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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3538

02/12/2024 Authored by Pelowski and Kotyza-Witthuhn The bill was read for the first time and referred to the Committee on Capital Investment

1.1 A bill for an act
1.2 relating to capital investment; appropriating money for higher education projects
1.3 at the Minnesota State Colleges and Universities; authorizing the sale and issuance
1.4 of state bonds.

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

1.6 Section 1. MINNESOTA STATE COLLEGES AND UNIVERSITIES.

1.7 Subdivision 1. Total appropriation. \$541,419,000 is appropriated from the bond
1.8 proceeds fund to the Board of Trustees of the Minnesota State Colleges and Universities
1.9 for the purposes specified in this section.

1.10 Subd. 2. Higher education asset preservation and replacement
1.11 (HEAPR). \$200,000,000 of this appropriation is to be spent in accordance with Minnesota
1.12 Statutes, section 135A.046.

1.13 Subd. 3. Saint Paul College. \$31,834,000 of this appropriation is to renovate and equip
1.14 classroom, lab, and student services space and demolish the College Learning Center
1.15 building, which will be replaced by the renovations at Saint Paul College.

1.16 Subd. 4. Minnesota State University, Mankato. \$86,255,000 of this appropriation is
1.17 to demolish, construct, and equip the replacement of Armstrong Hall; and to renovate and
1.18 equip Wiecking Center, Performing Arts Center, the library, and Morris Hall at Minnesota
1.19 State University, Mankato.

1.20 Subd. 5. Winona State University. \$71,793,000 of this appropriation is to construct
1.21 and equip a net zero energy building that will contain flexible classroom space and student

2.1 support services and to demolish Gildemeister and Watkins Halls, which will be replaced  
2.2 by the net zero energy building at Winona State University.

2.3 Subd. 6. **Alexandria Technical and Community College.** \$34,440,000 of this  
2.4 appropriation is to renovate and equip student services space and demolish obsolete campus  
2.5 space, which will be replaced by the new renovated student services space and the new  
2.6 Transportation Center, and to construct and equip the new Transportation Center building  
2.7 at Alexandria Technical and Community College.

2.8 Subd. 7. **Riverland Community College.** \$17,140,000 of this appropriation is to design,  
2.9 renovate, and equip student services space at Riverland Community College, Austin campus.

2.10 Subd. 8. **Southwest Minnesota State University.** \$14,018,000 of this appropriation is  
2.11 to design, construct, renovate, and equip the Wellness and Human Performance Center at  
2.12 Southwest Minnesota State University.

2.13 Subd. 9. **St. Cloud State University.** \$3,429,000 of this appropriation is to design the  
2.14 demolition and replacement of the Education Building with the new Education Building at  
2.15 St. Cloud State University.

2.16 Subd. 10. **Rochester Community and Technical College.** \$13,203,000 of this  
2.17 appropriation is to renovate and equip space for Career and Technical Education programs  
2.18 at the Heintz Center at Rochester Community and Technical College.

2.19 Subd. 11. **Minnesota West Community and Technical College.** \$9,672,000 of this  
2.20 appropriation is to design, renovate, and equip nursing spaces at the Granite Falls and  
2.21 Worthington campuses; and to design, renovate, and equip student services space at the  
2.22 Granite Falls campus of Minnesota West Community and Technical College.

2.23 Subd. 12. **Ridgewater College.** \$8,268,000 of this appropriation is to design, renovate,  
2.24 and equip space for electrician, automation, nursing, allied health, and early childhood  
2.25 programs, as well as general classroom and student services space, at the Hutchinson campus  
2.26 of Ridgewater College.

2.27 Subd. 13. **Minnesota State College Southeast.** \$14,575,000 of this appropriation is to  
2.28 design, renovate, and equip space for classroom and lab space for nursing, health science,  
2.29 radiology, and cosmetology, as well as student services space, on the Winona campus of  
2.30 Minnesota State College Southeast.

