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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3086

02/11/2020 Authored by Bernardy and Klevorn The bill was read for the first time and referred to the Capital Investment Division

1.1 A bill for an act
1.2 relating to capital investment; higher education; authorizing spending to acquire
1.3 and better public land and buildings and for other improvements of a capital nature
1.4 with certain conditions; authorizing the sale and issuance of state bonds;
1.5 appropriating money.

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

1.7 Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.

1.8 The sums shown in the column under "Appropriations" are appropriated from the bond
1.9 proceeds fund, or another named fund, to the state agencies or officials indicated, to be
1.10 spent for public purposes. Appropriations of bond proceeds must be spent as authorized by
1.11 the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public
1.12 land and buildings and other public improvements of a capital nature, or as authorized by
1.13 the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless
1.14 otherwise specified, money appropriated in this act:

1.15 (1) may be used to pay state agency staff costs that are attributed directly to the capital
1.16 program or project in accordance with accounting policies adopted by the commissioner of
1.17 management and budget;

1.18 (2) is available until the project is completed or abandoned subject to Minnesota Statutes,
1.19 section 16A.642;

1.20 (3) for activities under Minnesota Statutes, sections 16B.307, 84.946, and 135A.046,
1.21 should not be used for projects that can be financed within a reasonable time frame under
1.22 Minnesota Statutes, section 16B.322 or 16C.144; and

2.1 (4) is available for a grant to a political subdivision after the commissioner of management
 2.2 and budget determines that an amount sufficient to complete the project as described in this
 2.3 act has been committed to the project, as required by Minnesota Statutes, section 16A.502.

2.4 **APPROPRIATIONS**

2.5 **Sec. 2. UNIVERSITY OF MINNESOTA**

2.6 **Subdivision 1. Total Appropriation** **\$ 317,200,000**

2.7 To the Board of Regents of the University of
 2.8 Minnesota for the purposes specified in this
 2.9 section.

2.10 **Subd. 2. Higher Education Asset Preservation**
 2.11 **and Replacement (HEAPR)** **200,000,000**

2.12 To be spent in accordance with Minnesota
 2.13 Statutes, section 135A.046.

2.14 **Subd. 3. Twin Cities - Institute of Child**
 2.15 **Development Building** **29,200,000**

2.16 To predesign, design, renovate, expand,
 2.17 furnish, and equip research, learning, and
 2.18 outreach spaces in the Institute of Child
 2.19 Development building on the Twin Cities
 2.20 campus. This project includes the demolition
 2.21 and replacement of the 1968 building addition.

2.22 **Subd. 4. Duluth - A.B. Anderson Hall**
 2.23 **Renovation** **4,400,000**

2.24 To predesign, design, renovate, furnish, and
 2.25 equip campus teaching and learning spaces in
 2.26 A.B. Anderson Hall on the Duluth campus.

2.27 **Subd. 5. Twin Cities - Fraser Hall Chemistry**
 2.28 **Undergraduate Teaching Laboratory** **65,600,000**

2.29 To predesign, design, construct, furnish, and
 2.30 equip the renovation of and an addition to
 2.31 Fraser Hall for an undergraduate chemistry
 2.32 teaching laboratory facility on the Twin Cities
 2.33 campus. This project includes demolition of
 2.34 obsolete portions of Fraser Hall.

3.1 Subd. 6. Twin Cities - Clinical Research Facility 18,000,000

3.2 For design, land acquisition, site preparation,
3.3 and preconstruction services for the Clinical
3.4 Research Facility on the Twin Cities campus.

3.5 Subd. 7. University Share

3.6 Except for the appropriations for HEAPR, the
3.7 appropriations in this section are intended to
3.8 cover approximately two-thirds of the cost of
3.9 each project. The remaining costs must be paid
3.10 from university sources.

3.11 Subd. 8. Unspent Appropriations

3.12 Upon substantial completion of a project
3.13 authorized in this section and after written
3.14 notice to the commissioner of management
3.15 and budget, the Board of Regents must use
3.16 any money remaining in the appropriation for
3.17 that project for HEAPR under Minnesota
3.18 Statutes, section 135A.046. The Board of
3.19 Regents must report by February 1 of each
3.20 even-numbered year to the chairs of the house
3.21 of representatives and senate committees with
3.22 jurisdiction over capital investment and higher
3.23 education finance, and to the chairs of the
3.24 house of representatives Ways and Means
3.25 Committee and the senate Finance Committee,
3.26 on how the remaining money has been
3.27 allocated or spent.

