

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2214

(SENATE AUTHORS: FISCHBACH)

DATE	D-PG	OFFICIAL STATUS
03/20/2017	1582	Introduction and first reading
		Referred to Higher Education Finance and Policy
03/23/2017		Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to higher education; providing funding and related policy changes for the

1.3 Office of Higher Education, the Minnesota State Colleges and Universities, the

1.4 University of Minnesota, and other related programs; modifying state grant program

1.5 calculation parameters; requiring reports; appropriating money; amending

1.6 Minnesota Statutes 2016, sections 135A.031, subdivision 7; 135A.15, subdivision

1.7 1a; 136A.101, subdivision 5a; 136A.1275; 136A.685; Laws 2014, chapter 312,

1.8 article 1, section 15; proposing coding for new law in Minnesota Statutes, chapter

1.9 298.

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

1.11 **ARTICLE 1**

1.12 **HIGHER EDUCATION APPROPRIATIONS**

1.13 Section 1. **APPROPRIATIONS.**

1.14 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.15 and for the purposes specified in this article. The appropriations are from the general fund,

1.16 or another named fund, and are available for the fiscal years indicated for each purpose.

1.17 The figures "2018" and "2019" used in this article mean that the appropriations listed under

1.18 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

1.19 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"

1.20 is fiscal years 2018 and 2019.

1.21	<u>APPROPRIATIONS</u>	
1.22	<u>Available for the Year</u>	
1.23	<u>Ending June 30</u>	
1.24	<u>2018</u>	<u>2019</u>

1.25 **Sec. 2. MINNESOTA OFFICE OF HIGHER**

1.26 **EDUCATION**

2.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 244,154,000</u>	<u>\$ 240,463,000</u>
2.2	<u>The amounts that may be spent for each</u>		
2.3	<u>purpose are specified in the following</u>		
2.4	<u>subdivisions.</u>		
2.5	<u>Subd. 2. State Grants</u>	<u>185,284,000</u>	<u>185,284,000</u>
2.6	<u>If the appropriation in this subdivision for</u>		
2.7	<u>either year is insufficient, the appropriation</u>		
2.8	<u>for the other year is available for it.</u>		
2.9	<u>Subd. 3. Child Care Grants</u>	<u>6,684,000</u>	<u>6,684,000</u>
2.10	<u>Subd. 4. State Work-Study</u>	<u>14,502,000</u>	<u>14,502,000</u>
2.11	<u>Subd. 5. Interstate Tuition Reciprocity</u>	<u>11,018,000</u>	<u>11,018,000</u>
2.12	<u>If the appropriation in this subdivision for</u>		
2.13	<u>either year is insufficient, the appropriation</u>		
2.14	<u>for the other year is available to meet</u>		
2.15	<u>reciprocity contract obligations.</u>		
2.16	<u>Subd. 6. Safety Officer's Survivors</u>	<u>100,000</u>	<u>100,000</u>
2.17	<u>This appropriation is to provide educational</u>		
2.18	<u>benefits under Minnesota Statutes, section</u>		
2.19	<u>299A.45, to eligible dependent children and</u>		
2.20	<u>to the spouses of public safety officers killed</u>		
2.21	<u>in the line of duty.</u>		
2.22	<u>If the appropriation in this subdivision for</u>		
2.23	<u>either year is insufficient, the appropriation</u>		
2.24	<u>for the other year is available for it.</u>		
2.25	<u>Subd. 7. Indian Scholarships</u>	<u>3,500,000</u>	<u>3,500,000</u>
2.26	<u>The commissioner must contract with or</u>		
2.27	<u>employ at least one person with demonstrated</u>		
2.28	<u>competence in American Indian culture and</u>		
2.29	<u>residing in or near the city of Bemidji to assist</u>		
2.30	<u>students with the scholarships under</u>		
2.31	<u>Minnesota Statutes, section 136A.126, and</u>		
2.32	<u>with other information about financial aid for</u>		
2.33	<u>which the students may be eligible. Bemidji</u>		

3.1	<u>State University must provide office space at</u>		
3.2	<u>no cost to the Office of Higher Education for</u>		
3.3	<u>purposes of administering the American Indian</u>		
3.4	<u>scholarship program under Minnesota Statutes,</u>		
3.5	<u>section 136A.126. This appropriation includes</u>		
3.6	<u>funding to administer the American Indian</u>		
3.7	<u>scholarship program.</u>		
3.8	<u>Subd. 8. Tribal College Grants</u>	<u>150,000</u>	<u>150,000</u>
3.9	<u>For tribal college assistance grants under</u>		
3.10	<u>Minnesota Statutes, section 136A.1796.</u>		
3.11	<u>Subd. 9. Intervention for College Attendance</u>		
3.12	<u>Program Grants</u>	<u>671,000</u>	<u>671,000</u>
3.13	<u>For the intervention for college attendance</u>		
3.14	<u>program under Minnesota Statutes, section</u>		
3.15	<u>136A.861.</u>		
3.16	<u>The commissioner may use no more than two</u>		
3.17	<u>percent of this appropriation to administer the</u>		
3.18	<u>intervention for college attendance program</u>		
3.19	<u>grants.</u>		
3.20	<u>Subd. 10. Student-Parent Information</u>	<u>122,000</u>	<u>122,000</u>
3.21	<u>Subd. 11. Get Ready!</u>	<u>180,000</u>	<u>180,000</u>
3.22	<u>Subd. 12. Minnesota Education Equity</u>		
3.23	<u>Partnership</u>	<u>45,000</u>	<u>45,000</u>
3.24	<u>Subd. 13. Midwest Higher Education Compact</u>	<u>115,000</u>	<u>115,000</u>
3.25	<u>Subd. 14. United Family Medicine Residency</u>		
3.26	<u>Program</u>	<u>501,000</u>	<u>501,000</u>
3.27	<u>For a grant to United Family Medicine</u>		
3.28	<u>residency program. This appropriation shall</u>		
3.29	<u>be used to support up to 21 resident physicians</u>		
3.30	<u>each year in family practice at United Family</u>		
3.31	<u>Medicine residency programs and shall</u>		
3.32	<u>prepare doctors to practice family care</u>		
3.33	<u>medicine in underserved rural and urban areas</u>		
3.34	<u>of the state. It is intended that this program</u>		
3.35	<u>will improve health care in underserved</u>		

4.1 communities, provide affordable access to
 4.2 appropriate medical care, and manage the
 4.3 treatment of patients in a cost-effective
 4.4 manner.

