

use or reserved in this state by another or a trade or service mark registered with the secretary of state, unless there is filed with the certificate a written consent, court decree of prior right, or affidavit of nonuser of the kind required by section 302A.115, subdivision 1, clause (d). The secretary of state shall determine whether a name is "~~deceptively similar~~" to distinguishable from another name for purposes of this subdivision.

Sec. 18. EFFECTIVE DATE.

Sections 3, 4, 6, 8, 10, 13 to 15, and 17 are effective January 1, 1990.

Presented to the governor May 26, 1989

Signed by the governor May 26, 1989, 5:41 p.m.

CHAPTER 293—S.F.No. 1625

An act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 126.56, subdivision 5; 135A.05; 135A.06, subdivision 3; 136.31, subdivisions 3 and 5; 136A.02, subdivisions 5, 6, and 7; 136A.04; 136A.05; 136A.08; 136A.101, subdivisions 1, 7, and 8; 136A.121; 136A.131; 136A.132; 136A.134, subdivision 4; 136A.15, subdivisions 1 and 7, and by adding a subdivision; 136A.16, subdivisions 1, 2, 5, 8, 9, and 10; 136A.162; 136A.17, subdivision 1; 136A.1701, subdivisions 1, 2, and 5; 136A.172; 136A.173, subdivision 1; 136A.174; 136A.175, subdivision 4; 136A.176; 136A.177; 136A.178; 136A.179; 136A.233; 136A.26, subdivision 1a; 136A.29, subdivision 9; 136A.69; 136C.04, subdivisions 1, 2, 6, 9, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding subdivisions; 136C.07, subdivision 4; 136C.075; 136C.08, subdivision 1; 136C.15; 136C.31, by adding a subdivision; 136C.36; 136C.43, subdivision 1; 169.44, subdivision 18; 275.125, subdivision 14a; 354.094, subdivisions 1a and 1b; 354A.091, subdivision 1a; 355.46, subdivision 3; and Laws 1988, chapter 703, article 1, section 23; proposing coding for new law in Minnesota Statutes, chapters 135A and 136A; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.09; 136A.101, subdivision 6; 136A.111; 136A.121, subdivisions 1, 4, and 15; 136A.14; 136A.141; 136A.142; 136A.225; 136A.51; 136A.52; 136A.53; 136A.55; 136C.07, subdivisions 1, 2, 3, and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; 136C.43, subdivisions 1, 2, and 3; 256H.07; and 256H.13.

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

Section 1. HIGHER EDUCATION APPROPRIATIONS.

The sums in the columns marked "APPROPRIATIONS" are appropriated

New language is indicated by underline, deletions by ~~strikeout~~.

from the general fund, or other named fund, to the agencies and for the purposes specified in this act. The listing of an amount under the figure "1989," "1990," or "1991" in this act indicates that the amount is appropriated to be available for the fiscal year ending June 30, 1989, June 30, 1990, or June 30, 1991, respectively. "The first year" is fiscal year 1990. "The second year" is fiscal year 1991. "The biennium" is fiscal years 1990 and 1991.

SUMMARY BY FUND

	1990	1991	TOTAL
General	\$943,318,000	\$1,014,642,000	\$1,957,960,000

SUMMARY BY AGENCY - ALL FUNDS

	1990	1991	TOTAL
Higher Education Coordinating Board	\$ 83,593,000	\$ 96,453,000	\$180,046,000
State Board of Vocational Technical Education	165,952,000	174,050,000	340,002,000
State Board for Community Colleges	88,147,000	99,600,000	187,747,000
State University Board	167,401,000	179,204,000	346,605,000
Board of Regents of the University of Minnesota	437,191,000	464,254,000	901,445,000
Mayo Medical Foundation	1,034,000	1,081,000	2,115,000
		APPROPRIATIONS	
		Available for the Year	
		Ending June 30	
		1990	1991

Sec. 2. HIGHER EDUCATION
COORDINATING BOARD

Subdivision 1. Total Appropriation	\$83,593,000	\$96,453,000
---------------------------------------	--------------	--------------

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

As part of its next budget request, the board shall report on its method of implementing the base adjustments required in this section.

Subd. 2. Agency Administration	\$3,900,000	\$2,972,000
--------------------------------	-------------	-------------

(a) The optometry and osteopathy contract program for students who were in the program in the 1986-1987 academic year must be discontinued on June 30, 1990. No new students may be admitted.

(b) As part of its 1991 biennial budget request, the HECB shall report its recommendations for improvements to the SELF program.

(c) Notwithstanding Laws 1987, chapter 401, section 33, the task force on post-secondary quality assessment may continue for the 1989-1991 biennium. The task force membership may be expanded to include public members appointed by the higher education advisory council from nominees submitted by the HECB.

(d) No further funding of the enterprise development centers shall be provided through the HECB. The Greater Minnesota Corporation may provide funding for the centers.

(e) \$150,000 for the biennium is for matching grants to post-secondary institutions that submit acceptable proposals for campus community service projects emphasizing students performing as tutors or mentors to their younger peers. Campus community service projects attempt to instill in students the value of civic involvement and the belief that each student's community service can make a difference in the community. The HECB may award up to 20 grants. To receive a grant, a recipient must match the grant amount from any resources available to the institution. The state grant is for a staff person on each recipient's campus to coordinate student community service involvement. Up to \$25,000 of the appropriation may be used for HECB administration, coordination, training, consultation, and evaluation costs. The

legislature intends the grant program to be phased out at the end of the biennium to be replaced by 100 percent funding by the recipient institutions from any resources available to the institution.

(f) The HECB shall undertake the second phase of the study of post-secondary needs in the state, as provided in Laws 1988, chapter 703, article 1, section 2, subdivision 3. This phase must concentrate on those parts of the state outside the St. Cloud to Rochester population corridor. The HECB may contract for portions of the study, as necessary, but is not subject to Minnesota Statutes, chapter 16B. Before proceeding with the request for proposals, the HECB shall consult with the post-secondary systems, institutions, and other relevant agencies to locate studies and market analyses that could be used in conducting phase 2. The study must focus on (1) an assessment of the current and future conditions and needs; (2) strategies to meet these needs; (3) costs associated with the strategies; and (4) effects of the strategies on existing institutions, state policies, quality of education, and system and institutional missions.

The study should include consideration of at least the following concerns: the current and projected demographic and participation trends; current levels and types of services available; needs of traditional and nontraditional students; the geographical accessibility of services needed by different types of students; uses of alternative delivery systems, instructional technology, cooperative efforts, and reciprocity agreements; relationships between post-secondary institutions and business; and the physical capacity of existing institutions. The study shall analyze attendance patterns and may include market surveys. The

HECB shall report the findings of the study to the education and finance committees of the senate and the education and appropriations committees of the house by December 1, 1990. By January 1, 1991, the HECB shall review and comment on each of the strategies proposed in the study. In submitting the findings of phase 2, the board shall relate them to the results of phase 1 and their implications for statewide policy.

The study shall serve as the 1990 inter-system plan as required in Minnesota Statutes, section 135A.06, subdivision 2.

(g) The HECB shall analyze and make recommendations on plans submitted for providing undergraduate and practitioner-oriented graduate programs in the seven-county metropolitan area. By February 1, 1990, the HECB shall report on its recommendations to the education and finance committees of the senate and the education and appropriations committees of the house.

Subd. 3. State Scholarships and Grants

\$69,044,000	\$82,644,000
--------------	--------------

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

During the biennium, the higher education coordinating board may ask the commissioner of finance to loan general fund money to the scholarship and grant account to ease cash flow difficulties. The higher education coordinating board must first certify to the commissioner that there will be adequate refunds to the account to repay the loan. The commissioner shall use the refunds to make repayment to the general fund of the full amount loaned. Money necessary to meet cash flow difficulties in the state

scholarship and grant program is appropriated to the commissioner of finance for loans to the higher education coordinating board.

This appropriation contains money for increasing living allowances for state scholarships and grants to \$3,170 for the first year and \$3,465 for the second year.

\$2,000,000 each year is for child care grants. For the biennium, the board may determine a reasonable percentage of the appropriation to be used for the administrative costs of the agency and the campuses.

The HECB shall report to the education divisions of the house appropriations and senate finance committees on the academic progress and persistence of state scholarship and grant program recipients by February 1, 1990.

The HECB shall examine and make recommendations on the use of post-secondary scholarships and other mechanisms to provide incentives to students to pursue International Baccalaureate degrees. In making its recommendations, the HECB shall include an analysis of the cost of a scholarship program and whether these scholarships would be an appropriate use of state funds.

The HECB may use up to \$250,000 of the appropriation in each year to provide grants for Minnesota resident students participating in the Akita program. Grants must be awarded on the same basis as other state grants, except that the cost of attendance shall be adjusted to incorporate the state university tuition level and the Akita fee level. An individual grant must not exceed the state grant maximum award for a student at a four-year private college. The HECB and the state university board shall report

on these grants in the 1991 biennial budget document.

By February 15, 1990, the HECB shall report to the education divisions of the senate finance and the house appropriations committees on implementation of procedures to recover overpayment of state scholarship and grant awards. The report shall cover overpayments for the 1988-1989 academic year and shall include at least the following information for each case for which recovery of an overpayment is sought:

- (1) the reason for the overpayment;
- (2) the manner in which the overpayment was discovered;
- (3) the amount of the overpayment;
- (4) the recovery plan proposed by the HECB;
- (5) whether the case was brought to court and, if so,
 - (a) why the case was brought to court,
 - (b) the cost to the HECB of bringing the case to court, and
 - (c) whether the HECB recovered costs and attorney fees; and
- (6) the disposition, including the amount of the overpayment recovered and the amount of time elapsed from the time the overpayment was discovered to the time a repayment agreement was reached.

The report shall not include any information identifying the students involved.

Subd. 4. Interstate Tuition

Reciprocity

\$ 4,300,000

\$ 4,300,000

If the appropriation for either year is insufficient, the appropriation for the other

year is available to meet reciprocity contract obligations.

Subd. 5. State Work Study

\$ 5,304,000 \$ 5,454,000

Subd. 6. Income Contingent Loans

The HECB shall administer an income contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathy programs. During the biennium, applicant data collected by the higher education coordinating board for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program according to Minnesota Statutes, section 136A.162.

The HECB shall study the possible inclusion of students in other academic programs and report its recommendations to the house appropriations and senate finance committees by December 1, 1990.

Subd. 7. Minitex Library Program

\$ 1,045,000 \$ 1,083,000

Subd. 8. An unencumbered balance in the first year under a subdivision in this section does not cancel but is available for the second year.

Subd. 9. The higher education coordinating board may transfer unencumbered balances from the appropriations in this section to the state scholarship and grant appropriation. Before the transfer, the higher education coordinating board shall consult with the chairs of the house appropriations and senate finance committees.

Sec. 3. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Subdivision 1. Total Appropriation	165,952,000	174,050,000
---------------------------------------	-------------	-------------

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

As part of its next budget request, the board shall report on its method of implementing the base adjustments required in this section.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$219,519,000 the first year and \$230,472,000 the second year.

\$1,570,000 in the first year and \$1,589,000 in the second year are for equipment purchases. This money must be spent for this purpose only and is nonrecurring. The state board shall report on its use in the 1991 biennial budget document.

