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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2065**

02/01/2012 Authored by Nornes

The bill was read for the first time and referred to the Committee on Higher Education Policy and Finance

03/27/2012 Adoption of Report: Pass as Amended and re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to higher education; clarifying the authority of the MnSCU system to
1.3 continue operations during a budget impasse; increasing revenue bond debt
1.4 ceiling for Board of Trustees of the Minnesota State Colleges and Universities;
1.5 providing an exemption from state regulation of certain schools; requiring
1.6 disclosure of certain course material and course information; establishing a
1.7 MnSCU textbook task force; requiring an expanded waiver for mandatory
1.8 health care coverage; authorizing a safety officer survivor education benefit for
1.9 graduate study; modifying definition of contingent account owner for purposes
1.10 of the college savings plan; directing a portion of the permanent university
1.11 fund for a mining engineering program; modifying membership of the Student
1.12 Advisory Council; modifying definition of student for purposes of the statement
1.13 of immunization; modifying liquor license requirements for intercollegiate
1.14 stadium operated by the University of Minnesota; providing funding for
1.15 Hennepin County Medical Center graduate family medicine education programs;
1.16 prohibiting fees related to the teacher performance assessment test; amending
1.17 Minnesota Statutes 2010, sections 135A.14, subdivision 1; 135A.25, subdivision
1.18 5; 136A.031, subdivision 3; 136F.58, subdivision 3, by adding a subdivision;
1.19 136F.71, subdivision 3, by adding a subdivision; 136F.98, subdivision 1;
1.20 136G.03, subdivision 7; 137.022, subdivision 4; 141.35; 299A.45, subdivisions
1.21 1, 2; 340A.404, subdivision 4a; proposing coding for new law in Minnesota
1.22 Statutes, chapter 135A.

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

1.24 Section 1. **[135A.044] STUDENT HEALTH CARE.**

1.25 A governing board of a Minnesota public postsecondary system that requires health
1.26 benefit plan coverage for students must offer options for health plan coverage. The
1.27 options must include an option to waive the requirement to purchase a plan selected by
1.28 the institution and must include consideration for the fiscal impact of health plans on the
1.29 student or the student's family. At a minimum, the waiver option must allow students to
1.30 purchase health care plans from employer group coverage, private insurers, association
1.31 group coverage, and MinnesotaCare.

2.1 Sec. 2. Minnesota Statutes 2010, section 135A.14, subdivision 1, is amended to read:

2.2 Subdivision 1. **Definitions.** As used in this section, the following terms have the
2.3 meanings given them.

2.4 (a) "Administrator" means the administrator of the institution or other person with
2.5 general control and supervision of the institution.

2.6 (b) "Public or private postsecondary educational institution" or "institution" means
2.7 any of the following institutions having an enrollment of more than 100 persons during
2.8 any quarter, term, or semester during the preceding year: (1) the University of Minnesota;
2.9 (2) the state universities; (3) the state community colleges; (4) public technical colleges;
2.10 (5) private four-year, professional and graduate institutions; (6) private two-year colleges;
2.11 and (7) schools subject to either chapter 141, sections 136A.61 to 136A.71, or schools
2.12 exempt under section 136A.657, and which offer educational programs within the state
2.13 for an academic year greater than six consecutive months. An institution's report to the
2.14 Minnesota Office of Higher Education or the Minnesota Department of Education may be
2.15 considered when determining enrollment.

2.16 (c) "Student" means a person born after 1956 who did not graduate from a Minnesota
2.17 high school in 1997 or later, and who is (1) registering for more than one class during
2.18 a full academic term, such as a quarter or a semester or (2) housed on campus and is
2.19 registering for one or more classes. Student does not include persons enrolled in extension
2.20 classes ~~only or~~ correspondence classes only, online classes, or evening adult accelerated
2.21 programs.

2.22 Sec. 3. Minnesota Statutes 2010, section 135A.25, subdivision 5, is amended to read:

2.23 Subd. 5. **Bookstores; course materials.** The University of Minnesota and private
2.24 colleges are encouraged to comply with the requirements ~~for instructors and bookstores~~
2.25 under section 136F.58, ~~subdivision~~ subdivisions 2, 2a, and 3.