4.5 Subd. 15. MnLINK Gateway and Minitex 5,905,000 5,905,000

4.6 Subd. 16. Statewide Longitudinal Education
 4.7 Data System 882,000 882,000

4.8 Subd. 17. Hennepin County Medical Center 645,000 645,000

4.9 For transfer to Hennepin County Medical
 4.10 Center for graduate family medical education
 4.11 programs at Hennepin County Medical Center.

4.12 Subd. 18. MNSCU Two-Year Public College
 4.13 Program 3,481,000 -0-

4.14 (a) \$2,780,000 in fiscal year 2018 is for
 4.15 two-year public college program grants under
 4.16 Laws 2015, chapter 69, article 3, section 20.

4.17 (b) \$545,000 in fiscal year 2018 is to provide
 4.18 mentoring and outreach as specified under
 4.19 Laws 2015, chapter 69, article 3, section 20.

4.20 (c) \$156,000 in fiscal year 2018 is for
 4.21 information technology and administrative
 4.22 costs associated with implementation of the
 4.23 grant program.

4.24 Subd. 19. College Possible 250,000 250,000

4.25 (a) This appropriation is for immediate transfer
 4.26 to College Possible to support programs of
 4.27 college admission and college graduation for
 4.28 low-income students through an intensive
 4.29 curriculum of coaching and support at both
 4.30 the high school and postsecondary level.

4.31 (b) This appropriation must, to the extent
 4.32 possible, be proportionately allocated between
 4.33 students from greater Minnesota and students
 4.34 in the seven-county metropolitan area.

5.1 (c) This appropriation must be used by College
 5.2 Possible only for programs supporting students
 5.3 who are residents of Minnesota and attending
 5.4 colleges or universities within Minnesota.

5.5 (d) By February 1 of each year, College
 5.6 Possible must report to the chairs and ranking
 5.7 minority members of the legislative
 5.8 committees and divisions with jurisdiction
 5.9 over higher education and E-12 education on
 5.10 activities funded by this appropriation. The
 5.11 report must include, but is not limited to,
 5.12 information about the expansion of College
 5.13 Possible in Minnesota, the number of College
 5.14 Possible coaches hired, the expansion within
 5.15 existing partner high schools, the expansion
 5.16 of high school partnerships, the number of
 5.17 high school and college students served, the
 5.18 total hours of community service by high
 5.19 school and college students, and a list of
 5.20 communities and organizations benefiting
 5.21 from student service hours.

5.22	<u>Subd. 20. Spinal Cord Injury and Traumatic</u>		
5.23	<u>Brain Injury Research Grant Program</u>	<u>3,000,000</u>	<u>3,000,000</u>

5.24 For spinal cord injury and traumatic brain
 5.25 injury research grants authorized under
 5.26 Minnesota Statutes, section 136A.901.

5.27 The commissioner may use no more than two
 5.28 percent of this appropriation to administer the
 5.29 grant program under this subdivision.

5.30	<u>Subd. 21. Summer Academic Enrichment</u>		
5.31	<u>Program</u>	<u>100,000</u>	<u>100,000</u>

5.32 For summer academic enrichment grants under
 5.33 Minnesota Statutes, section 136A.091.

6.1 The commissioner may use no more than two
 6.2 percent of this appropriation to administer the
 6.3 grant program under this subdivision.

6.4 Subd. 22. Dual Training Competency Grants;
 6.5 OHE

2,000,000

2,000,000

6.6 For training grants under Minnesota Statutes,
 6.7 section 136A.246.

6.8 The commissioner may use no more than two
 6.9 percent of this appropriation to administer the
 6.10 grant program under this subdivision.

6.11 Subd. 23. Dual Training Competency Grants;
 6.12 DOLI

200,000

200,000

6.13 For transfer to the commissioner of labor and
 6.14 industry for identification of competency
 6.15 standards for dual training under Minnesota
 6.16 Statutes, section 175.45.

6.17 Subd. 24. Concurrent Enrollment Courses

340,000

340,000

6.18 (a) \$225,000 in fiscal year 2018 and \$225,000
 6.19 in fiscal year 2019 are for grants to develop
 6.20 new concurrent enrollment courses under
 6.21 Minnesota Statutes, section 124D.09,
 6.22 subdivision 10, that satisfy the elective
 6.23 standard for career and technical education.

6.24 Any balance in the first year does not cancel
 6.25 but is available in the second year.

6.26 (b) \$115,000 in fiscal year 2018 and \$115,000
 6.27 in fiscal year 2019 are for grants to
 6.28 postsecondary institutions currently
 6.29 sponsoring a concurrent enrollment course to
 6.30 expand existing programs. The commissioner
 6.31 shall determine the application process and
 6.32 the grant amounts. The commissioner must
 6.33 give preference to expanding programs that
 6.34 are at capacity. Any balance in the first year

7.1 does not cancel but is available in the second
7.2 year.

