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State of Minnesota
HOUSE OF REPRESENTATIVES
EIGHTY-NINTH SESSION
H. F. No. 2241

04/17/2015 Authored by Whelan, Barrett, Pugh, Gruenhagen and Daniels
The bill was read for the first time and referred to the Committee on Higher Education Policy and Finance

1.1 A bill for an act
1.2 relating to higher education; requiring itemization of expenditures made from
1.3 state appropriations by the University of Minnesota and the Minnesota State
1.4 Colleges and Universities; requiring a report related to administrative cost
1.5 savings at the University of Minnesota; amending Minnesota Statutes 2014,
1.6 section 135A.031, subdivision 7.

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

1.8 Section 1. Minnesota Statutes 2014, section 135A.031, subdivision 7, is amended to
1.9 read:

1.10 **Subd. 7. Reports.** (a) The University of Minnesota and the Minnesota State Colleges
1.11 and Universities systems shall include in their biennial budget proposals to the legislature:
1.12 (1) a five-year history of systemwide expenditures, reported by:
1.13 (i) functional areas, including instruction, research, public service, student financial
1.14 aid, and auxiliary services, and including direct costs and indirect costs, such as
1.15 institutional support, academic support, student services, and facilities management,
1.16 associated with each functional area; and
1.17 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;
1.18 (2) a five-year history of the system's total instructional expenditures per full-year
1.19 equivalent student, by level of instruction, including upper-division undergraduate,
1.20 lower-division undergraduate, graduate, professional, and other categories of instructional
1.21 programs offered by the system;
1.22 (3) a five-year history of the system's total revenues by funding source, including
1.23 tuition, state operations and maintenance appropriations, state special appropriations, other
1.24 restricted state funds, federal appropriations, sponsored research funds, gifts, auxiliary
1.25 revenue, indirect cost recovery, and any other revenue sources;

2.1 (4) an explanation describing how state appropriations made to the system in the
2.2 previous biennium were allocated and, the methodology used to determine the allocation,
2.3 and an itemization of expenditures made within each allocation by department, program,
2.4 or academic unit;

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

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

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

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

2.24 (9) data on the revenue received from all sources to support research or workforce
2.25 development activities or the system's efforts to license, sell, or otherwise market products,
2.26 ideas, technology, and related inventions created in whole or in part by the system. Data
2.27 and information must be submitted that describe the system's plan and progress toward
2.28 attaining the goals set forth in the plan to increase the revenue received to support research
2.29 or workforce development activities or revenue received from the licensing, sale, or other
2.30 marketing and technology transfer activities by the system.

2.31 (b) Data required by this subdivision shall be submitted by the public postsecondary
2.32 systems to the Minnesota Office of Higher Education and the Department of Management
2.33 and Budget and included in the biennial budget document. Representatives from each
2.34 system, in consultation with the commissioner of management and budget and the
2.35 commissioner of the Office of Higher Education, shall develop consistent reporting
2.36 practices for this purpose.

3.1 (c) To the extent practicable, each system shall develop the ability to respond to
3.2 legislative requests for financial analyses that are more detailed than those required by this
3.3 subdivision, including but not limited to analyses that show expenditures or revenues by
3.4 institution or program, or in multiple categories of expenditures or revenues, and analyses
3.5 that show revenue sources for particular types of expenditures.

3.6 **Sec. 2. REPORT ON ADMINISTRATIVE COST SAVINGS.**

3.7 No later than January 15, 2016, and annually thereafter, the University of Minnesota
3.8 must submit a report to the commissioner of management and budget, and to the
3.9 committees of the house of representatives and the senate with jurisdiction over higher
3.10 education finance and policy, documenting all reductions in administrative costs at the
3.11 university. The report must detail the amount and nature of each administrative cost that
3.12 was reduced and, if the savings resulting from the reduction were reallocated to another
3.13 purpose within the university, the department, program, or academic unit to which the
3.14 reallocation was directed, and the purpose for which it will be used.

3.15 **EFFECTIVE DATE.** This section expires upon submission of the report required
3.16 to be filed on January 15, 2020.