2.26 Sec. 4. Minnesota Statutes 2010, section 136A.031, subdivision 3, is amended to read:

2.27 Subd. 3. **Student Advisory Council.** (a) A Student Advisory Council (SAC) to
2.28 the Minnesota Office of Higher Education is established. The members of SAC shall
2.29 include, but not be limited to: the chair of the University of Minnesota student senate;
2.30 the state chair of the Minnesota State University Student Association; the president of
2.31 the Minnesota State College Student Association and an officer of the Minnesota State
2.32 College Student Association, one in a community college course of study and one in a
2.33 technical college course of study; the president of the Minnesota Association of Private
2.34 College Students; ~~and~~ a student who is enrolled in a private vocational school, to be

3.1 appointed by the Minnesota Career College Association; and the chair of the Minnesota
 3.2 Student Legislative Coalition. A member may be represented by a student designee who
 3.3 attends an institution from the same system that the absent member represents. The SAC
 3.4 shall select one of its members to serve as chair.

3.5 (b) The Minnesota Office of Higher Education shall inform the SAC of all matters
 3.6 related to student issues under consideration. The SAC shall report to the Minnesota
 3.7 Office of Higher Education quarterly and at other times that the SAC considers desirable.
 3.8 The SAC shall determine its meeting times, but it shall also meet with the office within 30
 3.9 days after the director's request for a meeting.

3.10 (c) The SAC shall:

3.11 (1) bring to the attention of the Minnesota Office of Higher Education any matter
 3.12 that the SAC believes needs the attention of the office;

3.13 (2) make recommendations to the Minnesota Office of Higher Education as it finds
 3.14 appropriate; and

3.15 (3) approve student appointments by the Minnesota Office of Higher Education for
 3.16 each advisory group as provided in subdivision 4.

3.17 Sec. 5. Minnesota Statutes 2010, section 136F.58, is amended by adding a subdivision
 3.18 to read:

3.19 Subd. 2a. **Course schedule and material list.** (a) Each state college and university
 3.20 shall compile a course schedule indicating each course offered by the state college or
 3.21 university for each term and shall include with the course schedule a list of the required
 3.22 and recommended course materials that specifies, to the extent practicable, the information
 3.23 required in subdivision 3, paragraph (c).

3.24 (b) At the time required by subdivision 3, paragraph (c), a state college or university
 3.25 shall publish course schedules and course material lists on the state college's or university's
 3.26 Web site.

3.27 Sec. 6. Minnesota Statutes 2010, section 136F.58, subdivision 3, is amended to read:

3.28 Subd. 3. **Notice to purchase.** (a) An instructor or department shall ~~make reasonable~~
 3.29 ~~efforts to~~ notify a bookstore of the final order for required and recommended course
 3.30 material at least ~~30~~ 45 days prior to the commencement of the term.

3.31 (b) An instructor or department requiring a new printed textbook edition must notify
 3.32 the bookstore and students, as required in paragraph (a), if a previous edition of the
 3.33 textbook is acceptable as a substitute textbook for the course. The course syllabus must
 3.34 include details provided by the publisher of changes between editions of the textbook.

4.1 ~~(b)~~ (c) The bookstore must make reasonable efforts to notify students of the
 4.2 following information concerning the required and recommended course material at
 4.3 least ~~15~~ 30 days prior to the commencement of the term for which the course material
 4.4 is required including, but not limited to:

4.5 (1) the title, edition, author, and International Standard Book Number (ISBN) of
 4.6 the course material;

4.7 (2) the retail price charged in the college or university bookstore for the course
 4.8 material, including custom textbooks;

4.9 ~~(3) whether the required course material is bundled with optional material, whether~~
 4.10 ~~it can be unbundled, and the price for each bundled and unbundled component~~ the name of
 4.11 the publisher of the course material, except an international textbook purchased directly
 4.12 from a distributor where no publisher information is readily available; and

4.13 (4) whether the material is available in an alternative format and the cost for the
 4.14 alternatively formatted material; and

4.15 (5) the most recent copyright date of the printed course material and the copyright
 4.16 date of the most recent prior edition of the course material, if any.

