

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1363

(SENATE AUTHORS: WEBER)

DATE	D-PG	OFFICIAL STATUS
03/13/2013	973	Introduction and first reading Referred to Higher Education and Workforce Development See SF1236, Art.2, Sec. 6

1.1 A bill for an act
 1.2 relating to higher education; establishing MnSCU reserves project; requiring
 1.3 reports; proposing coding for new law in Minnesota Statutes, chapter 136F.
 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **[136F.791] MNSCU RESERVES PROJECT.**

1.6 Subdivision 1. **Establishment.** To increase the distribution of potential economic
 1.7 benefit of deposits of reserve funds of the institutions of Minnesota State Colleges and
 1.8 Universities (MnSCU), the MnSCU reserves project is established to transfer certain
 1.9 reserve deposits of selected institutions from the state treasury to a community financial
 1.10 institution. Notwithstanding section 16A.27, by January 2 of every other year beginning
 1.11 January 2, 2014, the commissioner of management and budget shall transfer the specified
 1.12 amount of board-required reserve funds of colleges and universities selected by the board
 1.13 of trustees under subdivision 2 to a community financial institution designated for each of
 1.14 the participating colleges and universities.

1.15 Subd. 2. **Participating colleges and universities.** By August 15 of every other year
 1.16 beginning August 15, 2013, colleges and universities may apply to the Board of Trustees
 1.17 of Minnesota State Colleges and Universities for participation in the MnSCU reserves
 1.18 project. Each applicant must designate one or more community financial institutions for
 1.19 the deposit of a specified amount of board-required reserves with the terms of the deposit
 1.20 for each designated community financial institution. The designated community financial
 1.21 institution must be located in the geographic area of a participating campus. From the
 1.22 applicants, the board shall select up to eight postsecondary institutions to participate in
 1.23 the MnSCU reserves project. In making its selection, the board must consider the size
 1.24 of the institution's reserves and the terms offered by the designated community financial

2.1 institutions. Unless there are not sufficient applicants, two-year and four-year institutions
2.2 must be selected to participate in the MnSCU reserves project and the majority of the
2.3 selected institutions must be located in greater Minnesota. By December 1 of every other
2.4 year beginning December 1, 2013, the board must notify the commissioner of management
2.5 and budget of the participating colleges and universities, the deposit amount for each
2.6 institution, and the associated community financial institutions. The MnSCU reserves
2.7 project shall provide for the transfer of deposits for no more than a two-year period.

2.8 Subd. 3. **Community financial institution.** As used in this section, "community
2.9 financial institution" means a federally insured bank or credit union, chartered as a bank
2.10 or credit union by the state of Minnesota or the United States, that is headquartered in
2.11 Minnesota and that has no more than \$2,500,000,000 in assets.

2.12 Subd. 4. **Evaluation and report.** The commissioner of management and budget and
2.13 the board of trustees shall independently evaluate the effectiveness or harm of the MnSCU
2.14 reserves project in increasing the use of community financial institutions and providing
2.15 wider distribution of the economic benefit of the deposit of postsecondary reserves. Each
2.16 evaluation must include the participating colleges, universities, and community financial
2.17 institutions. The commissioner of management and budget and the board of trustees shall
2.18 report on the MnSCU reserves project evaluation to the appropriate committees of the
2.19 legislature by February 1 of every other year beginning on February 1, 2016.