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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-NINTH SESSION

**H. F. No. 2865**

03/10/2016 Authored by Whelan, O'Neill, Lohmer, Heintzeman, Gruenhagen and others  
The bill was read for the first time and referred to the Committee on Health and Human Services Finance  
04/04/2016 Adoption of Report: Amended and re-referred to the Committee on Higher Education Policy and Finance

1.1 A bill for an act  
1.2 relating to higher education; modifying appropriations to the University of  
1.3 Minnesota in fiscal year 2017; appropriating money to the University of  
1.4 Minnesota in fiscal year 2018; making legislative findings related to the disposal  
1.5 of fetal tissue used in academic research; amending Laws 2015, chapter 69,  
1.6 article 1, sections 1; 5, subdivisions 1, 2.

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

1.8 Section 1. Laws 2015, chapter 69, article 1, section 1, is amended to read:

1.9 Section 1. **SUMMARY OF APPROPRIATIONS.**

1.10 Subdivision 1. **Summary By Fund.** The amounts shown in this subdivision  
1.11 summarize direct appropriations, by fund, made in this article.

**SUMMARY BY FUND**

	<b>2016</b>	<b>2017</b>	<b>Total</b>
		1,536,256,000	3,066,924,000
1.14 General	\$ 1,530,668,000	<u>1,522,256,000</u>	<u>3,052,924,000</u>
1.15 Health Care Access	2,157,000	2,157,000	4,314,000
1.16		<b>1,538,413,000</b>	<b>3,071,238,000</b>
1.17 <b>Total</b>	<b>\$ 1,532,825,000</b>	<b><u>1,524,413,000</u></b>	<b><u>3,057,238,000</u></b>

1.19 Subd. 2. **Summary By Agency - All Funds.** The amounts shown in this subdivision  
1.20 summarize direct appropriations, by agency, made in this article.

**SUMMARY BY AGENCY - ALL FUNDS**

	<b>2016</b>	<b>2017</b>	<b>Total</b>
1.23 Minnesota Office of Higher 1.24 Education	\$ 230,843,000	\$ 236,630,000	\$ 467,473,000
1.25 Board of Trustees of the 1.26 Minnesota State Colleges and 1.27 Universities	672,925,000	672,726,000	1,345,651,000

2.1	Board of Regents of the		627,706,000	1,251,098,000
2.2	University of Minnesota	627,706,000	<u>613,706,000</u>	<u>1,237,098,000</u>
2.3	Mayo Clinic	1,351,000	1,351,000	2,702,000
2.4			<b>1,538,413,000</b>	<b>3,066,924,000</b>
2.5	<b>Total</b>	<b>\$ 1,532,825,000</b>	<b><u>1,524,413,000</u></b>	<b><u>3,052,924,000</u></b>

2.6 Sec. 2. Laws 2015, chapter 69, article 1, section 5, subdivision 1, is amended to read:

2.7				<b>627,706,000</b>
2.8	Subdivision 1. <b>Total Appropriation</b>	<b>\$</b>	<b>627,706,000</b>	<b>\$ <u>613,706,000</u></b>

2.9	Appropriations by Fund			
2.10		2016	2017	
2.11			<del>625,549,000</del>	
2.12	General	625,549,000	<u>611,549,000</u>	
2.13	Health Care Access	2,157,000	2,157,000	

2.14 The amounts that may be spent for each  
 2.15 purpose are specified in the following  
 2.16 subdivisions.

2.17 Sec. 3. Laws 2015, chapter 69, article 1, section 5, subdivision 2, is amended to read:

2.18				<del>559,111,000</del>
2.19	Subd. 2. <b>Operations and Maintenance</b>		559,111,000	<u>545,111,000</u>

2.20 This appropriation includes funding for  
 2.21 operation and maintenance of the system. Of  
 2.22 the amount appropriated in this subdivision:

2.23 \$11,100,000 in fiscal year 2016 and  
 2.24 \$11,100,000 in fiscal year 2017 are to  
 2.25 minimize any increase in a student's cost  
 2.26 of attendance; for research to solve the  
 2.27 challenges facing our state, nation, and  
 2.28 world; to educate a diverse population of  
 2.29 Minnesotans from every community who  
 2.30 show the greatest promise; and for public  
 2.31 service that builds lasting partnerships with  
 2.32 communities across the state to address our  
 2.33 most complex and pressing issues. The  
 2.34 Board of Regents is requested to:

- 3.1 (1) maintain a low cost of mission and  
3.2 advance operational excellence;
- 3.3 (2) increase the diversity of the university's  
3.4 students, faculty, and staff; and
- 3.5 (3) strengthen the university's relationships  
3.6 with the agriculture industry and the  
3.7 communities of greater Minnesota.

3.8 \$15,000,000 in fiscal year 2016 ~~and~~  
3.9 ~~\$15,000,000 in fiscal year 2017~~ are is to:

- 3.10 (1) increase the medical school's research  
3.11 capacity;
- 3.12 (2) improve the medical school's ranking in  
3.13 National Institutes of Health funding;
- 3.14 (3) ensure the medical school's national  
3.15 prominence by attracting and retaining  
3.16 world-class faculty, staff, and students;
- 3.17 (4) invest in physician training programs in  
3.18 rural and underserved communities; and
- 3.19 (5) translate the medical school's research  
3.20 discoveries into new treatments and cures to  
3.21 improve the health of Minnesotans.

