

(3) conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;

(4) sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;

(5) with intent that it shall be so used, manufactures, sells or offers for sale, in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, and any facility for conducting a lottery, except as provided by section 349.40;

(6) receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so; or

(7) pays any compensation for game credits earned on or otherwise rewards, with anything of value other than free plays, players of video games of chance as defined under in section 349.50, subdivision 8, or who directs an employee to pay any such compensation or reward.

(b) On conviction of a person for the crime established in paragraph (a), clause (7), the court shall impose a fine of not less than \$700.

Sec. 18. REPEALER.

Minnesota Statutes 1989 Supplement, sections 349.22, subdivision 3; and 349.502, subdivision 2, are repealed.

Sec. 19. EFFECTIVE DATE; APPLICATION.

Sections 1 to 18 are effective August 1, 1990. Sections 4 to 12, 14, 17, and 18 apply to violations committed on or after that date.

Presented to the governor April 28, 1990

Signed by the governor May 4, 1990, 11:02 p.m.

CHAPTER 591—S.F.No. 2618

An act relating to public administration; appropriating money or reducing appropriations to the higher education coordinating board, regents of the University of Minnesota, state university board, state board for community colleges, and state board of vocational technical education, with certain conditions; clarifying the duties and powers of the higher education coordinating board; expanding authorization for tuition reciprocity agreements; regulating off-campus centers; establishing rural health programs, and a public safety officer's survivor benefits program; providing for planning, operations, and acquisitions; regulating public post-secondary education system plans; requiring reports; adjusting contributions to

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state system retirement plans; amending Minnesota Statutes 1988, sections 136.62, by adding a subdivision; 136A.15, as amended; 136C.04, by adding a subdivision; 136C.05, by adding a subdivision; 136C.08, subdivision 2; 137.022, subdivisions 1 and 3; 352.92, subdivision 2; 352B.02, subdivision 1c; and 354.42, subdivision 5; Minnesota Statutes 1989 Supplement, sections 16B.335, subdivision 2; 135A.06, subdivision 3, and by adding a subdivision; 136.03, by adding a subdivision; 136A.04; 136A.05; 136A.08; and 352.04, subdivisions 2 and 3; Laws 1989, chapter 293, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 136A, 137, and 299A; repealing Minnesota Statutes 1988, sections 176B.01, as amended; 176B.02; 176B.03; 176B.04; and 176B.05.

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

ARTICLE 1

APPROPRIATIONS

Section 1. APPROPRIATIONS FOR HIGHER EDUCATION.

The dollar amounts in the columns under "APPROPRIATIONS" are added to (or, if shown in parentheses, are subtracted from) the appropriations in Laws 1989, chapter 293, or other law to the specified agencies. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figure 1990 or 1991 means that the addition to or subtraction from the appropriations listed under the figure are for the fiscal year ending June 30, 1990, or June 30, 1991, respectively. If only one figure is shown in the text for a specified purpose, the addition or subtraction is for 1991 unless the context intends another fiscal year.

SUMMARY BY FUND

	1990	1991	TOTAL
GENERAL	\$(9,783,400)	\$(11,276,600)	\$(21,060,000)

Summary by Agency — All Funds

Higher Education			
Coordinating Board	(9,783,400)	(4,097,100)	(13,880,500)
State Board of Vocational Technical Education		(1,583,500)	(1,583,500)
State Board for Community College		(1,076,500)	(1,076,500)
State University Board		(1,930,100)	(1,930,100)
Regents of the University of Minnesota		(2,589,400)	(2,589,400)
		APPROPRIATIONS	
		Available for the Fiscal Year	
		Ending June 30	
		1990	1991

Sec. 2. HIGHER EDUCATION COORDINATING BOARD - TOTAL

(9,783,400) (4,097,100)

Subdivision 1. Agency Administration

Affiliate membership in the Western Interstate Commission on Higher Education.
46,300

Subd. 2. State Grants

(9,783,400) (5,033,400)

The HECB shall study ways to redefine the cost of living allowance to more accurately reflect actual costs of living. The board shall examine ways to develop cost of living categories to differentiate among students with different living arrangements and family responsibilities, including child care. The board shall examine whether other items involved in the cost of living should be used in determining categories. The board shall report its findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1991.

The HECB shall examine the feasibility of using a student loan program, including the SELF program, to assist students whose eligibility for child care grants has expired. The board shall report its findings and recommendations to the education divisions of the house appropriations and senate finance committees by February 1, 1991.