\$3,458,000 in 1990 and \$3,613,000 in 1991 are for repair and replacement. The state board shall report on its use in the 1991 biennial budget document. The report must include an analysis of the adequacy of the amounts for repair and replacement in meeting the system's repair and replacement needs.

During the biennium, each outstanding and any future assessment by a local unit of government that is less than five percent of the amounts for repair and replacement may be paid when due by the board.

\$2,000,000 the first year and \$3,600,000 the second year are to improve student support services including, but not limited to: remedial programs and needs assessment, counseling and financial aid services, and minority student services.

The money is also available for library development and improvement. The state board shall report on its use in the 1991 biennial budget document.

\$500,000 each year is for salaries, equipment, and supplies to improve services for disabled students. This appropriation must be spent for these purposes only. The board shall report on its use in the 1991 biennial budget document.

The state board of vocational technical education shall report to the education divisions of the house appropriations and senate finance committees on its newly developed student placement tracking system by February 1, 1990.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$6,474,000 the first year and \$6,263,000 the second year.

\$3,547,000 the first year and \$3,248,000 the second year are for debt service payments to school districts for technical institute buildings financed with district bonds issued before January 1, 1979.

\$2,000,000 each year is for curriculum restructuring. This is a nonrecurring appropriation and will not be included to calculate the base for the 1991-1993 biennial budget.

Subd. 4. State Council on Vocational Technical Education

\$94,500 the first year and \$49,200 the second year must be allocated by the state board to the state council on vocational education.

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES

Subdivision 1. Total Appropriation

88,147,000 99,600,000

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$118,925,000 the first year and \$134,939,000 the second year.

This appropriation includes \$5,483,000 the first year and \$4,407,000 the second year for increased enrollments. This is a nonrecurring appropriation and will not be included when calculating the base for the 1991-1993 biennial budget. This appropriation is based on estimated enrollments of 32,000 in 1990 and 33,500 in 1991. If actual enrollments are different from this estimate, the commissioner of finance shall calculate the effect for the general fund due to the difference and include an adjustment in the budget for the next fiscal year.

\$1,280,000 the first year and \$1,340,000 the second year are for equipment purchases. This appropriation must be spent for this purpose only and is nonrecurring. The board shall report on its use in the 1991 biennial budget document.

\$1,582,000 in 1990 and \$1,639,000 in 1991 are for repair and replacement. The board shall report on its use in the 1991 biennial budget document. The report must include an analysis of the adequacy of the amounts for repair and replacement in meeting the system's repair and replacement needs.

During the biennium, each outstanding and any future assessment by a local unit of government that is less than five percent of the appropriation for repairs and replacements may be paid when due by the board.

The community college system shall examine the feasibility, costs, and effects of implementing a textbook rental system on its campuses. The findings shall be reported to the education divisions of the house appropriations and senate finance committees by February 15, 1990.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$11,968,000 the first year and \$12,482,000 the second year.

Subd. 4. State Owned Land

State owned land at Worthington Community College legally described as lots 1, 2, 5, 6, and 7, block 1, Golden Shores addition, in the city of Worthington, county of Nobles, shall be tax exempt until sold. Taxes levied on the land prior to the effective date of this provision must be abated.

Sec. 5. STATE UNIVERSITY - BOARD

Subdivision 1. Total Appropriation

	167,401,000	179,204,000
--	-------------	-------------

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$237,324,000 the first year and \$253,469,000 the second year.

\$4,965,000 the first year and \$1,944,000 the second year are for increased enrollments. This is a nonrecurring appropriation and will not be included when calculating the base for the 1991-1993 biennial budget. This appropriation is based on estimated enrollments of 51,735

in 1990 and 51,998 in 1991. If actual enrollments are different from this estimate, the commissioner of finance shall calculate the effect for the general fund due to the difference and include an adjustment in the budget for the next fiscal year.

\$2,069,000 the first year and \$2,080,000 the second year are for equipment purchases. This appropriation must be spent for this purpose only and is nonrecurring. The board shall report on its use in the 1991 biennial budget document.

\$2,928,000 in 1990 and \$3,046,000 in 1991 are for repair and replacement. The board shall report on its use in the 1991 biennial budget document. The report must include an analysis of the adequacy of the amounts for repair and replacement in meeting the system's repair and replacement needs.

During the biennium, each outstanding and any future assessment by a local unit of government that is less than five percent of the appropriation for repairs and replacements may be paid when due by the board.

The legislature estimates that \$150,000 each year will be spent at Mankato State University for payment of a lease for the Warren Street Building. The appropriation must be discontinued upon expiration of the lease or subsequent lease. The current lease expires in 1993, but may be renegotiated to expire in 2013. The budget request for 1991 must separately identify this item.

Notwithstanding Minnesota Statutes, section 136.09, subdivision 3, or other law to the contrary, during the biennium neither the state university board nor the state university campuses shall plan or develop doctoral level programs or degrees

until after they have received the recommendation of the house and senate committees on education, finance, and appropriations.

During the biennium, revenue generated from royalties, patents, licenses, or interests kept by the state university board from the science and technology project at Southwest State University is appropriated to the state university board and must be allocated by the board to Southwest State University for the science and technology resource center.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$10,697,000 the first year and \$10,897,000 the second year.

During the biennium, notwithstanding any law to the contrary, the state university board may keep money received from successful litigation by or against the board. Awards made to the state or the board resulting from litigation against or by the board must be kept by the board to the credit of the account from which the litigation was originally funded.

\$200,000 each year is for development of the upper division component within the Arrowhead Community College Region through Bemidji State University. The specific location or locations will be determined by the community college and state university boards. The budget request for 1991 must separately identify this program.

\$100,000 is for the board to enter into an agreement to lease space on the campus of the College of St. Teresa for the instructional needs of Winona State University. The board shall analyze: (1) the current space use at Winona state; (2)

the cost to bring the St. Teresa buildings up to code; (3) the cost to renovate the St. Teresa campus for long-term use; and (4) the comparative costs to operate a split campus. The board shall report its findings and recommendations to the education divisions of the appropriations and finance committees by February 1, 1990.

\$170,000 is for the board to provide nursing education outreach programs. The programs must assess and give credit to students for prior learning, provide for part-time enrollment, and be located in regions of the state that demonstrate the greatest need for baccalaureate and masters degree programs. The appropriation for this program shall be nonrecurring. The board shall appoint a task force, including representatives of other post-secondary systems that offer nursing programs, to advise it on the programs. The task force shall study the need for and supply of nurses and the adequacy of access to nursing programs. The task force may seek non-state grants or gifts to establish a private scholarship program for nurses. The HECB, if requested, shall provide technical advice to the task force on the effects of private scholarships on state financial aid. The task force shall make recommendations to the board on the scholarship program, including sources of funding, eligibility requirements for recipients, and methods of calculating award amounts. The task force shall make recommendations, as necessary, on other policy matters concerning nursing education. The board shall report on the nursing programs in the 1991 biennial budget document.

Subd. 4. Wood-Fired Boilers

Effective the day after final enactment of this subdivision, no more money may be paid out of the treasury of this state

in connection with an agreement under Minnesota Statutes, section 16B.16, to provide a wood-fired boiler heating system at the campus of either Bemidji State University or St. Cloud State University. This prohibition is intended to be permanent.

Minnesota Statutes, section 16B.16, authorizes the commissioner of administration to enter into installment purchase agreements to acquire equipment that will improve the energy efficiency of a state building or facility if, among other things, the entire cost of the contract is a percentage of the resultant savings in energy costs and the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract. Section 16B.16 does not authorize the commissioner to commit the state to pay for equipment that does not work nor to pay more for energy as a result of the installment purchase agreement than would be needed without the agreement. If there are no savings in energy costs through use of the equipment, there should be no compensation due under the agreement.

The commissioner of administration acted under Minnesota Statutes, section 16B.16, when entering into installment purchase agreements to install wood-fired boiler heating systems at the campuses of Bemidji State University and St. Cloud State University. The wood-fired boiler heating system installed at the Bemidji campus did not work as promised and the promised energy savings were not achieved. The state refused to make further payments under the agreement for Bemidji and canceled the agreement for St. Cloud. The state later resumed making payments under the agreement for Bemidji, even though it believed there had been a complete failure of consideration.

The purpose of this subdivision is to make clear to all potential investors in state and local bonds and to financial institutions that the state is not and never has been responsible for financing the wood-fired boiler heating systems at Bemidji and St. Cloud state universities, other than through payment to the vendor of a percentage of the resultant savings in energy costs. Since the equipment and technology chosen by the vendor did not produce savings in energy costs, the entire loss should be borne by the vendor and by the vendor's financial backers, not by the state.

**Sec. 6. BOARD OF REGENTS OF
THE UNIVERSITY OF MINNESOTA**

Subdivision 1. Total Appropriation	437,191,000	464,254,000
---------------------------------------	-------------	-------------

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Operations and Maintenance	355,025,000	377,571,000
--	-------------	-------------

On December 1 each year the president of the University of Minnesota shall report to the senate finance and house appropriations committees and the commissioner of finance any receipts for the previous fiscal year in excess of the estimates on which these appropriations are based, the sources of these receipts, the purposes for which any excess receipts were spent, and the accounts to which the receipts were transferred. The total estimated receipts are \$138,842,000 for the first year and \$147,367,000 for the second year.

The board of regents is requested to consider adopting a policy of paying per diem to board members for attending a meeting of the board or a committee of the board.

(a) Instructional Expenditures

The legislature estimates that instructional expenditures in this subdivision and subdivision 3, paragraph (d), will be \$388,921,000 the first year and \$413,941,000 the second year.

\$2,145,000 the first year and \$2,086,000 the second year are for equipment purchases. This appropriation must be spent for this purpose only and is nonrecurring. The board shall report on its use in the 1991 biennial budget document.

\$8,992,000 in 1990 and \$9,345,000 in 1991 are for repair and replacement. The board shall report on its use in the 1991 biennial budget document. The report must include an analysis of the adequacy of the above appropriation in meeting the system's repair and replacement needs.

During the biennium, each outstanding and any future assessment by a local unit of government that is less than five percent of the appropriation for repairs and replacements may be paid when due by the board.

\$3,307,000 in 1990 and \$5,601,000 in 1991 are for the improvement of instructional programs including, but not limited to: additional sections of required undergraduate courses; expanded undergraduate advising; and enhanced academic computing capabilities. The board shall report its use in the 1991 biennial budget document.

The president of the University of Minnesota is requested to review, during the biennium, the University of Minnesota's institutional support costs and redirect any savings into academic programs.

The regular session enrollment projected for this appropriation is 35,679 full-

year equivalent undergraduate students for the first year. For the biennium ending June 30, 1991, tuition income resulting from students in excess of the projections reduces the general fund appropriation by a like dollar amount. The university shall submit progress reports on the attainment of the anticipated enrollments. If the university attains these enrollment goals, the calculation for the average cost funding formula must not reduce the budget base. The University is requested to develop mechanisms to measure progress in achieving the goals of commitment to focus, including enrollment targets. The University shall report its recommendations to the education divisions of the house appropriations and senate finance committees by December 1, 1989.

During the biennium, the regents are requested to provide fair and equitable funding to each coordinate campus for the additional number of students enrolled above the 1988-1989 academic year enrollment.

(b) Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$105,676,000 the first year and \$111,836,000 the second year.