4.17 (d) For purposes of this subdivision, "custom textbooks" means course materials
 4.18 that are compiled by a publisher at the direction of a faculty member or, if applicable,
 4.19 the other adopting entity in charge of selecting course materials for courses taught at a
 4.20 state college or university. Custom textbooks may include items such as selections from
 4.21 original instructor materials, previously copyrighted publisher materials, copyrighted
 4.22 third-party works, or elements unique to a specific state college or university.

4.23 Sec. 7. Minnesota Statutes 2010, section 136F.71, subdivision 3, is amended to read:

4.24 Subd. 3. **Interest income.** ~~Beginning July 1, 1997,~~ Interest income attributable to
 4.25 general fund dedicated receipts of the board is appropriated to the board. The board shall
 4.26 allocate the income proportionately among the colleges and universities. The board shall
 4.27 report this income separately in its biennial budget requests.

4.28 **EFFECTIVE DATE.** This section is effective July 1, 2012.

4.29 Sec. 8. Minnesota Statutes 2010, section 136F.71, is amended by adding a subdivision
 4.30 to read:

4.31 **Subd. 5. Continued operation.** Notwithstanding any other law to the contrary, to
 4.32 the extent that the board has receipts under this section sufficient to continue operations,
 4.33 the commissioner of management and budget shall provide the board with statewide
 4.34 systems services under section 16A.1286 and access to its funds as deemed necessary

5.1 by the board to continue its operations. The board shall pay for the services received
5.2 in accordance with section 16A.1286, including any administrative services necessary
5.3 for the commissioner of management and budget to provide the statewide systems
5.4 services. In addition, the board shall pay for treasury operations services provided by the
5.5 commissioner of management and budget. Payments received by the commissioner of
5.6 management and budget under this subdivision are appropriated to the Department of
5.7 Management and Budget and may be transferred to the Office of Enterprise Technology
5.8 and Administration, if necessary, for the purposes of providing those services.

5.9 **EFFECTIVE DATE.** This section is effective July 1, 2012.

5.10 Sec. 9. Minnesota Statutes 2010, section 136F.98, subdivision 1, is amended to read:

5.11 Subdivision 1. **Issuance of bonds.** The Board of Trustees of the Minnesota State
5.12 Colleges and Universities or a successor may issue revenue bonds under sections 136F.90
5.13 to 136F.97 whose aggregate principal amount at any time may not exceed ~~\$300,000,000~~
5.14 \$405,000,000, and payable from the revenue appropriated to the fund established by
5.15 section 136F.94, and use the proceeds together with other public or private money that
5.16 may otherwise become available to acquire land, and to acquire, construct, complete,
5.17 remodel, and equip structures or portions thereof to be used for dormitory, residence hall,
5.18 student union, food service, parking purposes, or for any other similar revenue-producing
5.19 building or buildings of such type and character as the board finds desirable for the good
5.20 and benefit of the state colleges and universities. Before issuing the bonds or any part
5.21 of them, the board shall consult with and obtain the advisory recommendations of the
5.22 chairs of the house of representatives Ways and Means Committee and the senate Finance
5.23 Committee about the facilities to be financed by the bonds.

5.24 Sec. 10. Minnesota Statutes 2010, section 136G.03, subdivision 7, is amended to read:

5.25 Subd. 7. **Contingent account owner.** "Contingent account owner" means the
5.26 ~~individual person~~ designated as the account owner, either in the participation agreement or
5.27 pursuant to a separate Minnesota college savings plan form, in the event of the death of
5.28 the account owner.

5.29 Sec. 11. Minnesota Statutes 2010, section 137.022, subdivision 4, is amended to read:

5.30 Subd. 4. **Mineral research; scholarships.** (a) All income credited after July 1,
5.31 1992, to the permanent university fund from royalties for mining under state mineral
5.32 leases from and after July 1, 1991, must be allocated as provided in this subdivision.