7.3 (c) By December 1 of each year, the office
7.4 shall submit a brief report to the chairs and
7.5 ranking minority members of the legislative
7.6 committees with jurisdiction over higher
7.7 education regarding:

7.8 (1) the courses developed by grant recipients
7.9 and the number of students who enrolled in
7.10 the courses under paragraph (a); and

7.11 (2) the programs expanded and the number of
7.12 students who enrolled in programs under
7.13 paragraph (b).

7.14 **Subd. 25. Campus Sexual Assault Reporting** 25,000 25,000

7.15 For the sexual assault reporting required under
7.16 Minnesota Statutes, section 135A.15.

7.17 **Subd. 26. Teacher Shortage Loan Forgiveness** 200,000 200,000

7.18 For the loan forgiveness program under
7.19 Minnesota Statutes, section 136A.1791.

7.20 The commissioner may use no more than two
7.21 percent of this appropriation to administer the
7.22 program under this subdivision.

7.23 **Subd. 27. Addiction Medicine Graduate**
7.24 **Fellowship Program** 210,000 -0-

7.25 For implementing a grant program used to
7.26 support up to four physicians who are enrolled
7.27 each year in an addiction medicine fellowship
7.28 program. A grant recipient must be enrolled
7.29 in a program that trains fellows in diagnostic
7.30 interviewing, motivational interviewing,
7.31 addiction counseling, recognition and care of
7.32 common acute withdrawal syndromes and
7.33 complications, pharmacotherapies of addictive
7.34 disorders, epidemiology and pathophysiology

8.1 of addiction, addictive disorders in special
 8.2 populations, secondary interventions, use of
 8.3 screening and diagnostic instruments, inpatient
 8.4 care, and working within a multidisciplinary
 8.5 team, and prepares doctors to practice
 8.6 addiction medicine in rural and underserved
 8.7 areas of the state.

8.8 **Subd. 28. Student and Employer Connection**
 8.9 **Information System**

405,000

405,000

8.10 For a grant to the Saint Paul Foundation for
 8.11 the creation of a web-based job and
 8.12 intern-seeking software tool that blind matches
 8.13 the needs of employers located in Minnesota
 8.14 with the individual profiles of high school
 8.15 seniors and postsecondary students attending
 8.16 Minnesota high schools and postsecondary
 8.17 institutions. No more than two percent of this
 8.18 appropriation may be used for administrative
 8.19 expenses of the foundation. The foundation
 8.20 must report by January 15, 2019, on activities
 8.21 under this subdivision to the chairs and
 8.22 ranking minority members of the legislative
 8.23 committees with jurisdiction over higher
 8.24 education finance.

8.25 **Subd. 29. Emergency Assistance for**
 8.26 **Postsecondary Students**

175,000

175,000

8.27 (a) This appropriation is for the Office of
 8.28 Higher Education to allocate grant funds on a
 8.29 matching basis to schools with a demonstrable
 8.30 homeless student population.

8.31 (b) This appropriation shall be used to meet
 8.32 immediate student needs that could result in
 8.33 a student not completing the term or their
 8.34 program including, but not limited to,
 8.35 emergency housing, food, and transportation.

9.1 Emergency assistance does not impact the
 9.2 amount of state financial aid received.

9.3 (c) The commissioner shall determine the
 9.4 application process and the grant amounts.

9.5 Any balance in the first year does not cancel
 9.6 but shall be available in the second year. The
 9.7 Office of Higher Education shall partner with
 9.8 interested postsecondary institutions, other
 9.9 state agencies, and student groups to establish
 9.10 the programs.

9.11 **Subd. 30. Large Animal Veterinarian Loan**
 9.12 **Forgiveness Program**

375,000

375,000

9.13 For the large animal veterinarian loan
 9.14 forgiveness program under Minnesota Statutes,
 9.15 section 136A.1795. The base for fiscal year
 9.16 2028 is \$0.

9.17 **Subd. 31. Grants to Teacher Candidates**

500,000

500,000

9.18 For grants to teacher candidates under
 9.19 Minnesota Statutes, section 136A.1275. This
 9.20 appropriation is in addition to the money
 9.21 available under Laws 2016, chapter 189,
 9.22 article 25, section 62, subdivision 11.

9.23 The commissioner may use no more than two
 9.24 percent of the appropriation for administration
 9.25 of the program.

9.26 **Subd. 32. Loan Repayment Assistance Program**

25,000

25,000

9.27 For a grant to the Loan Repayment Assistance
 9.28 Program of Minnesota to provide education
 9.29 debt relief to attorneys with full-time
 9.30 employment providing legal advice or
 9.31 representation to low-income clients or support
 9.32 services for this work.

9.33 **Subd. 33. Agency Administration**

2,564,000

2,564,000

9.34 **Subd. 34. Balances Forward**

- 11.1 (a) The Board of Trustees must establish
11.2 tuition rates as follows:
- 11.3 (1) for the 2017-2018 academic year, the
11.4 tuition rate at colleges and universities must
11.5 not exceed the 2016-2017 academic year rate;
11.6 and
- 11.7 (2) for the 2018-2019 academic year, the
11.8 tuition rate at colleges and universities must
11.9 not exceed the 2017-2018 academic year rate.
- 11.10 The student tuition relief may not be offset by
11.11 increases in mandatory fees, charges, or other
11.12 assessments to the student.
- 11.13 (b) \$1,500,000 in fiscal year 2018 and
11.14 \$1,500,000 in fiscal year 2019 are
11.15 appropriated from the general fund to the
11.16 Board of Trustees of the Minnesota State
11.17 Colleges and Universities to provide the
11.18 supplemental aid under article 2, section 10.
- 11.19 (c) The Board of Trustees is requested to help
11.20 Minnesota close the attainment gap by funding
11.21 activities which improve retention and
11.22 completion for students of color.
- 11.23 (d) \$260,000 in fiscal year 2018 and \$140,000
11.24 in fiscal year 2019 are for transfer to the Cook
11.25 County Higher Education Board to provide
11.26 educational programming and academic
11.27 support services to remote regions in
11.28 northeastern Minnesota. The project shall
11.29 continue to provide information to the Board
11.30 of Trustees on the number of students served,
11.31 credit hours delivered, and services provided
11.32 to students.
- 11.33 (e) \$50,000 in fiscal year 2018 and \$50,000
11.34 in fiscal year 2019 are for developing and