\$129,000 in 1990 and \$167,000 in 1991 are to establish a training program for teaching assistants to improve their communications and teaching skills. The legislature anticipates that the university will allocate matching money internally to support teaching assistant programs. The university shall report on its actions and its use in the 1991 biennial budget document.

Indirect cost recovery money retained by the University of Minnesota must be

used exclusively for the direct support of research or the financing of support activities directly contributing to the receipt of indirect cost recovery money. It may not be used for teaching or service.

Subd. 3. Special Appropriations	82,166,000	86,683,000
---------------------------------	------------	------------

The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 1991 biennial budget document.

(a) Agriculture and Extension Service	\$42,844,000	\$45,002,000
---------------------------------------	--------------	--------------

This appropriation is for the Agriculture Research and Minnesota Extension Service.

Any salary increases granted by the university to personnel paid from the Minnesota Extension appropriation must not result in a reduction of the county portion of the salary payments.

During the biennium, the university shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of range of size and income distribution of farms and agribusinesses and must not disproportionately represent those from the upper half of the size and income distributions.

(b) Health Sciences	\$16,332,000	\$17,379,000
---------------------	--------------	--------------

This appropriation is for Indigent Patients (County Papers), Rural Physicians Associates Program, Medical Research, Special Hospitals Service and Educational Offset, the Veterinary Diagnostic Laboratory, Institute for Human Genetics, and the Biomedical Engineering Center.

(c) Institute of Technology	\$ 3,472,000	\$ 3,645,000
-----------------------------	--------------	--------------

This appropriation is for the Mineral Resources Research Center, Geological Survey, Underground Space Center, Talented Youth Mathematics Program, Microelectronics and Information Science Center, and the Productivity Center.

(d) System Specials

\$19,518,000	\$20,657,000
--------------	--------------

This appropriation is for Fellowships for Minority and Disadvantaged Students, General Research, Intercollegiate Athletics, Student Loans Matching Money, Industrial Relations Education, Southeast Education Center, Natural Resources Research Institute, Sea Grant College Program, Biological Process Technology Institute, Supercomputer Institute, Center for Urban and Regional Affairs, Museum of Natural History, and the Humphrey Exhibit.

This appropriation includes money to improve the programs and resources available to women and to ensure that campuses are in compliance with Title IX of the Educational Amendment Act of 1972 and Minnesota Statutes, section 126.21. The women's athletic program shall be funded by the formula allowance or a minimum of \$65,000 per campus per year. Each campus will receive the greater of the two calculations.

Of this appropriation, no less than the following amounts must be allocated to each campus:

Duluth	540,800	551,600
Morris	65,000	66,100
Crookston	65,000	65,000
Waseca	65,000	65,000

The legislature estimates that \$1,087,000 in 1990 and \$1,252,000 in 1991 is for enhanced and expanded graduate programs in Rochester.

Subd. 4. The appropriation in subdivision 3, paragraph (d), for the Southeast Education Center, must be merged with the operations and maintenance funding in subdivision 2 in fiscal years 1990 and 1991.

Subd. 5. University of Minnesota,
Waseca

The appropriation in Laws 1987, chapter 400, section 20, subdivision 8, paragraph (a), to renovate the agriculture laboratories at Waseca, may also be used to construct a greenhouse.

Sec. 7. MAYO MEDICAL FOUNDATION

Subdivision 1. Total Appropriation	1,034,000	1,081,000
---------------------------------------	-----------	-----------

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Medical School	
\$ 753,000	\$ 790,000

The state of Minnesota shall pay a capitation of \$9,410 the first year and \$9,875 the second year for each student who is a resident of Minnesota.

This appropriation provides capitation for 20 Minnesota residents in each of the four classes at Mayo Medical School. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors as identified by the higher education coordinating board.

Subd. 3. Family Practice and Graduate Residency Program	
\$ 281,000	\$ 291,000

The state of Minnesota shall pay a capitation of \$15,610 the first year and \$16,165 the second year for a maximum of 18 students each year.

Sec. 8. POST-SECONDARY SYSTEMS

Subdivision 1. Base Level Adjustments

In preparing budget requests for the 1992-1993 biennium, the commissioner of finance shall make the same categories of base level adjustments, when reasonable and equitable, to the budgets of higher education systems as to the budgets of state agencies. The amounts and the purposes must be delineated in the 1991 biennial budget document.

Subd. 2. Enrollment Growth

Each public post-secondary governing board experiencing or anticipating enrollment growth on one or more of its campuses, or sufficient programmatic growth to result in significant course or space availability problems, shall plan for responding to the growth while maintaining educational quality. These plans shall include an examination of efficient utilization of existing instructional space. The boards shall provide a preliminary report on these plans and on their recruitment plans and expenditures to the education divisions of the house appropriations and senate finance committees by September 1, 1989, and a final report by February 1, 1990.

Subd. 3. BOAST

In order to recognize student talent and the outstanding work of art and art-related departments on campuses of the four public post-secondary systems, the Minnesota House of Representatives intends to begin a program to reward these achievements. The program, entitled Bring Out Art Students' Talent

(BOAST), will reward winners of campus art competitions by displaying their art in the state office building. The speaker of the house shall appoint, by July 1, 1989, a select committee to develop procedures and oversee the process. Before appointing the committee, the speaker shall invite the senate to participate in the process. If the senate chooses to participate, after consultation with the Capitol Area Architectural and Planning Board, and the Minnesota Historical Society, it may determine whether to display any of the art in the state capitol. The heads of each of the public post-secondary systems are requested to consult with the committee and coordinate the efforts of the campuses. Each campus may hold a competition and select the entries that are to be displayed. The campus shall arrange for the delivery, set up, and removal of the displays according to the procedures developed by the select committee.

Subd. 4. Student Progress

The public post-secondary governing boards and the HECB shall study mechanisms to encourage students to complete their educational programs in a timely manner. The governing boards shall study the use of tuition banding and other mechanisms to provide incentives for students to carry full credit loads. The boards shall also study nonfinancial impediments to students completing programs within two or four years. These may include unavailability of courses, expanded programmatic requirements, students' lack of preparation for college, changes in values and attitudes, and other factors identified by the boards. The boards shall examine ways to reduce or eliminate these impediments.

The HECB shall study the fiscal and policy effects of mechanisms to encourage

students to carry full course credit loads, to enroll in summer sessions, or to otherwise complete their coursework in a timely manner. The board shall include an examination of: the effects of changing the credit load in the state grant program, to define a full-time student as one averaging 15 credits per term each year, and prorating awards on that credit basis; the availability of summer financial aid; and other incentives that it identifies. The governing boards shall report their findings to the HECB for review and comment by January 15, 1990. The HECB shall report the findings of its study, the governing board findings and the HECB review and comment by March 1, 1990 to the education divisions of the house appropriations and senate finance committees.

Subd. 5. Student Preparation

In order to increase students' academic preparation for higher education, and to decrease the need for remedial work in post-secondary institutions, the state university board, the community college board, and the state board for vocational technical education shall study and make recommendations on the effects of adopting secondary school preparation requirements for incoming students. Each board shall report its findings to the education divisions of the house appropriations and senate finance committees by February 1, 1990.

Subd. 6. Student Placement

The state board for community colleges, the state university board, and private post-secondary occupational and technical institutions that enroll students who receive state financial aid shall develop student placement tracking systems for their technical and occupational programs, or review tracking systems already

in place, to enable them to determine the number of students placed successfully in occupations related to their education. The board of regents of the University of Minnesota is requested to develop a similar system, or review its current system, for its technical programs at the Crookston and Waseca campuses. The HECB shall coordinate the development and review of the tracking systems and shall report on them to the education divisions of the house appropriations and senate finance committees and the higher education divisions of the education committees by February 15, 1990.

Sec. 9. Minnesota Statutes 1988, section 121.93, subdivision 2, is amended to read:

Subd. 2. "District" means a school district, an educational cooperative service unit, a cooperative center for secondary vocational education, a cooperative center for special education, a ~~technical institute~~, or an intermediate service area.

Sec. 10. Minnesota Statutes 1988, section 121.93, subdivision 3, is amended to read:

Subd. 3. "ESV-IS" or "elementary, secondary, and secondary vocational education management information system" means that component of the statewide elementary, secondary, and secondary vocational education management information system which provides administrative data processing and management information services to districts.

Sec. 11. Minnesota Statutes 1988, section 121.93, subdivision 4, is amended to read:

Subd. 4. "SDE-IS" or "state department of education information system" means that component of the statewide elementary, secondary, and secondary vocational education management information system which provides data processing and management information services to the department of education.

Sec. 12. Minnesota Statutes 1988, section 126.56, subdivision 5, is amended to read:

Subd. 5. **ADVISORY COMMITTEE.** An advisory committee shall assist the state board of education in approving eligible programs and shall assist the higher education coordinating board in planning, implementing, and evaluating the scholarship program. The committee shall consist of 11 members, to include

New language is indicated by underline, deletions by ~~strikeout~~.

the executive director of the higher education coordinating board or a representative, the commissioner of education or a representative, two secondary school administrators and two secondary teachers appointed by the commissioner of education, the executive director of the academic excellence foundation, a private college representative appointed by the president of the Minnesota private college council, a community college representative appointed by the community college chancellor, a state university representative appointed by the state university chancellor, and a University of Minnesota representative appointed by the president of the University of Minnesota. The committee expires as ~~provided in section 15.059, subdivision 5~~ June 30, 1993.

Sec. 13. Minnesota Statutes 1988, section 135A.05, is amended to read:

135A.05 TASK FORCE.

The executive director of the Minnesota higher education coordinating board shall administer a task force on average cost funding. The task force shall include representation from each of the public systems of post-secondary education, post-secondary students, the education division of the house appropriations committee, the education subcommittee of the senate finance committee, the office of the commissioner of finance, the office of state auditor, and the uniform financial accounting and reporting advisory council. The task force shall be convened and chaired by the executive director or a designee and staffed by the higher education coordinating board. The task force shall review and make recommendations on the definition of instructional cost in all four systems, the method of calculating average cost for funding purposes, the method used to assign programs to the proper level of cost at each level of instruction, the adequacy of the accounting data for defining instructional cost in a uniform manner, and the biennial budget format to be used by the four systems in submitting their biennial budget requests. The task force shall submit a report on these matters to the legislature by December 1 of each odd-numbered year. The task force expires as ~~provided in section 15.059, subdivision 6~~ June 30, 1993.

Sec. 14. Minnesota Statutes 1988, section 135A.06, subdivision 3, is amended to read:

Subd. 3. **SYSTEM PLANS.** Each system shall develop a program plan for instruction, research, and public service. Each system shall consult with the higher education coordinating board and with the other systems throughout the planning process. The higher education coordinating board shall coordinate intersystem efforts in the development of the program plans to achieve intersystem cooperation and differentiation.

Each planning report shall consider at least the following elements:

(1) a statement of program priorities for undergraduate, graduate, and professional education, including data about program cost and average class size within each institution;

New language is indicated by underline, deletions by ~~strikeout~~.