6.1 (b)(1) ~~Fifty~~ Beginning January 1, 2013, 50 percent of the income must be allocated
6.2 according to this paragraph. One-half of the income under this paragraph, up to
6.3 \$50,000,000, must be credited to the mineral research account of the fund to be allocated
6.4 for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral
6.5 and mineral-related research including mineral-related environmental research; and. The
6.6 other one-half of the income under this paragraph, up to \$25,000,000, is credited to an
6.7 endowment for the costs of operating a mining, metallurgical, or related engineering
6.8 degree program offered through the University of Minnesota at Mesabi Range Community
6.9 and Technical College and for scholarships for students to attend the mining, metallurgical,
6.10 or related engineering program.

6.11 (2) The remainder of the income under paragraph (a) and the amount of any income
6.12 over the \$25,000,000 for the engineering program under clause (1) must be credited
6.13 to the endowed scholarship account of the fund for distribution annually for scholastic
6.14 achievement as provided by the Board of Regents to undergraduates enrolled at the
6.15 University of Minnesota who are resident students as defined in section 136A.101,
6.16 subdivision 8.

6.17 (c) The annual distribution from the endowed scholarship account must be allocated
6.18 to the various campuses of the University of Minnesota in proportion to the number of
6.19 undergraduate resident students enrolled on each campus.

6.20 (d) The Board of Regents must report to the education committees of the legislature
6.21 biennially at the time of the submission of its budget request on the disbursement of money
6.22 from the endowed scholarship account and to the environment and natural resources
6.23 committees on the use of the mineral research account.

6.24 (e) Capital gains and losses and portfolio income of the permanent university fund
6.25 must be credited to its three accounts in proportion to the market value of each account.

6.26 (f) The endowment support from the income and capital gains of the endowed
6.27 mineral research and endowed scholarship accounts of the fund must not total more than
6.28 six percent per year of the 36-month trailing average market value of the account from
6.29 which the support is derived.

6.30 Sec. 12. Minnesota Statutes 2010, section 141.35, is amended to read:

6.31 **141.35 EXEMPTIONS.**

6.32 Sections 141.21 to 141.32 shall not apply to the following:

6.33 (1) public postsecondary institutions;

6.34 (2) postsecondary institutions registered under sections 136A.61 to 136A.71;

7.1 (3) schools of nursing accredited by the state Board of Nursing or an equivalent
7.2 public board of another state or foreign country;

7.3 (4) private schools complying with the requirements of section 120A.22, subdivision
7.4 4;

7.5 (5) courses taught to students in a valid apprenticeship program taught by or
7.6 required by a trade union;

7.7 (6) schools exclusively engaged in training physically or mentally disabled persons
7.8 for the state of Minnesota;

7.9 (7) schools licensed by boards authorized under Minnesota law to issue licenses
7.10 except schools required to obtain a private career school license due to the use of
7.11 "academy," "institute," "college," or "university" in their names;

7.12 (8) schools and educational programs, or training programs, contracted for by
7.13 persons, firms, corporations, government agencies, or associations, for the training of their
7.14 own employees, for which no fee is charged the employee;

7.15 (9) schools engaged exclusively in the teaching of purely avocational, recreational,
7.16 or remedial subjects as determined by the office except schools required to obtain a private
7.17 career school license due to the use of "academy," "institute," "college," or "university" in
7.18 their names unless the school used "academy" or "institute" in its name prior to August
7.19 1, 2008;

7.20 (10) classes, courses, or programs conducted by a bona fide trade, professional, or
7.21 fraternal organization, solely for that organization's membership;

7.22 (11) programs in the fine arts provided by organizations exempt from taxation
7.23 under section 290.05 and registered with the attorney general under chapter 309. For
7.24 the purposes of this clause, "fine arts" means activities resulting in artistic creation or
7.25 artistic performance of works of the imagination which are engaged in for the primary
7.26 purpose of creative expression rather than commercial sale or employment. In making
7.27 this determination the office may seek the advice and recommendation of the Minnesota
7.28 Board of the Arts;

7.29 (12) classes, courses, or programs intended to fulfill the continuing education
7.30 requirements for licensure or certification in a profession, that have been approved by
7.31 a legislatively or judicially established board or agency responsible for regulating the
7.32 practice of the profession, and that are offered exclusively to an individual practicing
7.33 the profession;