- 12.1 teaching online agricultural courses by farm
12.2 business management faculty at colleges that
12.3 offer farm business management.
- 12.4 (f) \$175,000 in fiscal year 2018 and \$175,000
12.5 in fiscal year 2019 are to implement the
12.6 veterans-to-agriculture pilot program. The
12.7 appropriation shall be used to continue this
12.8 program at South Central College, North
12.9 Mankato campus, and to support, in equal
12.10 amounts, up to six program sites statewide.
- 12.11 No more than two percent of the total
12.12 appropriation provided by this section may be
12.13 used for administrative purposes at the system
12.14 level.
- 12.15 The veterans-to-agriculture pilot program shall
12.16 be designed to facilitate the entrance of
12.17 military veterans into careers related to
12.18 agriculture and food production, processing,
12.19 and distribution through intensive, four- to
12.20 eight-week academic training in relevant fields
12.21 of study, job development programs and
12.22 outreach to potential employers, and
12.23 appropriate career-building skills designed to
12.24 assist returning veterans in entering the
12.25 civilian workforce. Upon successful
12.26 completion, a student shall be awarded a
12.27 certificate of completion or another
12.28 appropriate academic credit.
- 12.29 No later than December 15, 2018, the program
12.30 shall report to the committees of the house of
12.31 representatives and the senate with jurisdiction
12.32 over issues related to agriculture, veterans
12.33 affairs, and higher education on program
12.34 operations, including information on

- 13.1 participation rates, new job placements, and
 13.2 any unmet needs.
- 13.3 (g) This appropriation includes \$40,000 in
 13.4 fiscal year 2018 and \$40,000 in fiscal year
 13.5 2019 to implement the sexual assault policies
 13.6 required under Minnesota Statutes, section
 13.7 135A.15.
- 13.8 (h) \$2,500,000 in fiscal year 2018 and
 13.9 \$2,500,000 in fiscal year 2019 are for
 13.10 upgrading the Integrated Statewide Record
 13.11 System. The base for this appropriation in
 13.12 fiscal year 2024 is \$0.
- 13.13 (i) \$100,000 in fiscal year 2018 is for use by
 13.14 Winona State University for HealthForce
 13.15 Minnesota to develop educational materials
 13.16 that increase awareness of career opportunities
 13.17 available in the field of senior care. The
 13.18 educational materials developed under this
 13.19 provision must be appropriate for students in
 13.20 K-12 education settings, dislocated workers,
 13.21 and rural communities. Materials must be
 13.22 developed in collaboration with employers
 13.23 and trade organizations representing
 13.24 employers in the field of senior care.
- 13.25 Winona State University shall submit a report
 13.26 by February 1, 2019, to the chairs and ranking
 13.27 minority members of the legislative
 13.28 committees with jurisdiction over higher
 13.29 education finance and policy. The report must
 13.30 include information about the materials
 13.31 developed; to whom materials were
 13.32 distributed; and identify any collaborations
 13.33 with employers and trade organizations.
- 13.34 **Subd. 4. Learning Network of Minnesota** 4,115,000 4,115,000

15.1 (c) \$800,000 in fiscal year 2018 and \$800,000
 15.2 in fiscal year 2019 are for health training
 15.3 restoration. This appropriation must be used
 15.4 to support all of the following: (1) faculty
 15.5 physicians who teach at eight residency
 15.6 program sites, including medical resident and
 15.7 student training programs in the Department
 15.8 of Family Medicine; (2) the Mobile Dental
 15.9 Clinic; and (3) expansion of geriatric
 15.10 education and family programs.

15.11 (d) \$2,000,000 in fiscal year 2018 and
 15.12 \$2,000,000 in fiscal year 2019 are for the
 15.13 Minnesota Discovery, Research, and
 15.14 InnoVation Economy funding program for
 15.15 cancer care research.

15.16 **Subd. 3. Primary Care Education Initiatives** 2,157,000 2,157,000

15.17 This appropriation is from the health care
 15.18 access fund.

15.19 **Subd. 4. Special Appropriations**

15.20 **(a) Agriculture and Extension Service** 42,922,000 42,922,000

15.21 For the Agricultural Experiment Station and
 15.22 the Minnesota Extension Service:

15.23 (1) the agricultural experiment stations and
 15.24 Minnesota Extension Service must convene
 15.25 agricultural advisory groups to focus research,
 15.26 education, and extension activities on producer
 15.27 needs and implement an outreach strategy that
 15.28 more effectively and rapidly transfers research
 15.29 results and best practices to producers
 15.30 throughout the state;

15.31 (2) this appropriation includes funding for
 15.32 research and outreach on the production of
 15.33 renewable energy from Minnesota biomass
 15.34 resources, including agronomic crops, plant