(2) the effects of proposed programmatic and enrollment changes on other systems and campuses;

(3) a review of plans for adjusting the number of facilities, staff, and programs to projected level of demand, including consideration of campus and program mergers, campus and program closings, new governance structures, the relationship between fixed costs and projected enrollment changes, and consolidation of institutions, services, and programs that serve the same geographic area under different governing boards;

(4) a review of the current and projected use of community outreach and extension programs including information on all off-campus sites;

(3) (5) enrollment projections for two, five, and ten years based on recent available projections produced by the higher education coordinating board or, if different projections are used, they shall be compared to those prepared by the higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections;

(4) (6) estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to ~~declining~~ changing enrollments and fiscal resources;

(5) (7) opportunities for providing services cooperatively with other public and private institutions in the same geographic area; and

(6) (8) differentiating and coordinating missions to reduce or eliminate duplication of services and offerings, to improve delivery of services, and to establish clear and distinct roles and priorities.

Sec. 15. [135A.15] SEXUAL HARASSMENT AND VIOLENCE POLICY.

The governing board of each public post-secondary system and each public post-secondary institution shall adopt a clear, understandable written policy on sexual harassment and sexual violence. The policy must apply to students and employees and must provide information about their rights and duties. It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators. During student registration, each public post-secondary institution shall provide each student with information regarding its policy. Each private post-secondary institution that enrolls students who receive state financial aid must adopt a policy that meets the requirements of this section. The higher education coordinating board shall coordinate the policy development of the systems and institutions and periodically provide for review and necessary changes in the policies.

Sec. 16. Minnesota Statutes 1988, section 136.31, subdivision 3, is amended to read:

Subd. 3. ~~Such~~ The bonds ~~shall~~ must be executed by ~~such~~ the officers of ~~said~~ the board as ~~shall~~ be designated by ~~said~~ the board to execute them and countersigned by the treasurer of ~~elected~~ by the board, ~~who shall be an officer duly elected by the board;~~ provided that at least one of such officers shall sign each

New language is indicated by underline, deletions by ~~strikeout~~.

bond manually and the other signatures or countersignature thereon and on the interest coupons may be printed, lithographed, stamped or engraved thereon. Any bonds bearing the signature of officers in office at the date of signing thereof shall be valid and binding for all purposes, notwithstanding that before delivery thereof any or all such persons whose signatures appear thereon shall have ceased to be such officers, or that any or all such persons did not hold such offices at the date of such bonds.

Sec. 17. Minnesota Statutes 1988, section 136.31, subdivision 5, is amended to read:

Subd. 5. ~~Whenever~~ If the board shall by resolution ~~determine~~ determines that there are moneys in the possession of its treasurer possesses money not currently needed, or ~~which are that is~~ set aside in any a reserve, the board may in ~~and by such~~ the resolution ~~authorize~~ and may direct the treasurer to invest a specified amount thereof ~~of the money in treasury bonds or bills, certificates of indebtedness, bonds or notes of the United States of America securities of the types described in section 475.66.~~ The securities so purchased shall must be deposited with and held for the board by the board treasurer. Whenever funds so ~~If the~~ invested are money is needed by the board it shall direct ~~its~~ the treasurer to sell ~~the same all~~ or a designated amount thereof of the securities. ~~All moneys~~ Money collected ~~thereon from the investment~~ by the board treasurer, as principal, interest, or proceeds of sales, shall must be credited to and ~~constitute~~ made a part of the fund and account for which the investment was is made.

Sec. 18. Minnesota Statutes 1988, section 136A.02, subdivision 5, is amended to read:

Subd. 5. **ADVISORY GROUPS.** The board may appoint advisory task forces to assist it in the study of higher education within the state or in the administration of federal programs. The task forces shall expire and the terms, compensation and removal of members shall ~~be~~ are as provided in section 15.059, ~~except that the task force established under section 135A.05 and the advisory councils established under subdivisions 6 and 7 expire June 30, 1993.~~

Sec. 19. Minnesota Statutes 1988, section 136A.02, subdivision 6, is amended to read:

Subd. 6. **HIGHER EDUCATION ADVISORY COUNCIL.** A higher education advisory council is established. The council is composed of the president of the University of Minnesota, the chancellor of the state universities, the chancellor of the community colleges, the state director of vocational technical education, the commissioner of education, the president of the private college council, and a representative from the Minnesota association of private post-secondary schools. The advisory council shall (1) bring to the attention of the board any matters that the council deems necessary, (2) make appropriate recommendations, (3) review and comment upon proposals and other matters before the board, and (4) provide other assistance to the board. The board shall

New language is indicated by underline, deletions by ~~strikeout~~.

periodically inform the council of matters under consideration by the board. The board shall refer all proposals to the council before submitting recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The council shall report to the board at least quarterly. The council shall determine its meeting times, but it shall also meet within 30 days after a request by the executive director of the board. The council expires ~~as provided in section 15.059, subdivision 5~~ June 30, 1993.

Sec. 20. Minnesota Statutes 1988, section 136A.02, subdivision 7, is amended to read:

Subd. 7. **STUDENT ADVISORY COUNCIL.** A student advisory council to the board is established. The members of the council shall include the chair of the University of Minnesota university student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota vocational technical student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school registered under this chapter, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a designee.

The advisory council shall:

(1) bring to the attention of the board any matter that the council believes needs the attention of the board;

(2) make recommendations to the board as the council deems appropriate;

(3) review and comment upon proposals and other matters before the board;

(4) provide any reasonable assistance to the board; and

(5) select one of its members to serve as chair. The board shall inform the council of all matters under consideration by the board and shall refer all proposals to the council before the board acts or sends the proposals to the governor or the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The student advisory council shall report to the board quarterly and at other times that the council considers desirable. The council shall determine its meeting time, but the council shall also meet with the executive director of the board within 30 days after the director's request for a council meeting. The student advisory council shall meet quarterly with the higher education advisory council and the board executive committee. The council expires ~~as provided in section 15.059, subdivision 5~~ June 30, 1993.

Sec. 21. Minnesota Statutes 1988, section 136A.04, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

136A.04 DUTIES.

Subdivision 1. The higher education coordinating board shall:

(a) (1) continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state;

(b) (2) continuously engage in long-range planning for the needs of higher education and, if necessary, cooperatively engage in planning with neighboring states and agencies of the federal government;

(c) (3) act as successor to any committee or commission previously authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(d) (4) review, approve or disapprove, make recommendations, and identify priorities with respect to all proposals for new or additional programs of instruction or substantial changes in existing programs to be established in or offered by, the University of Minnesota, the state universities, the community colleges, technical institutes, and private collegiate and noncollegiate post-secondary institutions. The board shall also periodically review existing programs and recommend discontinuing or modifying any existing program. When reviewing new or existing programs, the board shall consider whether the program is unnecessary, a needless duplication of existing programs, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission;

(e) (5) develop in cooperation with the post-secondary systems, house appropriations committee, senate finance committee, and the departments of administration and finance, a compatible budgetary reporting format designed to provide data of a nature to facilitate systematic review of the budget submissions of the University of Minnesota, the state university system, the community college system, and the technical institutes, which includes the relating of dollars to program output;

(f) (6) review budget requests, including plans for construction or acquisition of facilities, of the University of Minnesota, the state universities, the community colleges, and technical institutes for the purpose of relating present resources and higher educational programs to the state's present and long-range needs; and conduct a continuous analysis of the financing of post-secondary institutions and systems, including the assessments as to the extent to which the expenditures and accomplishments are consistent with legislative intent;

(g) (7) obtain from private post-secondary institutions receiving state funds a report on their use of those funds;

(h) (8) continuously monitor and study the transferability between Minnesota post-secondary and higher education institutions of credits earned for equal

New language is indicated by underline, deletions by ~~strikeout~~.

and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts; and

(9) prescribe policies, procedures, and rules necessary to administer the programs under its supervision.

Subd. 2. The higher education coordinating board shall review and make recommendations regarding a plan or proposal for a new or additional program of instruction or a substantial change in an existing program of instruction to be offered by a technical institute within 45 days of the transmission of approval of the plan or proposal to the higher education coordinating board by the state board ~~for~~ of vocational technical education. The higher education coordinating board shall then transmit a written explanation of its recommendations within five days of board action to the director of the applying technical institute and to the ~~commissioner of state~~ director of vocational technical education.

Sec. 22. Minnesota Statutes 1988, section 136A.05, is amended to read:

136A.05 COOPERATION OF INSTITUTIONS OF HIGHER EDUCATION.

All public institutions of higher education, all school districts providing post-secondary vocational education, and all state departments and agencies shall cooperate with and supply information requested by the higher education coordinating board in order to enable it to carry out and perform its duties. Private post-secondary institutions are requested to cooperate and provide information.

Sec. 23. Minnesota Statutes 1988, section 136A.08, is amended to read:

136A.08 RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES.

Subdivision 1. **AUTHORIZATION.** The Minnesota higher education coordinating board ~~herein referred to as the board, in addition to its general responsibility for cooperatively engaging in planning higher education needs with neighboring states pursuant to section 136A.04, may enter into agreements or understandings which include, on subjects that include~~ remission of nonresident tuition for designated categories of students at state public post-secondary institutions of higher education and public technical institutes, with appropriate state agencies and public post-secondary institutions of higher education in other states to facilitate utilization of public higher education institutions in this state and other states. Such ~~The~~ agreements shall have as their be for the purpose of the mutual improvement of educational advantages for residents of this state and ~~such other states or institutions of other states with whom agreements are made.~~

Subd. 1a. WISCONSIN. ~~At the discretion of the board, A~~ higher education

New language is indicated by underline, deletions by ~~strikeout~~.

reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If ~~this provision for transfer of funds between the two states is included in a collegiate education reciprocity agreement,~~ the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing Wisconsin. ~~Such~~ The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the board in the general fund of the state treasury. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually.

Subd. 2. **NORTH DAKOTA; SOUTH DAKOTA.** ~~At the discretion of the board,~~ A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included ~~in an agreement,~~ the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the board and a duly designated agency representing North Dakota. In adopting a formula, the board shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the board in the general fund. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 3. **FINANCIAL AID.** The board may enter into an agreement, with a state with which it has negotiated a reciprocity agreement for tuition, to permit students from both states to receive student aid awards from the student's state of residence for attending an eligible institution in the other state.

Subd. 4. **GOVERNING BOARD APPROVAL.** ~~No~~ An agreement made by the board pursuant to under this section shall be is not valid as to a ~~technical institute particular institution~~ without the approval of the state board for vocational education; as to a state university without the approval of the state university board; as to a community college without the approval of the state board for community colleges; and as to the University of Minnesota without the approval of the board of regents of the University of Minnesota that institution's state governing board.

Sec. 24. Minnesota Statutes 1988, section 136A.101, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. For purposes of sections ~~136A.09~~ 136A.095 to ~~136A.131~~ 136A.134, the terms defined in this section have the meanings ascribed to them.

Sec. 25. Minnesota Statutes 1988, section 136A.101, subdivision 7, is amended to read:

Subd. 7. "Student" means a person who is enrolled at least half time, as defined by the board, in a program or course of study that applies to a degree, diploma, or certificate, except that for purposes of section 136A.132, student may include a person enrolled less than half time.

Sec. 26. Minnesota Statutes 1988, section 136A.101, subdivision 8, is amended to read:

Subd. 8. "Resident student" ~~includes~~ means a student who meets one of the following conditions:

(1) an independent student who has resided in Minnesota for purposes other than post-secondary education for at least 12 months;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school and has not since established residence in another state; or

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota.