The HECB shall review the percentage of child care grant money authorized for administrative costs on campuses, report on its expenditures of this money, and make any recommendations for changing the percentage levels to the education divisions of the house appropriations and senate finance committees as part of its 1991 biennial budget request.

The HECB shall work with the Minnesota Association of Financial Aid Administrators to simplify the procedures and methods required to calculate child care grants. The HECB shall report on its progress towards simplification as part of its 1991 biennial budget request.

During the biennium, a campus, post-secondary system, or school district must not reallocate child care program administration money, unless the money is reallocated to child care grants.

The HECB shall amend its child care grant rules to include provisions for campuses that contract with counties for program administration. The rules shall make the campuses accountable for county decisions related to the program, and shall require the campuses to develop on-campus mechanisms for student appeals.

Subd. 3. Interstate Tuition Reciprocity
750,000

If an unencumbered balance is projected in the appropriation for the state grant program after October 1, 1990, the HECB may transfer funds to the appropriation for Interstate Tuition Reciprocity. Prior to the transfer, the HECB shall seek the advisory recommendation of the legislative advisory commission.

Subd. 4. Rural Health Programs
140,000

Of this amount, \$120,000 is for pre-nursing grants and \$20,000 is for program administration.

Subd. 5. The higher education coordinating board may transfer unencumbered balances from the appropriations in this section to the state 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 - TOTAL

(1,583,500)

Subdivision 1. General Base Reduction
(840,500)

Subd. 2. Teachers' Retirement Plan Employers' Contribution
(793,000)

Subd. 3. State Council on Vocational Technical Education
50,000

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES - TOTAL

(1,076,500)

Subdivision 1. General Base Reduction
(466,500)

Subd. 2. Teachers' Retirement Plan and Minnesota State Retirement System Employers' Contribution
(610,000)

Sec. 5. STATE UNIVERSITY BOARD - TOTAL

(1,930,100)

Subdivision 1. General Base Reduction
(858,100)

Subd. 2. Teachers' Retirement Plan and Minnesota State Retirement System Employers' Contribution
(1,072,000)

Subd. 3. Authorized Transfer

The appropriation in Laws 1987, chapter 400, section 19, subdivision 4, item (c), may be used to acquire land adjacent to, or in the vicinity of, Moorhead State University as needed to develop

the campus, and may be used to construct parking spaces on the campus.

Sec. 6. REGENTS OF THE
UNIVERSITY OF MINNESOTA -
TOTAL

(2,589,400)

Subdivision 1. Enrollment Projections

With respect to Laws 1989, chapter 293, section 6, subdivision 2(a), the 7th paragraph, the regular session enrollment projected for the appropriation is 35,679 full-year equivalent undergraduate students for the first year and 33,750 for the second year. For developing the next biennial budget request, the regular session undergraduate enrollment used for the average cost funding formula must not exceed these numbers. 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 legislature further anticipates that the regular session full-year equivalent undergraduate students must not exceed 31,600 by fiscal year 1993. 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.

Subd. 2. General Base Reduction
(2,235,400)

Subd. 3. Minnesota State Retirement
System Employers' Contribution
(554,000)

Subd. 4. Rural Physicians' Associates
Program
200,000

\$200,000 is to increase participation in the rural physicians' associates program.

The Minnesota Medical Association shall assist the university's effort by locating the preceptors for the program. The board of regents shall report, as part of its 1991 biennial budget request, on the feasibility of increasing the participation to approximately 40 students per year, on the need to increase the subsidy per student, and on the cost implications of these increases.

Sec. 7. POST-SECONDARY SYSTEMS

Subdivision 1. The public post-secondary governing boards, the department of finance, and the department of administration shall develop jointly a set of detailed criteria to assist the legislature in making decisions on child care facility requests. The boards and departments shall submit a joint report to the education divisions of the house appropriations and senate finance committees by March 1, 1991.

Subd. 2. Each public higher education system shall develop a parking plan. The plan shall include consideration of establishing parking fees for each campus at a level that will provide adequate revenue to construct, repair, and maintain the parking lots. The plan must be submitted to the legislature in the 1991 biennial budget document.

ARTICLE 2

PENSIONS

Section 1. Minnesota Statutes 1989 Supplement, section 352.04, subdivision 2, is amended to read:

Subd. 2. **EMPLOYEE CONTRIBUTIONS.** The employee contribution to the fund must be equal to ~~4.34~~ 4.15 percent of salary; ~~beginning with the first full pay period after June 30, 1989.~~ These contributions must be made by deduction from salary as provided in subdivision 4.