- 16.1 and animal wastes, and native plants or trees.
- 16.2 The following areas should be prioritized and
- 16.3 carried out in consultation with Minnesota
- 16.4 producers, renewable energy, and bioenergy
- 16.5 organizations:
- 16.6 (i) biofuel and other energy production from
- 16.7 perennial crops, small grains, row crops, and
- 16.8 forestry products in conjunction with the
- 16.9 Natural Resources Research Institute (NRRI);
- 16.10 (ii) alternative bioenergy crops and cropping
- 16.11 systems; and
- 16.12 (iii) biofuel coproducts used for livestock feed;
- 16.13 (3) this appropriation includes funding for the
- 16.14 College of Food, Agricultural, and Natural
- 16.15 Resources Sciences to establish and provide
- 16.16 leadership for organic agronomic,
- 16.17 horticultural, livestock, and food systems
- 16.18 research, education, and outreach and for the
- 16.19 purchase of state-of-the-art laboratory,
- 16.20 planting, tilling, harvesting, and processing
- 16.21 equipment necessary for this project;
- 16.22 (4) this appropriation includes funding for
- 16.23 research efforts that demonstrate a renewed
- 16.24 emphasis on the needs of the state's agriculture
- 16.25 community. The following areas should be
- 16.26 prioritized and carried out in consultation with
- 16.27 Minnesota farm organizations:
- 16.28 (i) vegetable crop research with priority for
- 16.29 extending the Minnesota vegetable growing
- 16.30 season;
- 16.31 (ii) fertilizer and soil fertility research and
- 16.32 development;

- 17.1 (iii) soil, groundwater, and surface water
17.2 conservation practices and contaminant
17.3 reduction research;
- 17.4 (iv) discovering and developing plant varieties
17.5 that use nutrients more efficiently;
- 17.6 (v) breeding and development of turf seed and
17.7 other biomass resources in all three Minnesota
17.8 biomes;
- 17.9 (vi) development of new disease-resistant and
17.10 pest-resistant varieties of turf and agronomic
17.11 crops;
- 17.12 (vii) utilizing plant and livestock cells to treat
17.13 and cure human diseases;
- 17.14 (viii) the development of dairy coproducts;
- 17.15 (ix) a rapid agricultural response fund for
17.16 current or emerging animal, plant, and insect
17.17 problems affecting production or food safety;
- 17.18 (x) crop pest and animal disease research;
- 17.19 (xi) developing animal agriculture that is
17.20 capable of sustainably feeding the world;
- 17.21 (xii) consumer food safety education and
17.22 outreach;
- 17.23 (xiii) programs to meet the research and
17.24 outreach needs of organic livestock and crop
17.25 farmers; and
- 17.26 (xiv) alternative bioenergy crops and cropping
17.27 systems; and growing, harvesting, and
17.28 transporting biomass plant material; and
- 17.29 (5) by February 1, 2019, the Board of Regents
17.30 must submit a report to the legislative
17.31 committees and divisions with jurisdiction
17.32 over agriculture and higher education finance

18.1	<u>on the status and outcomes of research and</u>		
18.2	<u>initiatives funded in this paragraph.</u>		
18.3	<u>(b) Health Sciences</u>	<u>9,204,000</u>	<u>9,204,000</u>
18.4	<u>\$346,000 each year is to support up to 12</u>		
18.5	<u>resident physicians in the St. Cloud Hospital</u>		
18.6	<u>family practice residency program. The</u>		
18.7	<u>program must prepare doctors to practice</u>		
18.8	<u>primary care medicine in rural areas of the</u>		
18.9	<u>state. The legislature intends this program to</u>		
18.10	<u>improve health care in rural communities,</u>		
18.11	<u>provide affordable access to appropriate</u>		
18.12	<u>medical care, and manage the treatment of</u>		
18.13	<u>patients in a more cost-effective manner. The</u>		
18.14	<u>remainder of this appropriation is for the rural</u>		
18.15	<u>physicians associates program; the Veterinary</u>		
18.16	<u>Diagnostic Laboratory; health sciences</u>		
18.17	<u>research; dental care; the Biomedical</u>		
18.18	<u>Engineering Center; and the collaborative</u>		
18.19	<u>partnership between the University of</u>		
18.20	<u>Minnesota and Mayo Clinic for regenerative</u>		
18.21	<u>medicine, research, clinical translation, and</u>		
18.22	<u>commercialization.</u>		
18.23	<u>(c) Institute of Technology</u>	<u>1,140,000</u>	<u>1,140,000</u>
18.24	<u>For the geological survey and the talented</u>		
18.25	<u>youth mathematics program.</u>		
18.26	<u>(d) System Special</u>	<u>6,181,000</u>	<u>6,181,000</u>
18.27	<u>For general research, the Labor Education</u>		
18.28	<u>Service, Natural Resources Research Institute,</u>		
18.29	<u>Center for Urban and Regional Affairs, Bell</u>		
18.30	<u>Museum of Natural History, and the</u>		
18.31	<u>Humphrey exhibit.</u>		
18.32	<u>\$1,000,000 in fiscal year 2018 and \$1,000,000</u>		
18.33	<u>in fiscal year 2019 are for the Natural</u>		

19.1 Resources Research Institute to invest in
 19.2 applied research for economic development.

19.3 **(e) University of Minnesota and Mayo**
 19.4 **Foundation Partnership**

7,991,000

7,991,000

19.5 This appropriation is for the following
 19.6 activities:

19.7 (1) \$7,491,000 in fiscal year 2018 and
 19.8 \$7,491,000 in fiscal year 2019 are for the
 19.9 direct and indirect expenses of the
 19.10 collaborative research partnership between the
 19.11 University of Minnesota and the Mayo
 19.12 Foundation for research in biotechnology and
 19.13 medical genomics. An annual report on the
 19.14 expenditure of these funds must be submitted
 19.15 to the governor and the chairs of the legislative
 19.16 committees responsible for higher education
 19.17 finance by June 30 of each fiscal year.