Sec. 27. Minnesota Statutes 1988, section 136A.121, is amended to read:

136A.121 ~~SCHOLARSHIPS AND GRANTS-IN-AID GRANTS.~~

Subdivision 1. **ELIGIBILITY FOR SCHOLARSHIPS.** An applicant is eligible to be considered for a scholarship under sections 136A.09 to 136A.131 if the board finds that the applicant:

(1) is a resident of the state of Minnesota;

(2) has met all the requirements for admission as a student to an eligible institution of choice as defined in sections 136A.09 to 136A.131;

(3) has demonstrated capacity for superior achievement at the institutional level as measured by standards prescribed by the board;

(4) is a qualified applicant.

Subd. 2. **ELIGIBILITY FOR ~~GRANTS-IN-AID GRANTS.~~** An applicant is eligible to be considered for a ~~grant-in-aid grant~~, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections ~~136A.09~~ 136A.095 to 136A.131 if the board finds that the applicant:

New language is indicated by underline, deletions by ~~strikeout~~.

(1) is a resident of the state of Minnesota;

(2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical institute of choice as defined in sections ~~136A.09~~ 136A.095 to 136A.131;

(3) has met the financial need criteria established in Minnesota Rules; and

(4) is not in default, as defined by the board, of any federal or state student educational loan.

Subd. 3. **ALLOCATION.** ~~Scholarships and grants-in-aid shall~~ Grants must be awarded on a funds available basis to those applicants who meet the board's requirements.

Subd. 4. **SCHOLARSHIP STIPENDS.** An eligible scholarship applicant shall be considered for a financial stipend if the applicant demonstrates financial need. The amount of a financial stipend must not exceed a scholarship applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) a contribution by the scholarship applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) for an applicant who is not an independent student, a contribution by the scholarship applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the scholarship applicant is eligible.

~~The minimum financial stipend is \$100.~~

Subd. 5. ~~GRANTS-IN-AID~~ **GRANT STIPENDS.** ~~A financial stipend based on financial need must accompany grants-in-aid.~~ The amount of a financial stipend must not exceed a grant applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) (1) a contribution by the grant applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) (2) for an applicant who is not an independent student, a contribution by the grant applicant's parents, as determined by a standardized need analysis; and

(c) (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 6. **COST OF ATTENDANCE.** The cost of attendance consists of allowances specified by the board for room and board and miscellaneous expenses, and

(a) (1) for public institutions, tuition and fees charged by the institution; or

(b) (2) for private institutions, an allowance for tuition and fees equal to the lesser of (†) the actual tuition and fees charged by the institution, or (‡) the instructional costs per full-year equivalent student in comparable public institutions.

Subd. 7. **INSUFFICIENT APPROPRIATION.** If the amount appropriated is determined by the board to be insufficient to make full awards to applicants under ~~subdivisions 4 and~~ subdivision 5, before any award for that year has been disbursed, ~~then~~ awards ~~shall~~ must be reduced by

(a) (1) adding a surcharge to the contribution of the applicant's parents, and

(b) (2) a percentage increase in the applicant's contribution.

Subd. 9. **INITIAL AWARDS.** An undergraduate student who has not previously received a ~~scholarship or grant-in-aid~~ grant and who meets the board's requirements is eligible to apply for and receive an initial ~~scholarship or grant-in-aid~~ grant in any year of undergraduate study.

Subd. 10. **RENEWALS.** Each ~~scholarship or grant-in-aid~~ grant ~~shall~~ must be awarded for one academic year, is renewable for a maximum of six semesters or nine quarters or their equivalent, but may not continue after the recipient has obtained a baccalaureate degree or has been enrolled full-time or the equivalent for eight semesters or 12 quarters, whichever occurs first.

Subd. 11. **RENEWAL CONDITIONS.** Each ~~scholarship or grant-in-aid~~ grant is renewable, contingent on continued residency in Minnesota, satisfactory academic standing, recommendation of the eligible institution currently attended, and evidence of continued need.

Subd. 12. **ANNUAL APPLICATION.** To continue to receive a ~~scholarship or grant-in-aid~~ grant, the student ~~shall~~ must apply for renewal each year.

Subd. 13. **DEADLINE.** The board shall accept applications for state ~~scholarships and grants-in-aid~~ grants until February 15 and may establish a deadline for the acceptance of applications that is later than February 15.

Subd. 14. ~~All scholarship and grant-in-aid recipients shall be notified of their awards by the board and shall be given appropriate evidence of the award.~~

Subd. 16. **HOW APPLIED; ORDER.** ~~Scholarships and grants-in-aid~~ Grants awarded under sections ~~136A.09~~ 136A.095 to 136A.131 ~~shall~~ must be applied to educational costs in the following order: tuition, fees, books, supplies, and other expenses. Unpaid portions of the awards revert to the ~~scholarship or grant-in-aid~~ grant account.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 17. INDEPENDENT STUDENT INFORMATION. The board shall inform students, in writing, as part of the application process, about the definition of independent student status and appeals to the financial aid administrator relating to the declaration of the status.

Sec. 28. [136A.125] CHILD CARE GRANTS.

Subdivision 1. ESTABLISHMENT. A child care grant program is established under the supervision of the higher education coordinating board. The program makes money available to eligible students to reduce the costs of child care while attending an eligible post-secondary institution. The board shall develop policies and adopt rules as necessary to implement and administer the program.

Subd. 2. ELIGIBLE STUDENTS. An applicant is eligible for a child care grant if the applicant:

(1) is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who is handicapped as defined in section 120.03, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is within the sliding fee scale income guidelines set under section 256H.10, subdivision 2, as determined by a standardized financial aid needs analysis in accordance with the board's policies and rules, but is not a recipient of aid to families with dependent children;

(4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters, 12 quarters or the equivalent;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;

(6) is enrolled at least half time in an eligible institution; and

(7) is in good academic standing and making satisfactory progress, as determined by the institution.

Subd. 3. ELIGIBLE INSTITUTION. A Minnesota public post-secondary institution or a private, residential, two-year or four-year, liberal arts, degree granting college or university located in Minnesota is eligible to receive child care funds from the board and disburse them to eligible students.

Subd. 4. AMOUNT AND LENGTH OF GRANTS. The amount of a child care grant must be based on:

(1) the financial need of the applicant;

(2) the number of the applicant's children; and

New language is indicated by underline, deletions by ~~strikeout~~.

(3) the cost of the child care,

as determined by the institution in accordance with board policies and rules. The amount of the grant must cover the cost of child care for all eligible children for the full number of hours of education per week and may cover up to 20 hours per week of employment for which child care is needed. The grant must be awarded for one academic year.

Subd. 5. INITIAL ALLOCATIONS TO INSTITUTIONS. The board initially shall allocate funds to an eligible institution based on the number of its enrolled students with dependent children who applied for state grants in the last academic year.

Subd. 6. YEARLY ALLOCATIONS TO INSTITUTIONS. The board shall base yearly allocations on the need for and use of the funds in the last academic year, and other relevant factors as determined by the board in consultation with the institutions.

Subd. 7. MONITORING AND REALLOCATION. The board shall establish procedures to (1) continually monitor the use of funds throughout the year; (2) identify areas of unmet need for grants; and (3) redistribute available funds in a timely manner to meet the needs of eligible recipients.

Subd. 8. INFORMATION. The board shall develop and provide information about the program to eligible post-secondary institutions, human service agencies, and potential applicants.

Subd. 9. REPORT. Institutions must submit reports, when requested by the board, on program activity including the number of students served, the child care costs, and the number of students on a waiting list for available funds. The reports must also include the institution's method of prioritizing applicants if insufficient funds are available.

Sec. 29. CAMPUS ALTERNATIVES.

Each public post-secondary system that operates child care facilities on any of its campuses shall work with those campuses to develop alternatives for students who cannot afford child care. The alternatives may include, but are not limited to, cooperative arrangements and work study employment. The systems shall report on their efforts to the education divisions of the house appropriations and senate finance committees by February 15, 1991.

Sec. 30. Minnesota Statutes 1988, section 136A.131, is amended to read:

136A.131 ACCOUNTING AND RECORDS.

Subdivision 1. ACCOUNTS. The board shall establish and maintain appropriate scholarship and grant-in-aid accounts and related records of each recipient of a scholarship or grant-in-aid awarded grant.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **RULES, PAYMENT AND ACCOUNTING.** The board shall provide by rule the method of payment of the ~~scholarships and grants-in-aid grant~~ awarded ~~hereunder~~ and prescribe a system of accounting to be kept by the institution selected by a recipient.

Subd. 3. **CERTIFICATION TO COMMISSIONER OF FINANCE.** Upon proper verification for payment of a ~~scholarship or grant-in-aid as defined herein grant~~, the board shall certify to the commissioner of finance the amount of the current payment to be made to the ~~scholarship winner or grant-in-aid grant~~ recipient in conformance with the rule of the board governing the method of payment.

Subd. 4. **RECOVERY OF OVERPAYMENTS.** A recipient of a grant must reimburse the board for overpayment. The amount of reimbursement is the difference between the amount received and the amount of actual entitlement as calculated by the board after it makes its final findings under section 136A.121 and rules implemented under that section. The amount of reimbursement may include any costs or expenses, including reasonable attorney fees, incurred by the agency in collecting the debt. The reimbursement is recoverable from the recipient or the recipient's estate. The agency may institute a civil action, if necessary for recovery.

The recipient must not receive additional awards until the overpayment is recovered or the recipient is making payments under an approved plan. Additional awards for which the recipient is eligible may be used to recover an unreimbursed overpayment.

Sec. 31. Minnesota Statutes 1988, section 136A.132, is amended to read:

136A.132 PART-TIME STUDENT ~~GRANT-IN-AID~~ GRANT PROGRAM.

Subdivision 1. **CREATION.** ~~There is hereby created~~ A part-time student ~~grant-in-aid grant~~ program is created under the supervision of the higher education coordinating board.

Subd. 2. **ELIGIBLE INSTITUTIONS.** Institutions eligible for attendance by recipients of part-time student ~~grants-in-aid shall be grants~~ are those institutions approved by the higher education coordinating board as eligible institutions for the state ~~grant-in-aid grant~~ program in accordance with section 136A.101.

Subd. 3. **STUDENT ELIGIBILITY.** An applicant is eligible to be considered for a part-time student grant if the applicant:

- (a) (1) is a resident of the state of Minnesota;
- (b) (2) is an undergraduate student who has not earned a baccalaureate degree;
- (c) (3) is pursuing a program or course of study that applies to a degree, diploma, or certificate; ~~and~~

New language is indicated by underline, deletions by ~~strikeout~~.

~~(4)~~ (4) is attending an eligible institution either less than half time as defined by the board, or as a new or returning student enrolled at least half time but less than full time as defined by the board; and

(5) is not in default, as defined by the board, of any federal or state student educational loan.

Subd. 4. **SELECTION.** A recipient of a part-time ~~grant-in-aid shall grant~~ must be selected by the post-secondary education institution of attendance in accordance with guidelines, policies and rules established by the higher education coordinating board.

Subd. 5. **AMOUNT.** The amount of any part-time student ~~grant-in-aid grant~~ award ~~shall must~~ be based on the need of the applicant determined by the institution in accordance with policies and rules established by the higher education coordinating board.