3.22 \$1,000,000 in fiscal year 2017 is to establish  
3.23 a fetal tissue research center. The purpose  
3.24 of the center must be to provide oversight  
3.25 of all research activities at the university  
3.26 that request the use of fetal tissue; to ensure  
3.27 compliance with applicable laws and policies  
3.28 governing the ethical acquisition, sale,  
3.29 handling, and disposal of fetal tissue; and  
3.30 to procure fetal tissue for use in applicable  
3.31 university research activities. The center  
3.32 may only purchase fetal tissue for use in  
3.33 research if the tissue is available due to the  
3.34 natural death of the fetus.

4.1 The Board of Regents is requested to  
4.2 consider hiring additional faculty to conduct  
4.3 research related to regenerative medicine.

4.4 Five percent of the fiscal year 2017  
4.5 appropriation specified in this subdivision  
4.6 is available according to the schedule in  
4.7 clauses (1) to (5) in fiscal year 2017 when  
4.8 the Board of Regents of the University of  
4.9 Minnesota demonstrates to the commissioner  
4.10 of management and budget that the board  
4.11 has met the following specified number of  
4.12 performance goals:

4.13 (1) 100 percent if the board meets three, four,  
4.14 or five goals;

4.15 (2) 67 percent if two of the goals are met;

4.16 (3) 33 percent if one of the goals are met; and

4.17 (4) zero percent if none of the goals are met.

4.18 The performance goals are:

4.19 (1) increase by at least one percent  
4.20 the four-year, five-year, or six-year  
4.21 undergraduate graduation rates, averaged  
4.22 over three years, for students of color  
4.23 systemwide at the University of Minnesota  
4.24 reported in fall 2016 over fall 2014. The  
4.25 average rate for fall 2014 is calculated with  
4.26 the graduation rates reported in fall 2012,  
4.27 2013, and 2014;

4.28 (2) increase by at least two percent the  
4.29 total number of undergraduate STEM  
4.30 degrees, averaged over three years, conferred  
4.31 systemwide by the University of Minnesota  
4.32 reported in fiscal year 2016 over fiscal year  
4.33 2014. The averaged number for fiscal year

5.1 2014 is calculated with the fiscal year 2012,  
5.2 2013, and 2014 numbers;

5.3 (3) increase by at least one percent the  
5.4 four-year undergraduate graduation rate at  
5.5 the University of Minnesota reported in fall  
5.6 2016 over fall 2014. The average rate for  
5.7 fall 2014 is calculated with the graduation  
5.8 rates reported in fall 2012, 2013, and 2014.  
5.9 The averaged number for fiscal year 2014 is  
5.10 calculated with the fiscal year 2012, 2013,  
5.11 and 2014 numbers;

5.12 (4) for fiscal year 2016, reallocate  
5.13 \$15,000,000 of administrative costs. The  
5.14 Board of Regents is requested to redirect  
5.15 those funds to invest in direct mission  
5.16 activities, stem growth in cost of attendance,  
5.17 and to programs that benefit students; and

5.18 (5) increase licensing disclosures by three  
5.19 percent for fiscal year 2016 over fiscal year  
5.20 2015.

5.21 By August 1, 2015, the Board of Regents and  
5.22 the Office of Higher Education must agree on  
5.23 specific numerical indicators and definitions  
5.24 for each of the five goals that will be used to  
5.25 demonstrate the University of Minnesota's  
5.26 attainment of each goal. On or before April  
5.27 1, 2016, the Board of Regents must report  
5.28 to the legislative committees with primary  
5.29 jurisdiction over higher education finance  
5.30 and policy the progress of the University of  
5.31 Minnesota toward attaining the goals. The  
5.32 appropriation base for the next biennium shall  
5.33 include appropriations not made available  
5.34 under this subdivision for failure to meet  
5.35 performance goals. All of the appropriation

6.1 that is not available due to failure to meet  
6.2 performance goals is appropriated to the  
6.3 commissioner of the Office of Higher  
6.4 Education for fiscal year 2017 for the purpose  
6.5 of the state grant program under Minnesota  
6.6 Statutes, section 136A.121.

6.7 Performance metrics are intended to facilitate  
6.8 progress towards the attainment goal under  
6.9 Minnesota Statutes, section 135A.012.

6.10 **Sec. 4. DISPOSAL OF ABORTED FETAL TISSUE; LEGISLATIVE FINDINGS.**

6.11 The legislature finds that the University of Minnesota disposed of aborted fetuses in  
6.12 a manner inconsistent with the legislative intent of Minnesota Statutes, section 145.1621.

6.13 **Sec. 5. APPROPRIATION; UNIVERSITY OF MINNESOTA.**

6.14 (a) Subject to paragraph (b), \$14,000,000 in fiscal year 2018 is appropriated from  
6.15 the general fund to the Board of Regents of the University of Minnesota to:

6.16 (1) increase the medical school's research capacity;

6.17 (2) improve the medical school's ranking in National Institutes of Health funding;

6.18 (3) ensure the medical school's national prominence by attracting and retaining  
6.19 world-class faculty, staff, and students;

6.20 (4) invest in physician training programs in rural and underserved communities; and

6.21 (5) translate the medical school's research discoveries into new treatments and  
6.22 cures to improve the health of Minnesotans.

6.23 (b) This appropriation is available only upon certification by the Board of Regents to  
6.24 the commissioner of management and budget that the fetal tissue research center funded  
6.25 in Laws 2015, chapter 69, article 1, section 5, subdivision 2, has been established and is  
6.26 operational, consistent with the requirements of that subdivision. If the appropriation  
6.27 provided by this section is made available to the Board of Regents, the amount of the  
6.28 appropriation is added to the board's base beginning in fiscal year 2019.