19.18 (2) \$500,000 in fiscal year 2018 and \$500,000
 19.19 in fiscal year 2019 are to award competitive
 19.20 grants to conduct research into the prevention,
 19.21 treatment, causes, and cures of Alzheimer's
 19.22 disease and other dementias.

19.23 **Subd. 5. Academic Health Center**

19.24 The appropriation for Academic Health Center
 19.25 funding under Minnesota Statutes, section
 19.26 297F.10, is estimated to be \$22,250,000 each
 19.27 year.

19.28 **Sec. 5. MAYO CLINIC**

19.29 **Subdivision 1. Total Appropriation**

\$

1,351,000

\$

1,351,000

19.30 The amounts that may be spent are specified
 19.31 in the following subdivisions.

19.32 **Subd. 2. Medical School**

665,000

665,000

20.1 The state must pay a capitation each year for
 20.2 each student who is a resident of Minnesota.
 20.3 The appropriation may be transferred between
 20.4 each year of the biennium to accommodate
 20.5 enrollment fluctuations. It is intended that
 20.6 during the biennium the Mayo Clinic use the
 20.7 capitation money to increase the number of
 20.8 doctors practicing in rural areas in need of
 20.9 doctors.

20.10 **Subd. 3. Family Practice and Graduate**
 20.11 **Residency Program**

686,000

686,000

20.12 The state must pay stipend support for up to
 20.13 27 residents each year.

ARTICLE 2

HIGHER EDUCATION POLICY

20.16 Section 1. Minnesota Statutes 2016, section 135A.031, subdivision 7, is amended to read:

20.17 Subd. 7. **Reports.** (a) The University of Minnesota and the Minnesota State Colleges
 20.18 and Universities systems shall include in their biennial budget proposals to the legislature:

20.19 (1) a five-year history of systemwide expenditures, reported by:

20.20 (i) functional areas, including instruction, research, public service, student financial aid,
 20.21 and auxiliary services, and including direct costs and indirect costs, such as institutional
 20.22 support, academic support, student services, and facilities management, associated with
 20.23 each functional area; and

20.24 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;

20.25 (2) a five-year history of the system's total instructional expenditures per full-year
 20.26 equivalent student, by level of instruction, including upper-division undergraduate,
 20.27 lower-division undergraduate, graduate, professional, and other categories of instructional
 20.28 programs offered by the system;

20.29 (3) a five-year history of the system's total revenues by funding source, including tuition,
 20.30 state operations and maintenance appropriations, state special appropriations, other restricted
 20.31 state funds, federal appropriations, sponsored research funds, gifts, auxiliary revenue, indirect
 20.32 cost recovery, and any other revenue sources;

21.1 (4) an explanation describing how state appropriations made to the system in the previous
21.2 biennium were allocated and the methodology used to determine the allocation;

21.3 (5) data describing how the institution reallocated resources to advance the priorities set
21.4 forth in the budget submitted under section 135A.034 and the statewide objectives under
21.5 section 135A.011. The information must indicate whether instruction and support programs
21.6 received a reduction in or additional resources. The total amount reallocated must be clearly
21.7 explained;

21.8 (6) the tuition rates and fees established by the governing board in each of the past ten
21.9 years and comparison data for peer institutions and national averages;

21.10 (7) data on the number and proportion of students graduating within four, five, and six
21.11 years from universities and within three years from colleges as reported in the integrated
21.12 postsecondary education data system. These data must be provided for each institution by
21.13 race, ethnicity, and gender. Data and information must be submitted that describe the system's
21.14 plan and progress toward attaining the goals set forth in the plan to increase the number and
21.15 proportion of students that graduate within four, five, or six years from a university or within
21.16 three years from a college;

21.17 (8) data on, and the methodology used to measure, the number of students traditionally
21.18 underrepresented in higher education enrolled at the system's institutions. Data and
21.19 information must be submitted that describe the system's plan and progress toward attaining
21.20 the goals set forth in the plan to increase the recruitment, retention, and timely graduation
21.21 of students traditionally underrepresented in higher education; ~~and~~

21.22 (9) data on the revenue received from all sources to support research or workforce
21.23 development activities or the system's efforts to license, sell, or otherwise market products,
21.24 ideas, technology, and related inventions created in whole or in part by the system. Data
21.25 and information must be submitted that describe the system's plan and progress toward
21.26 attaining the goals set forth in the plan to increase the revenue received to support research
21.27 or workforce development activities or revenue received from the licensing, sale, or other
21.28 marketing and technology transfer activities by the system;

21.29 (10) data on work completed by any consultant who is not an employee of the system
21.30 for which the system paid in excess of \$500,000. Data must include the name of the
21.31 consultant, the total cost incurred, a description of the work completed, and a description
21.32 of the reasons for using an outside consultant and not internal staff;

21.33 (11) aggregate data on the following:

- 22.1 (i) student demographics;
- 22.2 (ii) student enrollment history, including student enrollment by legislative district, degrees
- 22.3 and certificates by region;
- 22.4 (iii) student debt and fee history;
- 22.5 (iv) tuition, including rate history;
- 22.6 (v) student academics, including completion rates by preparedness and financial need;
- 22.7 (vi) human resources, including employee head count and employee demographics;
- 22.8 (vii) facilities, including physical space overview, condition, square footage and
- 22.9 distribution by region, any deferred maintenance, capital bonding requested and received;
- 22.10 (viii) administrative costs, including administrators as percent of total employee head
- 22.11 count, system office budget as percent of total system general fund revenue, institutional
- 22.12 support spending as a percent of total expenses, and institutional spending per college and
- 22.13 university; and
- 22.14 (ix) finances, including system expenditures and revenues, college and university
- 22.15 operating budgets, allocation method, and results; and
- 22.16 (12) a comparison of the expenditure categories from the most recent fiscal year to the
- 22.17 prior fiscal year for both functional areas and objects of expenditure, including a full
- 22.18 explanation of all material changes to the expenditure categories.
- 22.19 (b) Data required by this subdivision shall be submitted by the public postsecondary
- 22.20 systems to the Minnesota Office of Higher Education and the Department of Management
- 22.21 and Budget and included in the biennial budget document. Representatives from each system,
- 22.22 in consultation with the commissioner of management and budget and the commissioner
- 22.23 of the Office of Higher Education, shall develop consistent reporting practices for this
- 22.24 purpose.
- 22.25 (c) To the extent practicable, each system shall develop the ability to respond to legislative
- 22.26 requests for financial analyses that are more detailed than those required by this subdivision,
- 22.27 including but not limited to analyses that show expenditures or revenues by institution or
- 22.28 program, or in multiple categories of expenditures or revenues, and analyses that show
- 22.29 revenue sources for particular types of expenditures.

23.1 Sec. 2. Minnesota Statutes 2016, section 135A.15, subdivision 1a, is amended to read:

23.2 Subd. 1a. **Sexual assault definition.** For the purposes of this section, "sexual assault"
 23.3 means ~~foreible sex offenses~~ rape, sex offenses - fondling, sex offenses - incest, or sex
 23.4 offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart
 23.5 D, appendix A, as amended.

23.6 Sec. 3. Minnesota Statutes 2016, section 136A.101, subdivision 5a, is amended to read:

23.7 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the
 23.8 amount of a family's contribution to a student's cost of attendance, as determined by a federal
 23.9 need analysis. For dependent students, the assigned family responsibility is ~~94~~ 93 percent
 23.10 of the parental contribution. For independent students with dependents other than a spouse,
 23.11 the assigned family responsibility is ~~86~~ 85 percent of the student contribution. For
 23.12 independent students without dependents other than a spouse, the assigned family
 23.13 responsibility is ~~50~~ 49 percent of the student contribution.

23.14 Sec. 4. Minnesota Statutes 2016, section 136A.1275, is amended to read:

23.15 ~~**136A.1275 GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS**~~
 23.16 **TEACHER CANDIDATE GRANTS.**

23.17 Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education
 23.18 must establish a grant program for student teaching stipends for low-income students enrolled
 23.19 in a Board of Teaching-approved teacher preparation program who ~~are interested in teaching~~
 23.20 ~~in a high needs subject area or region~~ intend to teach in a shortage area after graduating and
 23.21 receiving their teaching license or belong to an underrepresented racial or ethnic group. ~~For~~
 23.22 ~~purposes of this section, "high needs subject area or region" means a shortage of teachers~~
 23.23 ~~teaching in particular subject areas or a shortage of teachers teaching in particular regions~~
 23.24 ~~of the state identified in the commissioner of education's biennial survey of districts under~~
 23.25 ~~section 127A.05, subdivision 6, or in another Department of Education survey on teacher~~
 23.26 ~~shortages.~~

23.27 (b) "Shortage area" means a license field or economic development region within
 23.28 Minnesota defined as a shortage area by the Department of Education using data collected
 23.29 for the teacher supply and demand report under section 127A.05, subdivision 6, or other
 23.30 surveys conducted by the Department of Education that provide indicators for teacher supply
 23.31 and demand.

24.1 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a teacher candidate
24.2 must:

24.3 (1) be enrolled in a Board of Teaching-approved teacher preparation program that requires
24.4 at least 12 weeks of student teaching ~~and results in the teacher candidate receiving in order~~
24.5 to be recommended for a full professional teaching license enabling the licensee to teach
24.6 ~~in a high needs subject area or region; and~~

24.7 (2) demonstrate financial need based on criteria established by the commissioner under
24.8 subdivision 3; and

24.9 (3) intend to teach in a shortage area or belong to an underrepresented racial or ethnic
24.10 group.

24.11 Subd. 3. **Administration; repayment.** (a) The commissioner must establish an
24.12 application process and other guidelines for implementing this program, including repayment
24.13 responsibilities for stipend recipients who do not complete student teaching or who leave
24.14 Minnesota to teach in another state during the first year after student teaching.

24.15 (b) The commissioner must determine each academic year the stipend amount up to
24.16 \$7,500 based on the amount of available funding ~~and~~, the number of eligible applicants,
24.17 and the financial need of the applicants.

24.18 Sec. 5. Minnesota Statutes 2016, section 136A.685, is amended to read:

24.19 **136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR**
24.20 **MISREPRESENTATION.**

24.21 The office ~~shall not provide~~ may revoke, or deny an application for, registration or degree
24.22 or name approval to a school if there has been a criminal, civil, or administrative adjudication
24.23 of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the
24.24 school or its owner, officers, agents, or sponsoring organization. If the adjudication was
24.25 related to a particular academic program or programs, the office may revoke degree approval,
24.26 or deny an application for degree approval, for that program only.

24.27 The adjudication of fraud or misrepresentation is sufficient cause for the office to
24.28 determine that a school:

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

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

25.1 Sec. 6. **[298.2215] COUNTY SCHOLARSHIP PROGRAM.**

25.2 Subdivision 1. Establishment. A county may establish a scholarship fund from any
25.3 unencumbered revenue received pursuant to section 298.018, 298.28, 298.39, 298.396, or
25.4 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used
25.5 at a two-year Minnesota State Colleges and Universities institution within the county. The
25.6 county shall establish procedures for applying for and distributing the scholarships.

25.7 Subd. 2. Eligibility. An applicant for a scholarship under this section must be a resident
25.8 of the county at the time of the applicant's high school graduation. The county may establish
25.9 additional eligibility criteria.