Subd. 6. **LENGTH OF AWARD.** Part-time student ~~grants-in-aid shall grants~~ must be awarded for a single term as defined by the institution in accordance with guidelines and policies of the higher education coordinating board. Awards ~~shall are~~ not be renewable, but the recipient of an award may apply for additional awards for subsequent terms.

A new or returning student enrolled at least half time but less than full time, as defined by the board, and pursuing a program or course of study that applies to a degree, diploma, or certificate ~~shall be~~ is eligible for an award for only one term.

Subd. 7. **INSTITUTIONAL ALLOCATION.** Funds appropriated for part-time student ~~grants-in-aid shall grants~~ must be allocated among eligible institutions by the higher education coordinating board according to a formula which takes into account the number of resident part-time students enrolled in each institution and other relevant factors determined by the board. However, an institution ~~must may~~ not receive less than it would have received under the allocation formula used before fiscal year 1988.

Sec. 32. Minnesota Statutes 1988, section 136A.134, subdivision 4, is amended to read:

Subd. 4. **PROGRAM RECIPIENTS.** An eligible institution shall select a recipient of a dislocated rural worker grant in accordance with guidelines, policies, and rules established by the board. ~~The board may adopt emergency rules for awarding grants only for the fiscal year beginning July 1, 1987.~~

Sec. 33. Minnesota Statutes 1988, section 136A.15, subdivision 1, is amended to read:

Subdivision 1. For purposes of sections ~~136A.14~~ 136A.15 to ~~136A.17 and section 136A.1701~~ 136A.1702, the terms defined in this section have the meanings ascribed to them.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 34. Minnesota Statutes 1988, section 136A.15, subdivision 7, is amended to read:

Subd. 7. "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state. ~~A Minnesota resident includes a student who graduated from a Minnesota high school and has not since established residence in another state.~~ Eligible student, except for purposes of section 136A.1701, includes parents of an eligible student as the term "parent" is defined in the Higher Education Act of 1965, as amended, and applicable regulations. Except for the purposes of section 136A.1701, eligible student also includes students eligible for auxiliary loans as the term "auxiliary" is defined in the Higher Education Act of 1965, as amended, and applicable regulations. An eligible student, for section 136A.1701, means a student who gives informed consent authorizing the disclosure of data specified in section 136A.162, paragraph (b), to a consumer credit reporting agency.

Sec. 35. Minnesota Statutes 1988, section 136A.15, is amended by adding a subdivision to read:

Subd. 8. "Resident student" means a student who meets the conditions in section 136A.101, subdivision 8.

Sec. 36. Minnesota Statutes 1988, section 136A.16, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding chapter 16B, the Minnesota higher education coordinating board is hereby designated as the administrative agency for carrying out the purposes and terms of sections ~~136A.14~~ 136A.15 to 136A.17 ~~and section 136A.1701~~ 136A.1702. The board may establish one or more loan programs.

Sec. 37. Minnesota Statutes 1988, section 136A.16, subdivision 2, is amended to read:

Subd. 2. The board shall adopt policies and prescribe appropriate rules to carry out the purposes of sections ~~136A.14~~ 136A.15 to 136A.17 ~~and section 136A.1701~~ 136A.1702. The policies and rules except as they relate to loans under section 136A.1701 ~~shall~~ must be compatible with the provisions of the National Vocational Student Loan Insurance Act of 1965 and the provisions of title IV of the Higher Education Act of 1965, and any amendments thereof.

Sec. 38. Minnesota Statutes 1988, section 136A.16, subdivision 5, is amended to read:

Subd. 5. The board ~~shall have the right to~~ may contract with guarantee agencies, insurance agencies, ~~and/or~~ collection agencies, or any other person, to carry out the purposes of sections ~~136A.14~~ 136A.15 to 136A.17 ~~and section 136A.1701~~ 136A.1702.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 39. Minnesota Statutes 1988, section 136A.16, subdivision 8, is amended to read:

Subd. 8. ~~Moneys~~ Money made available to the board ~~which are that is not~~ immediately needed for the purposes of sections ~~136A.14 136A.15 to 136A.17 and section 136A.1701~~ 136A.1702 may be invested by the board. ~~Such moneys shall~~ The money must be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred stocks, which are legal investments for the permanent school fund. ~~Such~~ The money may also be invested in ~~such~~ prime quality commercial paper as ~~that~~ is eligible for investment in the state employees retirement fund. All interest and profits from such investments ~~shall~~ inure to the benefit of the board.

Sec. 40. Minnesota Statutes 1988, section 136A.16, subdivision 9, is amended to read:

Subd. 9. The board ~~shall be empowered to~~ may employ ~~such the~~ professional and clerical staff as the director deems necessary for the proper administration of the loan programs established and defined by sections ~~136A.14 136A.15 to 136A.17 and section 136A.1701~~ 136A.1702.

Sec. 41. Minnesota Statutes 1988, section 136A.16, subdivision 10, is amended to read:

Subd. 10. Subject to its directives and review, the board may delegate to the director the responsibility for issuance of public information concerning provisions of sections ~~136A.14 136A.15 to 136A.17 and section 136A.1701~~ 136A.1702, for design of loan application forms, and for prescribing procedures for submission of applications for loans.

Sec. 42. Minnesota Statutes 1988, section 136A.162, is amended to read:

136A.162 CLASSIFICATION OF DATA.

All data on applicants for financial assistance collected and used by the higher education coordinating board for student financial aid programs administered by that board shall be classified as private data on individuals under section 13.02, subdivision 12. Exceptions to this classification are that:

(a) the names and addresses of program recipients or participants are public data; and

(b) the following data collected in the Minnesota supplemental loan program under section 136A.1701 may be disclosed to a consumer credit reporting agency only if the borrower gives and the cosigner give informed consent, according to section 13.05, subdivision 4, at the time of application for a loan:

- (1) the lender-assigned borrower identification number;
- (2) the name and address of borrower;

New language is indicated by underline, deletions by ~~strikeout~~.

- (3) the name and address of cosigner;
- (4) the date the account is opened;
- (5) the outstanding account balance;
- (6) the dollar amount past due;
- (7) the number of payments past due;
- (8) the number of late payments in previous 12 months;
- (9) the type of account;
- (10) the responsibility for the account; and
- (11) the status or remarks code.

Sec. 43. Minnesota Statutes 1988, section 136A.17, subdivision 1, is amended to read:

Subdivision 1. A student ~~shall be~~ is eligible to apply for a loan under ~~the provisions of sections ~~136A.14~~ 136A.15 to ~~136A.17~~ 136A.1702~~ if the board finds that the student is an eligible student as defined in those sections and is eligible for a loan under federal laws and regulations governing the federal guaranteed student loan programs.

Sec. 44. Minnesota Statutes 1988, section 136A.1701, subdivision 1, is amended to read:

Subdivision 1. **ESTABLISHMENT OF PROGRAM.** The higher education coordinating board may provide for programs of loans which may be made in lieu of or in addition to loans authorized under sections ~~136A.14~~ 136A.15 to ~~136A.17~~ 136A.1702 and applicable provisions of federal law as provided in this section.

Sec. 45. Minnesota Statutes 1988, section 136A.1701, subdivision 2, is amended to read:

Subd. 2. **PURPOSE OF PROGRAM.** The purpose of the loan programs under this section is to provide financial assistance for the post-secondary education of students who are eligible students whether or not such students qualify for a loan or loans under other provisions of sections ~~136A.14~~ 136A.15 to ~~136A.17~~ 136A.1702.

Loans granted to students ~~shall~~ may be used solely for educational purposes.

Sec. 46. Minnesota Statutes 1988, section 136A.1701, subdivision 5, is amended to read:

Subd. 5. **MAXIMUM LOANS FOR STUDENTS.** Loans made under this

New language is indicated by underline, deletions by ~~strikeout~~.

section or sections ~~136A.14~~ 136A.15 to ~~136A.17~~ 136A.1702 to an individual eligible student for vocational study may be made for a maximum of three academic years or their equivalent and loans made to any other individual eligible student may be made for a maximum of eight academic years or their equivalent.

Sec. 47. Minnesota Statutes 1988, section 136A.172, is amended to read:

136A.172 NEGOTIABLE NOTES; ISSUANCE; CONDITIONS.

The board may from time to time issue negotiable notes for the purpose of sections ~~136A.14~~ 136A.15 to 136A.179 and may from time to time renew any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The board may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the board or any issue thereof may contain any provisions which the board is authorized to include in any resolution or resolutions authorizing revenue bonds of the board or any issue thereof, and the board may include in any notes any terms, covenants or conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenue of the board, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

Sec. 48. Minnesota Statutes 1988, section 136A.173, subdivision 1, is amended to read:

Subdivision 1. The board may from time to time issue revenue bonds for purposes of sections ~~136A.14~~ 136A.15 to 136A.179 and all such revenue bonds, notes, bond anticipation notes or other obligations of the board issued pursuant to sections ~~136A.14~~ 136A.15 to 136A.179 shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of such revenue bonds, the board may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of the original note. Such notes shall be paid from any revenues of the board available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the board in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution or the board may contain.

Sec. 49. Minnesota Statutes 1988, section 136A.174, is amended to read:

136A.174 SECURITY FOR BONDS.

In the discretion of the board any revenue bonds issued under the provi-

New language is indicated by underline, deletions by ~~strikeout~~.

sions of sections ~~136A.14~~ 136A.15 to 136A.179 may be secured by a trust agreement by and between the board and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within the state. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any contract or contracts pledged or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of laws, including particularly such provisions as have hereinabove been specifically authorized to be included in any resolution or resolutions of the board authorizing revenue bonds thereof. Any bank or trust company incorporated under the laws of the state which may act as depository of the proceeds of bonds or of revenues or other moneys may furnish such indemnifying bonds or pledges such securities as may be required by the board. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the board may deem reasonable and proper for the security of the bondholders.

Sec. 50. Minnesota Statutes 1988, section 136A.175, subdivision 4, is amended to read:

Subd. 4. All such revenue bonds shall be subject to the provisions of sections ~~136A.14~~ 136A.15 to 136A.179 in the same manner and to the same extent as other revenue bonds issued pursuant to sections ~~136A.14~~ 136A.15 to 136A.179.

Sec. 51. Minnesota Statutes 1988, section 136A.176, is amended to read:

136A.176 BONDS NOT STATE OBLIGATIONS.

Bonds issued under authority of sections ~~136A.14~~ 136A.15 to 136A.179 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings.

Sec. 52. Minnesota Statutes 1988, section 136A.177, is amended to read:

136A.177 RIGHTS OF BONDHOLDERS.

Any holder of revenue bonds issued under the provisions of sections ~~136A.14~~ 136A.15 to 136A.179 or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of, or any

New language is indicated by underline, deletions by ~~strikeout~~.

such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the state or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by sections ~~136A.14~~ 136A.15 to 136A.179 or by such resolution or trust agreement to be performed by the board or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

Sec. 53. Minnesota Statutes 1988, section 136A.178, is amended to read:

136A.178 LEGAL INVESTMENTS; AUTHORIZED SECURITIES.

Bonds issued by authority under the provisions of sections ~~136A.14~~ 136A.15 to 136A.179 are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provided further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, board or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections ~~136A.14~~ 136A.15 to 136A.179. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of section 50.14. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

Sec. 54. Minnesota Statutes 1988, section 136A.179, is amended to read:

136A.179 PUBLIC PURPOSE; TAX FREE STATUS.