2.31 Subd. 14. **South Central College.** \$6,189,000 of this appropriation is to design, renovate,  
2.32 and equip classroom and lab spaces for agribusiness, architectural drafting and design, civil

3.1 engineering technology, dental assisting, emergency medical services, and geographic  
3.2 information systems programs at the North Mankato campus of South Central College.

3.3 Subd. 15. **Anoka-Ramsey Community College.** \$14,504,000 of this appropriation is  
3.4 to design, renovate, and equip lab space serving biology, chemistry, physics, natural sciences,  
3.5 and engineering programs at the Coon Rapids campus of Anoka-Ramsey Community  
3.6 College.

3.7 Subd. 16. **Dakota County Technical College.** \$1,588,000 of this appropriation is to  
3.8 design the renovation of existing classroom and lab spaces serving the electrical lineworker,  
3.9 HVAC/R, allied health and nursing, and medical assistant programs and to design the  
3.10 construction of a new detached building serving the electrical lineworker program to replace  
3.11 the existing lineworker building at Dakota County Technical College.

3.12 Subd. 17. **Normandale Community College.** \$14,511,000 of this appropriation is to  
3.13 design, renovate, and equip the main level and mezzanine of the library building to enhance  
3.14 student support services and improve access to library collections at Normandale Community  
3.15 College.

3.16 Subd. 18. **Debt service.** (a) Except as provided in paragraph (b), the Board of Trustees  
3.17 shall pay the debt service on one-third of the principal amount of state bonds sold to finance  
3.18 projects authorized by this section. After each sale of general obligation bonds, the  
3.19 commissioner of management and budget shall notify the board of the amounts assessed  
3.20 for each year for the life of the bonds.

3.21 (b) The board need not pay debt service on bonds sold to finance HEAPR. Where a  
3.22 nonstate match is required, the debt service is due on a principal amount equal to one-third  
3.23 of the total project cost, less the match committed before the bonds are sold.

3.24 (c) The commissioner of management and budget shall reduce the board's assessment  
3.25 each year by one-third of the net income from investment of general obligation bond proceeds  
3.26 in proportion to the amount of principal and interest otherwise required to be paid by the  
3.27 board. The board shall pay its resulting net assessment to the commissioner of management  
3.28 and budget by December 1 each year. If the board fails to make a payment when due, the  
3.29 commissioner of management and budget shall reduce allotments for appropriations from  
3.30 the general fund otherwise available to the board and apply the amount of the reduction to  
3.31 cover the missed debt service payment. The commissioner of management and budget shall  
3.32 credit the payments received from the board to the bond debt service account in the state  
3.33 bond fund each December 1 before money is transferred from the general fund under  
3.34 Minnesota Statutes, section 16A.641, subdivision 10.

4.1 Subd. 19. **Unspent appropriations.** (a) Upon substantial completion of a project  
4.2 authorized in this section and after written notice to the commissioner of management and  
4.3 budget, the board must use any money remaining in the appropriation for that project for  
4.4 HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report  
4.5 by February 1 of each even-numbered year to the chairs of the house of representatives and  
4.6 senate committees with jurisdiction over capital investment and higher education finance,  
4.7 and to the chairs of the house of representatives Ways and Means Committee and the senate  
4.8 Finance Committee, on how the remaining money has been allocated or spent.

4.9 (b) The unspent portion of an appropriation for a project in this section that is complete  
4.10 is available for HEAPR under this subdivision, at the same campus as the project for which  
4.11 the original appropriation was made and the debt service requirement under this section is  
4.12 reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the  
4.13 original appropriation to the unspent amount transferred.

4.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.15 Sec. 2. **BOND SALE.**

4.16 To provide the money appropriated in this section from the bond proceeds fund, the  
4.17 commissioner of management and budget shall sell and issue bonds of the state in an amount  
4.18 up to \$541,419,000 in the manner, upon the terms, and with the effect prescribed by  
4.19 Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article  
4.20 XI, sections 4 to 7.

4.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.