25.10 Sec. 7. Laws 2014, chapter 312, article 1, section 15, is amended to read:

25.11 Sec. 15. **UNIVERSITY OF MINNESOTA BASE ADJUSTMENT.**

25.12 (a) For fiscal years 2016 to ~~2041~~ 2017, \$3,500,000 is added to the base operations and
25.13 maintenance appropriation to the Board of Regents of the University of Minnesota in Laws
25.14 2013, chapter 99, article 1, section 5.

25.15 (b) For fiscal years 2018 to 2040, \$3,312,000 is added to the base operations and
25.16 maintenance appropriation to the Board of Regents of the University of Minnesota in Laws
25.17 2013, chapter 99, article 1, section 5.

25.18 Sec. 8. **DEVELOPMENTAL EDUCATION REFORM.**

25.19 (a) The Board of Trustees of the Minnesota State Colleges and Universities shall create
25.20 a plan to reform developmental education offerings on system campuses aimed at reducing
25.21 the number of students placed into developmental education. The plan must include, but is
25.22 not limited to:

25.23 (1) a systemwide multiple measures placement plan to guide campuses in placement of
25.24 students into developmental education courses;

25.25 (2) uniform cut scores for student placement, where appropriate, which will lead to fewer
25.26 students being placed into developmental education courses;

25.27 (3) other identified system policy changes that will decrease the number of students
25.28 being placed into developmental education courses;

25.29 (4) accelerated pathways in mathematics, reading, and composition to ensure students
25.30 can complete developmental education work in no more than one year, including allowing
25.31 for students to enter college-level gateway courses in one year whenever possible;

26.1 (5) a comprehensive examination of the cost structure of developmental education,
 26.2 including potential financial incentives for students or other mechanisms to lower the cost
 26.3 of developmental offerings for students; and

26.4 (6) identified best practices and targeted support strategies such as the use of supplemental
 26.5 instruction, that may be used on every system campus around developmental education
 26.6 offerings.

26.7 (b) The plan must include deadlines for implementation of proposed changes and must
 26.8 be submitted to the chairs and ranking minority members of the legislative committees with
 26.9 jurisdiction over higher education finance and policy by February 15, 2018.

26.10 (c) The plan, in its entirety, shall be implemented by the start of the 2020-2021 academic
 26.11 term, with individual provisions being implemented earlier as dictated by the plan.

26.12 **Sec. 9. GREATER MINNESOTA OUTREACH AND RECRUITMENT.**

26.13 The Board of Regents of the University of Minnesota shall develop a plan to conduct
 26.14 outreach and recruitment of students from Minnesota, specifically identifying mechanisms
 26.15 to increase the number of students from greater Minnesota who are admitted to the university
 26.16 campus located in the metropolitan area. Greater Minnesota is defined as any area other
 26.17 than the area described in Minnesota Statutes, section 473.121, subdivision 4. The plan
 26.18 must be submitted to the chairs and ranking members of the senate and house of
 26.19 representatives legislative committees with jurisdiction over higher education finance and
 26.20 policy by February 15, 2018.

26.21 **Sec. 10. SCHOOL DISTRICT GRADUATE REPORTING.**

26.22 (a) The commissioner of the Office of Higher Education must report on its Web site the
 26.23 following aggregate information on students graduating from Minnesota high schools:

26.24 (1) the number and percent of students from each high school placed in supplemental
 26.25 or developmental education;

26.26 (2) the number and percent of students from each high school who complete supplemental
 26.27 or developmental education within one academic year;

26.28 (3) the number and percent of students from each high school that complete gateway
 26.29 courses in one academic year; and

26.30 (4) time to complete a degree or certificate.

27.1 (b) Reporting must be aggregated by school district and must disaggregate student data
27.2 by race, ethnicity, free or reduced lunch eligibility, and age. The commissioner of the Office
27.3 of Higher Education must post the report on its Web site on or before October 1, 2017, and
27.4 update the report at least annually thereafter.

27.5 **Sec. 11. SUPPLEMENTAL AID FOR TWO-YEAR MNSCU INSTITUTIONS.**

27.6 The Board of Trustees of the Minnesota State Colleges and Universities shall provide
27.7 supplemental aid for operations and maintenance to the president of each two-year institution
27.8 in the system with at least one campus that is not located in a metropolitan county, as defined
27.9 in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer \$50,000 for
27.10 each campus not located in a metropolitan county in each year to the president of each
27.11 institution that includes such a campus, provided that no institution may receive more than
27.12 \$150,000 in total supplemental aid each year.

27.13 **Sec. 12. STATE GRANT TUITION CAPS; LIVING AND MISCELLANEOUS**
27.14 **EXPENSE ALLOWANCE.**

27.15 (a) For the purposes of the state grant program under Minnesota Statutes, section
27.16 136A.121, for the biennium ending June 30, 2019, the tuition maximum is \$14,186 in each
27.17 fiscal year of the biennium for students in four-year programs, and \$5,736 in each fiscal
27.18 year of the biennium for students in two-year programs.

27.19 (b) The living and miscellaneous expense allowance for the state grant program under
27.20 Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2019, is set at
27.21 \$9,320 for each fiscal year of the biennium.

27.22 **Sec. 13. ONGOING APPROPRIATION.**

27.23 The appropriation under Laws 2016, chapter 189, article 25, section 62, subdivision 11,
27.24 may be used to provide grants for any purpose under Minnesota Statutes, section 136A.1275.

APPENDIX
Article locations in 17-4280

ARTICLE 1 HIGHER EDUCATION APPROPRIATIONS Page.Ln 1.11
ARTICLE 2 HIGHER EDUCATION POLICY Page.Ln 20.14