The exercise of the powers granted by sections ~~136A.14~~ 136A.15 to 136A.179 will be in all respects for the benefit of the people of this state, for the increase of their commerce, welfare and prosperity, and for the improvement of their health and living conditions, and as providing loans by the board or its agent will constitute the performance of an essential public function.

Sec. 55. Minnesota Statutes 1988, section 136A.233, is amended to read:

136A.233 WORK-STUDY GRANTS.

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **ALLOCATION TO INSTITUTIONS.** ~~Notwithstanding the provisions of sections 136A.09 to 136A.131,~~ The higher education coordinating board may offer work-study grants to eligible post-secondary institutions according to the resident full-time equivalent enrollment of all eligible post-secondary institutions that apply to participate in the program. The board shall seek to equalize work-study job opportunities by also taking into account student employment needs at eligible institutions. Each institution wishing to receive a work-study grant shall submit to the board, in accordance with policies and procedures established by the board, an estimate of the amount of funds needed by the institution, ~~and~~ The amount allocated to any institution shall not exceed the estimate of need submitted by the institution. Any funds which would be allocated to an institution according to full-time equivalent enrollment but which exceed the estimate of need by the institution or the actual need of the institution may be reallocated by the board to other institutions for which the estimate of need exceeds the amount of allocation according to enrollment. The institution must not receive less than it would have received under the allocation formula used before fiscal year 1988. No more than one-half of any increase in appropriations, attributable to this section, above the level before fiscal year 1988 may be allocated on the basis of identified student employment needs at eligible institutions.

Subd. 2. **DEFINITIONS.** For purposes of sections 136A.231 to 136A.234, the following words defined in this subdivision have the meanings ascribed to them:

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll full time in a Minnesota post-secondary institution. ~~A Minnesota resident includes a student who graduated from a Minnesota high school and has not since established residence in another state.~~

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education coordinating board.

(~~e~~) (d) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(~~e~~) (e) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state ~~scholarship~~ and grant program as specified in section 136A.101, subdivision 4.

(~~e~~) (f) "Independent student" has the meaning given it in the Higher Educa-

New language is indicated by underline, deletions by ~~strikeout~~.

tion Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Subd. 3. **PAYMENTS.** Work-study payments shall be made to eligible students by post-secondary institutions as ~~follows:~~ provided in this subdivision.

(a) Students shall be selected for participation in the program by the post-secondary institution on the basis of student financial need.

(b) No eligible student shall be employed under the state work-study program while not a full time student; provided, with the approval of the institution, a full time student who becomes a part-time student during an academic year may continue to be employed under the state work-study program for the remainder of the academic year.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) Not less than 20 percent of the compensation paid to the student under the state work-study program shall be paid by the eligible employer.

(f) Each post-secondary institution receiving funds for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

Sec. 56. Minnesota Statutes 1988, section 136A.26, subdivision 1a, is amended to read:

Subd. 1a. **PRIVATE COLLEGE COUNCIL MEMBER.** The ~~chief executive officer~~ president of the Minnesota private college council, or the president's designee, shall serve, without compensation, as an advisory, nonvoting member of the authority.

Sec. 57. Minnesota Statutes 1988, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$150,000,000~~ \$250,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 58. Minnesota Statutes 1988, section 136A.69, is amended to read:

136A.69 FEES.

The board may collect reasonable registration fees not to exceed ~~\$200~~ \$400 for an initial registration of each school and ~~\$150~~ \$250 for each annual renewal of ~~such an~~ an existing registration.

Sec. 59. Minnesota Statutes 1988, section 136C.04, subdivision 1, is amended to read:

Subdivision 1. **GENERAL.** The state board shall possess all powers necessary and incident to the management, jurisdiction, and governance of post-secondary vocational education. These powers shall include, but are not limited to, those enumerated in this section. The state board may adopt policies as necessary to perform its duties.

Sec. 60. Minnesota Statutes 1988, section 136C.04, subdivision 2, is amended to read:

Subd. 2. **APPOINTMENT OF STATE DIRECTOR.** The state board shall appoint a state director of vocational technical education who shall serve in the unclassified service. The state director shall be qualified by training and experience in the field of education, vocational education, or administration. The state director shall possess powers and perform duties as delegated by the state board. The state board shall set the salary of the state director. ~~The state director may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The provisions of chapter 16A shall not apply to these expenditures, but the state board shall prescribe the manner, amount, and purpose of the expenditures and report to the legislature on the expenditures by December 1 of each even-numbered year.~~

Sec. 61. Minnesota Statutes 1988, section 136C.04, subdivision 6, is amended to read:

Subd. 6. **ACCOUNTING AND REPORTING STANDARDS.** The state board shall maintain the uniform financial accounting and reporting system according to the provisions of sections 121.90 to 121.917, except that reports required by section 121.908 must be submitted to the state board on dates determined by the state board. All expenditures and revenue related to summer session credit courses must be recognized in the fiscal year in which the course begins.

Sec. 62. Minnesota Statutes 1988, section 136C.04, subdivision 9, is amended to read:

Subd. 9. **LICENSURE.** The state board may ~~promulgate~~ adopt rules, ~~according to the provisions of~~ under chapter 14, for licensure of teaching, support, and supervisory personnel in post-secondary and adult vocational education. ~~The state board may adopt emergency licensure rules, according to sections 14.29 to~~

New language is indicated by underline, deletions by ~~strikeout~~.

14.36; When necessary for continuous programs approved by the board and when the board determines that appropriate licensure standards do not exist, the state board may adopt appropriate temporary standards without regard to chapter 14 and may issue temporary licenses to teaching and support personnel. A temporary license is valid for up to one year and is not renewable, but a person holding a temporary license may, upon its expiration, be issued a license in accordance with standards adopted under chapter 14. The state board may establish a processing fee for the issuance, renewal, or extension of a license.

Sec. 63. Minnesota Statutes 1988, section 136C.04, subdivision 10, is amended to read:

Subd. 10. **ALLOCATION.** The state board shall allocate state and federal money for post-secondary vocational education. Money received from federal sources, other than as provided in this chapter, and money received from other sources, not including the state, shall not be taken into account in determining appropriations or allocations. The board shall take into consideration the unreserved fund balances of each technical institute.

Sec. 64. Minnesota Statutes 1988, section 136C.04, subdivision 18, is amended to read:

Subd. 18. **COMPUTER SALES AND MAINTENANCE.** The state board of vocational technical education or a school board may sell computers and related products to ~~the~~ technical institute staff and technical institute students to advance their instructional and research abilities. ~~The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.~~

Sec. 65. Minnesota Statutes 1988, section 136C.042, subdivision 2, is amended to read:

Subd. 2. **EXCEPTION.** Associate degrees offered by the ~~area vocational~~ technical institutes prior to January 1, 1981, shall not be subject to the provisions of subdivision 1.

Sec. 66. Minnesota Statutes 1988, section 136C.05, is amended by adding a subdivision to read:

Subd. 5. USE OF PROPERTY. A school board must not sell, lease, or assign technical institute property for purposes other than technical institute activities without the approval of the state director. A school board need not obtain approval for uses that are incidental.

Sec. 67. Minnesota Statutes 1988, section 136C.05, is amended by adding a subdivision to read:

Subd. 6. ACCOUNTING. The school board shall maintain, in accordance with section 136C.04, subdivision 6, separate revenue, expenditure, asset, and liability accounts for technical institutes within funds separate from all other district funds.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 68. Minnesota Statutes 1988, section 136C.07, subdivision 4, is amended to read:

Subd. 4. ~~If the petition is approved, the school shall be established by the district and classified by the state board as a technical institute and conducted under the general supervision of the state board in accordance with the policy and rules of the state board. Notwithstanding the provisions of subdivision 3 and of this subdivision, after June 30, 1975, no area vocational A technical school institute shall be established unless specific legislation has authorized its establishment only by a specific law.~~

Sec. 69. Minnesota Statutes 1988, section 136C.075, is amended to read:

136C.075 COMPENSATION FOR PERFORMANCE EVALUATIONS BY STATE EMPLOYEES.

Notwithstanding any law to the contrary, a state employee who is asked by the ~~department of education~~ state board to undertake a performance evaluation of a technical institute may be compensated at the rate provided for in section 15.059.

To be eligible for compensation under this section, a state employee must take an unpaid leave of absence for the period of time the employee performs the evaluation.

Sec. 70. Minnesota Statutes 1988, section 136C.08, subdivision 1, is amended to read:

Subdivision 1. ~~Any A school board or joint school board operating an area vocational a technical school, pursuant to section 136C.07; Laws 1967, chapter 822, as amended; Laws 1969, chapter 775, as amended; or Laws 1969, chapter 1060, as amended, institute may ~~make~~, adopt and enforce rules, regulations or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied or operated by the board.~~

Sec. 71. Minnesota Statutes 1988, section 136C.15, is amended to read:

136C.15 STUDENT ASSOCIATIONS.

Every school board governing a technical institute shall give recognition as an authorized extracurricular activity to a technical institute student association affiliated with the Minnesota vocational technical student association. The student association is authorized to collect a reasonable fee from students to finance the activities of the association in an amount determined by the governing board of the technical institute which has recognized it.

Every governing body which recognizes a student association shall deposit the fees in a student association fund. The money in this fund shall be available for expenditure for ~~student~~ recreational, social, welfare, charitable, and educa-

New language is indicated by underline, deletions by ~~strikeout~~.

~~tional pursuits supplemental to the regular curricular offerings activities approved by the student association. The money in the fund is not public money.~~

Sec. 72. Minnesota Statutes 1988, section 136C.31, is amended by adding a subdivision to read:

Subd. 3. AID AND TUITION. All technical institute money and tuition must be used solely for post-secondary vocational technical education.

Sec. 73. Minnesota Statutes 1988, section 136C.36, is amended to read:

136C.36 PAYMENT OF TECHNICAL INSTITUTE INSTRUCTIONAL ~~AID~~ MONEY.

Eighty-five percent of the estimated ~~post-secondary vocational instructional aid~~ entitlement for instructional expenditures for each district the technical institutes shall be paid during the fiscal year ~~of entitlement for which it is appropriated~~ in 11 uniform monthly payments from July to May. The final payment must be made on the first business day of July in the following fiscal year.

~~The amount of entitlement, adjusted for actual data, minus the payments made during the fiscal year of entitlement, shall be the final adjustment paid to each district on the first business day of July in the fiscal year following entitlement.~~

Sec. 74. Minnesota Statutes 1988, section 136C.43, subdivision 1, is amended to read:

Subdivision 1. **PURPOSE; APPROPRIATION.** For the purpose of providing money appropriated from the vocational technical building fund for the acquisition of public land, buildings, and capital improvements needed for the state plan for the administration of vocational education in accordance with the provisions of section 136C.42, when requested by the state board of education, the commissioner of finance shall sell and issue bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith and credit and taxing powers of the state are irrevocably pledged. Bonds shall be issued pursuant to this section only as authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended therefor, as set forth in section 136C.42. Any such law, together with this section and the laws herein referred to, constitutes complete authority for the issue, and such bonds shall not be subject to restrictions or limitations contained in any other law.

Sec. 75. Minnesota Statutes 1988, section 169.44, subdivision 18, is amended to read:

Subd. 18. **MOTOR COACH USED FOR SCHOOL ACTIVITIES.** A school district or a technical institute shall not acquire a motor coach. Motor coaches acquired by school districts or ~~area vocational~~ technical institutes before March

New language is indicated by underline, deletions by ~~strikeout~~.

