ORGANIZATIONS.

A campus student association shall not hold a referendum to determine statewide affiliation before May 1, 1998, or before the statewide student associations for the community colleges and technical colleges consolidate, whichever is sooner.

Sec. 34. MINNESOTA VIRTUAL UNIVERSITY.

Subdivision 1. ESTABLISHMENT. The Minnesota Virtual University is established as a public-private partnership consisting of the University of Minnesota, the Minnesota state colleges and universities, and private colleges and universities to ensure that lifelong learning opportunities are developed and available to Minnesota citizens and businesses. The Minnesota Virtual University shall establish multiple points of entry for students with immediate access to all instructional, support, and administrative services.

Subd. 2. COORDINATION. The University of Minnesota, the Minnesota state colleges and universities, and the private colleges and universities are requested to:

(1) oversee the development and implementation of an electronic system that will support immediate access to all instructional, support, and administrative services in a seamless and customer-friendly manner;

(2) include private businesses, and other institutions that could support the development of a virtual university; and

(3) develop an electronic system supporting student services, including, but not limited to, course catalogs, registration systems, credit banks, and occupation and employer data. The electronic system shall be designed to integrate with existing and future systems supporting the University of Minnesota, the Minnesota state colleges and universities, and private colleges and universities.

Sec. 35. MNSCU EXCLUSION.

Notwithstanding any law to the contrary, the Minnesota state colleges and universities are not a state agency for the purposes of laws relating to the office of technology.

Sec. 36. ROUNDTABLE ON VOCATIONAL TECHNICAL EDUCATION.

Subdivision 1. ESTABLISHMENT; MEMBERS. A roundtable discussion on vocational technical education in the state shall be convened. The roundtable shall consist of 13 members as follows:

(1) the commissioner of the department of children, families, and learning or the commissioner's designee;

(2) the chancellor of the Minnesota state colleges and universities or the chancellor's designee;

(3) a majority member of the higher education budget division of the senate committee on children, families and learning, appointed by the senate majority leader, and a minority member of the same division appointed by the minority leader;

(4) a majority member of the higher education finance division of the education committee of the house, appointed by the speaker of the house, and a minority member of the same division appointed by the minority leader;

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(5) a member of the state vocational school planning committee, selected by the committee; and

(6) the following members, appointed by the governor:

(i) one member of the state council on vocational technical education;

(ii) a member of private industry who regularly hires graduates of vocational technical education programs;

(iii) a secondary vocational technical educator;

(iv) a post-secondary faculty member in vocational technical education;

(v) a current student in vocational technical education; and

(vi) a representative of organized labor.

Subd. 2. **DUTIES.** The roundtable shall make recommendations on strategies needed to effectively provide efficient vocational technical education in Minnesota. The roundtable shall consider at least the following issues:

(1) how counseling at the secondary and post-secondary level could improve student success in job placement;

(2) how recruitment efforts by technical colleges could help fill classroom vacancies;

(3) how to encourage cooperation with industry in curriculum design, internship development, and projection of potential job growth areas; and

(4) the relationship of technical colleges to current school-to-work programs.

Subd. 3. **REPORTS.** The roundtable shall report to the legislature on its recommendations by January 15, 1998. The state council on vocational technical education and the Minnesota state colleges and universities shall provide staffing and other necessary support to the roundtable.

Subd. 4. **PLANNING COMMITTEE; CONTINUATION.** The state vocational school planning committee, established under Laws 1995, First Special Session chapter 3, article 3, section 12, shall continue until June 30, 1998.

Sec. 37. BOARD AUTHORITY TO PURCHASE, SELL, TRANSFER, LEASE, AND CONVEY CERTAIN LAND AND IMPROVEMENTS.

Subdivision 1. **AUTHORITY.** The board of trustees may purchase, sell, transfer, lease, and convey land and improvements described in this section, and may retain all proceeds from the sale or lease of real estate under Minnesota Statutes, section 136F.71. The provisions of Minnesota Statutes, sections 94.09 to 94.16 and 103F.535, do not apply to real estate transactions authorized by this section.

Subd. 2. **ST. CLOUD.** The board of trustees may purchase fee title from the Central Minnesota Council of Boy Scouts, Inc., of approximately 1.4 acres of land that includes an office building and that is contiguous to St. Cloud Technical College for college operations.

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Subd. 3. INVER HILLS; NORMANDEALE LAND TRANSFERS. (a) The board of trustees may transfer fee title to approximately eight acres of state-owned real estate operated by Inver Hills Community College to the city of Inver Grove Heights. The purpose of the transfer is to provide land for the construction of a community library at no cost to the state, the board, or Inver Hills Community College. In the event that the property is no longer used for public purposes, title to the land shall revert to the state. The transfer is contingent on the board of trustees acquiring fee title to approximately eight acres of real estate owned by the city of Inver Grove Heights, adjacent to Inver Hills Community College, for college operations.