3.28 Sec. 3. MINNESOTA STATE COLLEGES AND
3.29 UNIVERSITIES

3.30 Subdivision 1. Total Appropriation \$ 271,171,000

3.31 To the Board of Trustees of the Minnesota
3.32 State Colleges and Universities for the
3.33 purposes specified in this section.

4.1	<u>Subd. 2. Higher Education Asset Preservation</u>	
4.2	<u>and Replacement (HEAPR)</u>	<u>150,000,000</u>
4.3	<u>To be spent in accordance with Minnesota</u>	
4.4	<u>Statutes, section 135A.046.</u>	
4.5	<u>Subd. 3. Anoka-Ramsey Community College</u>	<u>16,282,000</u>
4.6	<u>To design, renovate, and equip the business</u>	
4.7	<u>and nursing building at Anoka-Ramsey</u>	
4.8	<u>Community College, Coon Rapids campus.</u>	
4.9	<u>Subd. 4. Normandale Community College</u>	<u>26,634,000</u>
4.10	<u>To design, renovate, and equip Phase 2 of the</u>	
4.11	<u>College Services Building at Normandale</u>	
4.12	<u>Community College.</u>	
4.13	<u>Subd. 5. Minnesota State University - Moorhead</u>	<u>17,290,000</u>
4.14	<u>To design, renovate, and equip Weld Hall,</u>	
4.15	<u>including the construction of additions to</u>	
4.16	<u>improve building accessibility at Minnesota</u>	
4.17	<u>State University, Moorhead.</u>	
4.18	<u>Subd. 6. Inver Hills Community College</u>	<u>14,653,000</u>
4.19	<u>To design, renovate, and equip the Technology</u>	
4.20	<u>and Business Center building, including the</u>	
4.21	<u>construction of a link to Heritage Hall at Inver</u>	
4.22	<u>Hills Community College.</u>	
4.23	<u>Subd. 7. Saint Paul College</u>	<u>937,000</u>
4.24	<u>To design the renovation of classroom, lab,</u>	
4.25	<u>and student services space and design the</u>	
4.26	<u>demolition of the College Learning Center</u>	
4.27	<u>Building at the Saint Paul College campus.</u>	
4.28	<u>Subd. 8. Minneapolis Community and Technical</u>	
4.29	<u>College</u>	<u>10,254,000</u>
4.30	<u>To design Phases 1 and 2 and renovate and</u>	
4.31	<u>equip Phase 1 of the Management Education</u>	
4.32	<u>Center shared with Metropolitan State</u>	
4.33	<u>University on the Minneapolis Community</u>	

5.1	<u>and Technical College campus to support</u>	
5.2	<u>baccalaureate programming expansion.</u>	
5.3	<u>Subd. 9. Northeast Higher Education District -</u>	
5.4	<u>Vermilion Community College</u>	<u>2,576,000</u>
5.5	<u>To design, renovate, and equip the classroom</u>	
5.6	<u>building and common space at Northeast</u>	
5.7	<u>Higher Education District - Vermilion</u>	
5.8	<u>Community College.</u>	
5.9	<u>Subd. 10. Central Lakes College, Brainerd</u>	<u>8,275,000</u>
5.10	<u>To design, renovate, and equip the student</u>	
5.11	<u>services, academic support areas, and athletics</u>	
5.12	<u>space of the Central Lakes College, Brainerd</u>	
5.13	<u>campus.</u>	
5.14	<u>Subd. 11. Northland Community and Technical</u>	
5.15	<u>College, East Grand Forks</u>	<u>2,220,000</u>
5.16	<u>To design, renovate, and equip teaching and</u>	
5.17	<u>learning lab space at Northland Community</u>	
5.18	<u>and Technical College, East Grand Forks</u>	
5.19	<u>campus.</u>	
5.20	<u>Subd. 12. Minnesota State University - Mankato</u>	<u>6,691,000</u>
5.21	<u>To design, renovate, and repurpose space in</u>	
5.22	<u>the lower level of the Clinical Sciences</u>	
5.23	<u>Building; to design the demolition and</u>	
5.24	<u>replacement of Armstrong Hall; and to design</u>	
5.25	<u>the partial renovation of Wiecking Center,</u>	
5.26	<u>Performing Arts Center, the library, and</u>	
5.27	<u>Morris Hall at Minnesota State University -</u>	
5.28	<u>Mankato.</u>	
5.29	<u>Subd. 13. Winona State University</u>	<u>3,218,000</u>
5.30	<u>To design the demolition and replacement of</u>	
5.31	<u>Gildemeister and Watkins Halls at Winona</u>	
5.32	<u>State University.</u>	
5.33	<u>Subd. 14. Lake Superior College</u>	<u>985,000</u>

6.1 To design the renovation and construction of
 6.2 integrated manufacturing workforce labs and
 6.3 related support space and design the
 6.4 demolition of the maintenance shed at Lake
 6.5 Superior College.