26, 1986 may be used by school districts or ~~area vocational~~ technical institutes only to transport students participating in school activities, their instructors, and supporting personnel, to and from school activities. The motor coaches shall not in any way be outwardly equipped and identified as school buses. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. By August 1, 1986, the state board of education shall adopt rules governing the equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision. After January 1, 1998, a school district or technical institute shall not own or operate a motor coach for any purpose.

Sec. 76. Minnesota Statutes 1988, section 275.125, subdivision 14a, is amended to read:

Subd. 14a. **LEVY FOR LOCAL SHARE OF TECHNICAL INSTITUTE CONSTRUCTION.** (a) The definitions in section 136C.02 apply to this subdivision. “Construction” includes acquisition and betterment of land, buildings, and capital improvements for technical institutes.

(b) A district maintaining a technical institute may levy for its ~~local~~ share of the cost of construction of technical institute facilities ~~for the technical institute~~ as provided in this subdivision.

(c) The construction must be authorized by a specific legislative act pursuant to section 136C.07, subdivision 5, after January 1, 1980. ~~The specific legislative act must require that the state to pay part of the cost of technical institute construction for post-secondary vocational purposes shall be financed by the state and that the district to pay part of the cost of construction for post-secondary vocational purposes shall be financed by the school district operating the technical institute.~~

(d) The district may levy an amount equal to the local share of the cost of technical institute construction ~~for post-secondary vocational purposes~~; minus the amount of any ~~unappropriated unreserved~~ net balance in the district's ~~post-secondary vocational~~ technical institute building construction fund. A district may levy the total amount authorized by this subdivision in one year, or a proportionate amount of the total authorized amount each year for up to three successive years.

(e) By the ~~July~~ August 1 before a district certifies the first levy pursuant to this subdivision for the ~~local share of any construction project~~, at least three weeks published notice of the proposed levy shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the purpose and duration of the proposed levy, ~~the duration of the proposed levy~~ and the amount of the proposed levy in dollars and mills. Upon petition within 20 days after the notice of the greater of (a) 50 voters, or (b) 15 percent of the number of voters who voted in the district at the most recent regular school board election, the board shall call a referendum on the proposed levy. The referendum shall be held on a date set by the school board, but no later than the ~~August~~ September

New language is indicated by underline, deletions by ~~strikeout~~.

20 before the levy is certified. The question on the ballot shall state the amount of the proposed levy in mills on the district's adjusted gross tax capacity and in dollars in the first year of the proposed levy.

(f) ~~For the purposes of this subdivision, "construction" includes the acquisition and betterment of land, buildings and capital improvements for technical institutes.~~

(g) A district may not levy for the cost of a construction project pursuant to this subdivision if it issues any bonds to finance any costs of the project.

Sec. 77. Minnesota Statutes 1988, section 354.094, subdivision 1a, is amended to read:

Subd. 1a. **EXCEPTION FOR LEAVES SINCE 1981-1982.** Notwithstanding subdivision 1, the following provisions apply to elementary; and secondary school and ~~area vocational~~ technical ~~school~~ institute teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year:

(a) A member whose application states the intention to pay employee contributions into the fund, requests state payment of employer contributions, and is approved by the commissioner within the limits of section 125.60, subdivision 7, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which shall not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution into the fund by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and the employing school board make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 78. Minnesota Statutes 1988, section 354.094, subdivision 1b, is amended to read:

Subd. 1b. **PRE-MAY 16, 1981 LEAVE EXCEPTION.** Notwithstanding subdivision 1, the following provisions apply only to elementary; and secondary; school and ~~area vocational~~ technical ~~school~~ institute teachers whose extended leaves began in the 1978-1979, 1979-1980, or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward

New language is indicated by underline, deletions by ~~strikeout~~.

annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 79. Minnesota Statutes 1988, section 354A.091, subdivision 1a, is amended to read:

Subd. 1a. **EXCEPTION FOR LEAVES SINCE 1981-1982.** Notwithstanding subdivision 1, the following provisions apply to elementary, and secondary school and ~~area vocational technical school~~ institute teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year:

(a) A member whose application states the intention to pay employee contributions to the applicable association, requests state payment of the employer contribution, and is approved by the commissioner within the limits of section 125.60, subdivision 7, may pay employee contributions to the applicable association and receive allowable service credit in that association for each year of leave during the period of the leave, which shall not exceed five years;

(b) The state shall pay employer contributions for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution to the applicable association by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and school teachers whose extended leaves began in the 1978-1979, 1979-1980 or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the applicable fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 80. Minnesota Statutes 1988, section 355.46, subdivision 3, is amended to read:

Subd. 3. **SOCIAL SECURITY CONTRIBUTIONS.** The employer taxes

New language is indicated by underline, deletions by ~~strikeout~~.

due with respect to employment by educational employees who have made their selection pursuant to section 218(d)(6)(C) of the Social Security Act, shall be paid in the following manner:

(a) Contributions required to be made for current service by political subdivisions employing educational employees and payments required by section 355.49 shall be paid by the political subdivision. Payments for school district or ~~area vocational~~ technical institute employees who are paid from normal operating funds, shall be made from the appropriate fund of the district or ~~area vocational~~ technical institute. The state shall make payments for services rendered prior to July 1, 1986.

(b) Contributions required to be made with respect to educational employees of state departments and institutions and payments required by section 355.49 shall be paid by the departments and institutions in accordance with the provisions of sections 355.49 and 355.50.

Sec. 81. Laws 1988, chapter 703, article 1, section 23, is amended to read:

Sec. 23. FACULTY EXCHANGE PROGRAM.

Subdivision 1. **ESTABLISHMENT.** A program of faculty exchange for the ~~1988-1989~~ 1989-1990 and 1990-1991 academic ~~year years~~ is established to allow school districts and post-secondary institutions to arrange temporary exchanges between members of their instructional ~~staff~~ staffs. These arrangements must be made on a voluntary, cooperative basis between ~~the a~~ school district and ~~the~~ post-secondary institution, or between post-secondary institutions. Exchanges between post-secondary institutions may occur between campuses in the same system or in different systems.

Subd. 2. **USES OF PROGRAM.** Each participating school district and post-secondary institution may determine the way in which the instructional staff member's time is to be used, but it must be in a way that promotes understanding of the needs of each educational system or institution. A public school teacher might be used to teach courses, provide counseling and tutorial services, assist with the preparation of future teachers, or take professional development courses. A post-secondary instructor might teach advanced placement courses or other classes to aid an underserved population at the school district, counsel students about future education plans, or work with teachers to better prepare students for post-secondary education. Participation need not be limited to one school or institution and may involve other groups including educational cooperative service units.

Subd. 3. **SALARIES, BENEFITS, CERTIFICATION.** Exchanges made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. Notwithstanding Minnesota Statutes, sections 123.35, subdivision 6, and 125.04, a member of the instructional staff of a post-secondary institution may teach in an elementary or secondary school or perform a service, agreed upon according to this section, for which a license would other-

New language is indicated by underline, deletions by ~~strikeout~~.

wise be required without holding the applicable license. In addition, a licensed employee of a school district may teach or perform a service, agreed upon according to this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A school district is not subject to Minnesota Statutes, section 124.19, subdivision 3, as a result of entering into an agreement according to this section that enables a post-secondary instructional staff member to teach or provide services in the district. All arrangements and details regarding the exchange must be mutually agreed to by the each participating school district and post-secondary institution before implementation.

Subd. 4. REPORT OF PILOT PROGRAMS. While these exchanges are voluntary, the legislature intends to maintain oversight to determine the benefits and problems of the program. By February 1, ~~1989~~ 1991, each post-secondary system shall submit a report about the faculty exchange program to the chairs of the house education, higher education, and appropriations committees and the senate education and finance committees. The report shall contain the number of instructional staff participating in the exchange, areas of instruction, costs associated with the exchange, use of appropriations, and other relevant issues related to the exchange.

Sec. 82. EXCHANGES BETWEEN EDUCATION FACULTY.

Subdivision 1. AUTHORITY, LIMITS. The state university board and the board of regents of the University of Minnesota may develop programs to exchange faculty between colleges or schools of education and school districts, subject to section 81, subdivision 3.

The programs must be used to assist in improving teacher education by involving current teachers in education courses and placing post-secondary faculty in elementary and secondary classrooms. Programs must include exchanges that extend beyond the immediate service area of the institution to address the needs of different types of schools, students, and teachers.

Subd. 2. COMPENSATION. The appropriations provided to the board of regents of the University of Minnesota and the state university board in the omnibus elementary and secondary education finance act, 1989 H.F. No. 654, are to defray the costs of participants in the faculty exchange under this section. They are intended to compensate for expenses that are unavoidable and beyond the normal living expenses exchange participants would incur if they were not involved in this exchange. The state university board, the board of regents of the University of Minnesota, and their respective campuses, in conjunction with the participating school districts, must control costs for all participants as much as possible, through means such as arranging housing exchanges, providing campus housing, and providing university, state, or school district cars for transportation. Additionally the boards and campuses may seek other sources of funding to supplement these appropriations if necessary.

Sec. 83. EMERGENCY RULES.

New language is indicated by underline, deletions by ~~strikeout~~.

The higher education coordinating board may adopt emergency rules, as provided under Minnesota Statutes, sections 14.29 to 14.36, for awarding child care grants for the 1989-1990 academic year. The board shall consult with its financial aid advisory committee and the higher education advisory council before adopting the rules.

Sec. 84. TWO-WAY INTERACTIVE TELEVISION SYSTEMS.

The information policy office in the department of administration, and the information policy advisory task force, shall consult with representatives of the HECB, the public post-secondary governing boards, private colleges, and the department of education, when developing the communications and technology capabilities, plans, and needs of state government. The criteria developed by the instructional technology task force, as reported to the 1989 legislature, shall be utilized for evaluating any projects or systems. A report shall be submitted on the activities, plans, financial implications, and anticipated outcomes, to the chairs of the finance and appropriation committees by February 15, 1990. Until the report is received by the legislature, the public post-secondary systems may not initiate action to purchase, contract for, or otherwise commit themselves to new two-way interactive television equipment, or to systems or service (other than maintenance agreements), that expand the capacity of two-way interactive television, beyond those which are contracted for prior to enactment of this act.

Sec. 85. REPEALER.

Subdivision 1, JUNE 30, 1989. Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136A.042; 136A.111; 136A.121, subdivision 15; 136A.14; 136A.141; 136A.142; 136A.51; 136A.52; 136A.53; 136A.55; 136C.07, subdivisions 1, 2, 3, and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; 136C.43, subdivisions 1, 2, and 3; 256H.07; and 256H.13 are repealed June 30, 1989.

Subd. 2, JUNE 30, 1990. Minnesota Statutes 1988, sections 136A.09; 136A.101, subdivision 6; 136A.121, subdivisions 1 and 4; and 136A.225 are repealed June 30, 1990.

Sec. 86. EFFECTIVE DATE.

Section 4, subdivision 4; section 5, subdivision 4; and section 84 are effective the day following final enactment.

Presented to the governor May 30, 1989

Signed by the governor May 30, 1989, 12:43 p.m.

New language is indicated by underline, deletions by ~~strikeout~~.