7.34 (13) classes, courses, or programs intended to prepare students to sit for
7.35 undergraduate, graduate, postgraduate, or occupational licensing and occupational
7.36 entrance examinations;

8.1 (14) classes, courses, or programs providing 16 or fewer clock hours of instruction
8.2 that are not part of the curriculum for an occupation or entry level employment except
8.3 schools required to obtain a private career school license due to the use of "academy,"
8.4 "institute," "college," or "university" in their names;

8.5 (15) classes, courses, or programs providing instruction in personal development,
8.6 modeling, or acting;

8.7 (16) training or instructional programs, in which one instructor teaches an individual
8.8 student, that are not part of the curriculum for an occupation or are not intended to prepare
8.9 a person for entry level employment; and

8.10 (17) schools with no physical presence in Minnesota, as determined by the office,
8.11 engaged exclusively in offering distance instruction that are located in and regulated
8.12 by other states or jurisdictions.

8.13 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2008.

8.14 Sec. 13. Minnesota Statutes 2010, section 299A.45, subdivision 1, is amended to read:

8.15 Subdivision 1. **Eligibility.** A person is eligible to receive educational benefits under
8.16 this section if the person:

8.17 (1) is certified under section 299A.44 and in compliance with this section and rules
8.18 of the commissioner of public safety and the Minnesota Office of Higher Education;

8.19 (2) is enrolled in an undergraduate degree or certificate program after June 30, 1990,
8.20 or a graduate degree or certificate program after June 30, 2011, at an eligible Minnesota
8.21 institution as provided in section 136A.101, subdivision 4;

8.22 (3) has not received a ~~baccalaureate degree or been enrolled full time for nine~~
8.23 ~~semesters or the equivalent, except that a student who withdraws from enrollment for~~
8.24 ~~active military service is entitled to an additional semester or the equivalent of eligibility~~
8.25 benefits for the maximum duration specified in subdivision 4; and

8.26 (4) is related in one of the following ways to a public safety officer killed in the
8.27 line of duty on or after January 1, 1973:

8.28 (i) as a dependent child less than 23 years of age;

8.29 (ii) as a surviving spouse; or

8.30 (iii) as a dependent child less than 30 years of age who has served on active military
8.31 duty 181 consecutive days or more and has been honorably discharged or released to the
8.32 dependent child's reserve or National Guard unit.

8.33 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2011.

9.1 Sec. 14. Minnesota Statutes 2010, section 299A.45, subdivision 2, is amended to read:

9.2 Subd. 2. **Award amount.** (a) The amount of the award is the lesser of:

9.3 (1) the average tuition and fees charged by the institution; or

9.4 (2) the tuition maximums established by law for the state grant program under
9.5 section 136A.121. The tuition maximum for graduate study is the maximum established
9.6 by law for the state grant program for four-year programs.

9.7 (b) An award under this subdivision must not affect a recipient's eligibility for a
9.8 state grant under section 136A.121.

9.9 (c) For the purposes of this subdivision, "fees" include only those fees that are
9.10 mandatory and charged to all students attending the institution.

9.11 (d) For the purpose of benefits awarded under this section, "full time" for a graduate
9.12 program is eight or more credits per term or the equivalent.

9.13 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2011.

9.14 Sec. 15. Minnesota Statutes 2010, section 340A.404, subdivision 4a, is amended to
9.15 read:

9.16 Subd. 4a. **Publicly owned recreation; entertainment facilities.** (a)

9.17 Notwithstanding any other law, local ordinance, or charter provision, the commissioner
9.18 may issue on-sale intoxicating liquor licenses:

9.19 (1) to the state agency administratively responsible for, or to an entity holding a
9.20 concession or facility management contract with such agency for beverage sales at, the
9.21 premises of any Giants Ridge Recreation Area building or recreational improvement area
9.22 owned by the state in the city of Biwabik, St. Louis County;

9.23 (2) to the state agency administratively responsible for, or to an entity holding a
9.24 concession or facility management contract with such agency for beverage sales at, the
9.25 premises of any Ironworld Discovery Center building or facility owned by the state at
9.26 Chisholm;