6.6 **Subd. 15. North Hennepin Community College,**
 6.7 **Brooklyn Park** 6,598,000

6.8 To design the demolition and replacement of
 6.9 the current Fine Arts Center building with the
 6.10 Center for Innovation and the Arts at North
 6.11 Hennepin Community College, Brooklyn Park
 6.12 campus.

6.13 **Subd. 16. Metropolitan State University** 3,923,000

6.14 To design, renovate, and equip space in New
 6.15 Main Hall for the cybersecurity program at
 6.16 Metropolitan State University.

6.17 **Subd. 17. Pine Technical and Community**
 6.18 **College** 635,000

6.19 To design the renovation of the main building
 6.20 allied health space and an addition of the
 6.21 technical trade and applied learning labs at
 6.22 Pine Technical and Community College.

6.23 **Subd. 18. Debt Service**

6.24 (a) Except as provided in paragraph (b), the
 6.25 Board of Trustees shall pay the debt service
 6.26 on one-third of the principal amount of state
 6.27 bonds sold to finance projects authorized by
 6.28 this section. After each sale of general
 6.29 obligation bonds, the commissioner of
 6.30 management and budget shall notify the board
 6.31 of the amounts assessed for each year for the
 6.32 life of the bonds.

6.33 (b) The board need not pay debt service on
 6.34 bonds sold to finance HEAPR. Where a

7.1 nonstate match is required, the debt service is
7.2 due on a principal amount equal to one-third
7.3 of the total project cost, less the match
7.4 committed before the bonds are sold.

7.5 (c) The commissioner of management and
7.6 budget shall reduce the board's assessment
7.7 each year by one-third of the net income from
7.8 investment of general obligation bond
7.9 proceeds in proportion to the amount of
7.10 principal and interest otherwise required to be
7.11 paid by the board. The board shall pay its
7.12 resulting net assessment to the commissioner
7.13 of management and budget by December 1
7.14 each year. If the board fails to make a payment
7.15 when due, the commissioner of management
7.16 and budget shall reduce allotments for
7.17 appropriations from the general fund otherwise
7.18 available to the board and apply the amount
7.19 of the reduction to cover the missed debt
7.20 service payment. The commissioner of
7.21 management and budget shall credit the
7.22 payments received from the board to the bond
7.23 debt service account in the state bond fund
7.24 each December 1 before money is transferred
7.25 from the general fund under Minnesota
7.26 Statutes, section 16A.641, subdivision 10.

7.27 **Subd. 19. Unspent Appropriations**

7.28 (a) Upon substantial completion of a project
7.29 authorized in this section and after written
7.30 notice to the commissioner of management
7.31 and budget, the board must use any money
7.32 remaining in the appropriation for that project
7.33 for HEAPR under Minnesota Statutes, section
7.34 135A.046. The Board of Trustees must report
7.35 by February 1 of each even-numbered year to

8.1 the chairs of the house of representatives and
 8.2 senate committees with jurisdiction over
 8.3 capital investment and higher education
 8.4 finance and to the chairs of the house of
 8.5 representatives Ways and Means Committee
 8.6 and the senate Finance Committee, on how
 8.7 the remaining money has been allocated or
 8.8 spent.

8.9 (b) The unspent portion of an appropriation
 8.10 for a project in this section that is complete is
 8.11 available for HEAPR under this subdivision,
 8.12 at the same campus as the project for which
 8.13 the original appropriation was made and the
 8.14 debt service requirement under this section is
 8.15 reduced accordingly. Minnesota Statutes,
 8.16 section 16A.642, applies from the date of the
 8.17 original appropriation to the unspent amount
 8.18 transferred.

8.19 **Sec. 4. BOND SALE EXPENSES** **\$** **589,000**

8.20 To the commissioner of management and
 8.21 budget for bond sale expenses under
 8.22 Minnesota Statutes, section 16A.641,
 8.23 subdivision 8.

8.24 **Sec. 5. BOND SALE AUTHORIZATION.**

8.25 To provide the money appropriated in this act from the bond proceeds fund, the
 8.26 commissioner of management and budget shall sell and issue bonds of the state in an amount
 8.27 up to \$588,960,000 in the manner, upon the terms, and with the effect prescribed by
 8.28 Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article
 8.29 XI, sections 4 to 7.

8.30 **Sec. 6. EFFECTIVE DATE.**

8.31 This act is effective the day following final enactment.