(b) The board of trustees may transfer fee title to approximately 12 acres of state-owned real estate that comprises Normandale Community College's athletic fields to the city of Bloomington. In the event that the property is no longer used for public purposes, title to the land shall revert to the state. The transfer is contingent on the board acquiring fee title to approximately 12 acres of real estate owned by the city of Bloomington, which is in the vicinity of Normandale Community College, for college operations. The land acquired by the college must remain undeveloped. The transfer must include provisions to allow the college continued use of the fields.

Subd. 4. WINONA, JACKSON, MAHTOMEDI PROPERTY SALE. (a) The board of trustees may sell the state's interest in an aviation hangar and related land operated by the Winona campus of Winona-Red Wing Technical College for no less than the assessed value of the property. The sale may be by public auction, sealed bid, listing with a real estate broker licensed under Minnesota Statutes, chapter 82, or other means selected by the board of trustees.

(b) The board of trustees may sell a former armory building operated by the Jackson campus of Minnesota West Community and Technical College for no less than the assessed value of the property. The sale may be by public auction, sealed bid, listing with a real estate broker licensed under Minnesota Statutes, chapter 82, or other means selected by the board of trustees.

(c) The board of trustees may sell or lease for \$1 state-owned real estate operated by Century Community and Technical College to the city of Mahtomedi for construction of an ice arena. Additional terms may be set by the board. The board shall ensure adequate future educational development space is maintained on the east campus and shall give priority to other state-owned land operated by Century Community and Technical College. Any sale or lease must include provisions for use of the facility by the college. If the land is sold and later is no longer used for city recreational purposes, the property shall revert to the state. Prior to any negotiations with the city of Mahtomedi, the chancellor must report to the chairs of the house and senate education committees on the relationship of the ice arena to the long-term educational and facility development goals of the college.

Subd. 5. MINNEAPOLIS TRANSFER. Notwithstanding the provisions of Minnesota Statutes, chapter 94, or any other state law, if the board of trustees of the Minnesota state colleges and universities system or the school board of special school district No. 1, Minneapolis, ceases to use its portion of the real property along Second Avenue North adjacent to Bassett's creek in Minneapolis known as the transportation center for a purpose related to normal, authorized board functions or activities, or if the board of trustees or the school board wishes to permanently abandon, sell, or lease or otherwise transfer the

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control of a material part of its portion of the real property, the board of trustees must offer to convey its portion of the property to the school board for \$1 or the school board must offer to convey its portion of the property to the board of trustees for \$1. The board of trustees and the school board are each authorized to convey their portion of the property upon timely acceptance of such offer. An offer extended shall become void if not accepted in writing within 60 days of issuance.

Subd. 6. MANKATO STATE. The board of trustees of the Minnesota state colleges and universities may accept money from the Mankato State University Foundation to construct a black box theater on the Mankato State University campus. The board shall supervise the construction as provided in Minnesota Statutes, section 136F.64.

Subd. 7. ST. CLOUD STATE UNIVERSITY. The board of trustees of the Minnesota state colleges and universities may build a bus stop structure with some retail services on the campus of St. Cloud State University. It is intended that no appropriation for this specific purpose is needed or obligated by this authorization. An operating agreement may be executed for a period of five to 25 years subject to the requirements of Minnesota Statutes, section 16B.24, subdivision 5.

Subd. 8. NORTH HENNEPIN COMMUNITY COLLEGE. Notwithstanding Minnesota Statutes, section 16B.26, the board of trustees may grant permanent utility, drainage, and access easements at North Hennepin Community College, in a form prescribed by the attorney general.

Sec. 38. INSTRUCTION TO REVISOR.

The revisor of statutes shall change the phrases "state board of technical colleges," "state board for vocational technical education," "state board for community colleges," and "state university board," or similar, to "board of trustees of the Minnesota state colleges and universities" in Minnesota Statutes, sections 3.754; 16A.662, subdivision 5; 352.01, subdivision 2b; and 354.66, subdivision 1a.

Sec. 39. REPEALER.

Minnesota Statutes 1996, sections 126.113; and 137.41; Laws 1995, chapter 212, article 4, section 34; and Laws 1995, First Special Session chapter 2, article 1, sections 35 and 36, are repealed.

Sec. 40. EFFECTIVE DATES.

Sections 21, 29, and 31 are effective the day following final enactment.

Presented to the governor May 19, 1997

Signed by the governor May 20, 1997, 2:40 p.m.

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