9.27 (3) to the Board of Regents of the University of Minnesota for events at Northrop
9.28 Auditorium, the intercollegiate football stadium, ~~or including any games played by the~~
9.29 Minnesota Vikings at the stadium, and at no more than seven other locations within the
9.30 boundaries of the University of Minnesota, provided that the Board of Regents has
9.31 approved an application for a license for the specified location and provided that a license
9.32 ~~for an arena or an intercollegiate football stadium location is void unless it requires the~~
9.33 ~~sale or service of intoxicating liquor in a public portion consisting of at least one-third of~~
9.34 ~~the general seating of a stadium or arena~~ meets the conditions of paragraph (b). It is solely

10.1 within the discretion of the Board of Regents to choose the manner in which to carry out
10.2 ~~this condition~~ these conditions consistent with the requirements of paragraph (b); and
10.3 (4) to the Duluth Entertainment and Convention Center Authority for beverage
10.4 sales on the premises of the Duluth Entertainment and Convention Center Arena during
10.5 intercollegiate hockey games.

10.6 The commissioner shall charge a fee for licenses issued under this subdivision in an
10.7 amount comparable to the fee for comparable licenses issued in surrounding cities.

10.8 (b) No alcoholic beverage may be sold or served at TCF Bank Stadium unless the
10.9 Board of Regents holds an on-sale intoxicating liquor license for the stadium as provided
10.10 in paragraph (a), clause (3), that provides for the sale of intoxicating liquor at a location in
10.11 the stadium that is convenient to the general public attending an intercollegiate football
10.12 game at the stadium. On-sale liquor sales to the general public must be available at that
10.13 location through half-time of an intercollegiate football game at TCF Bank Stadium.

10.14 Sec. 16. **EXPIRATION.**

10.15 The changes in section 15 to Minnesota Statutes, section 340A.404, subdivision
10.16 4a, expire July 1, 2014.

10.17 Sec. 17. **UNIVERSITY OF MINNESOTA APPROPRIATION TRANSFER TO**
10.18 **HENNEPIN COUNTY MEDICAL CENTER.**

10.19 The regents of the University of Minnesota must transfer \$645,000 in fiscal year
10.20 2012 and \$645,000 in fiscal year 2013 from the appropriations made to it for operations
10.21 and maintenance in Laws 2011, First Special Session chapter 5, article 1, section 5, to the
10.22 Hennepin County Medical Center for graduate family medicine education programs at
10.23 Hennepin County Medical Center.

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

10.25 Sec. 18. **MINNESOTA STATE COLLEGES AND UNIVERSITIES TEXTBOOK**
10.26 **WORK GROUP.**

10.27 The Board of Trustees of the Minnesota State Colleges and Universities shall
10.28 establish a work group to study methods that result in lower textbook costs for
10.29 students. Methods include studying alternative textbook delivery methods, including a
10.30 cross-campus shared delivery system for textbooks, the expansion of electronic textbooks
10.31 with an assessment of effective methods for delivering e-books to students, and other
10.32 technology-based innovative or best practices methods to bring real cost savings to
10.33 students. The goal of this work group is to help assess current practices, present a stable

11.1 of business strategies, technologies, and campus deployment plans that are effective in
11.2 driving down the cost of learning resources for students while offering greater access to
11.3 no- or low-cost academic content for faculty.

11.4 Sec. 19. **TEACHER PERFORMANCE ASSESSMENT STUDENT FEE.**

11.5 Notwithstanding any law or rule to the contrary, a student in a teacher preparation
11.6 program at a Minnesota state university must not be charged a fee by the Minnesota
11.7 Board of Teaching, the Minnesota State Colleges and Universities, or a state university for
11.8 taking or scoring an assessment test intended to evaluate teacher preparation programs.

11.9 A Minnesota State College and University student must not be charged a fee for the
11.10 teacher performance assessment or another assessment test given to students to fulfill the
11.11 requirement to assure the effectiveness of teacher preparation programs under Minnesota
11.12 Statutes, section 122A.09, subdivision 4, paragraph (d).

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