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

Sec. 2. Minnesota Statutes 1989 Supplement, section 352.04, subdivision 3, is amended to read:

Subd. 3. **EMPLOYER CONTRIBUTIONS.** (a) The employer contribution to the fund must be equal to ~~4.51~~ 4.29 percent of salary ~~beginning with the first full pay period after June 30, 1989.~~

(b) By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the employer and employee contribution rates in effect and whether the total amount is less than, the same as, or more than the actuarial requirement determined under section 356.215.

Sec. 3. Minnesota Statutes 1988, section 352.92, subdivision 2, is amended to read:

Subd. 2. **EMPLOYER CONTRIBUTIONS.** ~~Beginning with the first full pay period after July 1, 1984,~~ (a) In lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees an amount equal to ~~8.70~~ 6.27 percent of salary.

(b) By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the employer and employee contribution rates in effect and whether the total amount is less than, the same as, or more than the actuarial requirement determined under section 356.215.

Sec. 4. Minnesota Statutes 1988, section 352B.02, subdivision 1c, is amended to read:

Subd. 1c. **EMPLOYER CONTRIBUTIONS.** (a) In addition to member contributions, department heads shall pay a sum equal to ~~18.9~~ 14.88 percent of the salary upon which deductions were made, which shall constitute the employer contribution to the fund. Department contributions must be paid out of money appropriated to departments for this purpose.

(b) By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the employer and employee contribution rates in effect and whether the total amount is less than, the same as, or more than the actuarial requirement determined under section 356.215.

Sec. 5. Minnesota Statutes 1988, section 354.42, subdivision 5, is amended to read:

Subd. 5. **ADDITIONAL EMPLOYER CONTRIBUTION.** To amortize

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

the unfunded actuarial accrued liability computed under the entry age actuarial cost method and disclosed under the annual actuarial valuations prepared by the commission-retained actuary under section 356.215, an additional employer contribution shall be made in the amount of ~~4.48~~ 3.64 percent of the salary of each member.

This contribution ~~shall~~ must be made in the manner provided in section 354.43.

By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the additional employer contribution rate in effect and whether that amount is less than, the same as, or more than the required amortization contribution determined under section 356.215.

Sec. 6. STATE-PAID HEALTH INSURANCE; CERTAIN EMPLOYEES.

An executive branch employee who is covered by a retirement plan established under Minnesota Statutes, chapter 352 or 352B, or an employee of the Minnesota state retirement system, the teachers retirement association, or the public employees retirement association, is eligible for state-paid hospital, medical, and dental benefits if the person:

- (1) is eligible for state-paid insurance under Minnesota Statutes, section 43A.18, or other law;
- (2) has at least 25 years of state service;
- (3) upon retirement is immediately eligible for a retirement annuity;
- (4) is at least 55 and not yet 65 years of age; and
- (5) retires after the effective date of this section and before July 1, 1990.

An employee who is eligible both for the health insurance benefit under this section and for an early retirement incentive under a collective bargaining agreement or plan established under Minnesota Statutes, section 43A.18, must choose between that early retirement incentive and the benefit provided under this section and may not have both. For purposes of this section, a person retires when the person terminates active employment in state service and applies for a retirement annuity. The retired employee is eligible for coverages to which the person was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under Minnesota Statutes, section 43A.18, for employees in positions equivalent to the position from which they retired. The retired employee is not eligible for state-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity for which the employee

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

has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

An employee who retires under this section using the Rule of 90 must not be included in the calculations required by Minnesota Statutes, section 356.85.

Sec. 7. APPROPRIATION REDUCTIONS.

The sums shown in parentheses are reduced from the appropriations from the general fund, or another named fund, for the fiscal year ending June 30, 1990, to the agencies indicated.

<u>(a) General fund</u>	<u>(2,206,000)</u>
<u>(b) Trunk highway fund</u>	<u>(1,864,000)</u>
<u>(c) Other funds</u>	<u>(1,149,000)</u>

With the exception of appropriations made to the University of Minnesota, the Community College System, the Technical College System, and the State University System, the commissioner of finance shall reduce each state agency's fiscal year 1991 appropriation by an amount equal to the sum of:

(1) .22 percent of the agency's fiscal year 1991 salaries paid to employees covered by the general state employee retirement plan established in Minnesota Statutes, chapter 352.

(2) 2.43 percent of the agency's fiscal year 1991 salaries paid to employees covered by the correctional employees retirement plan established in Minnesota Statutes, chapter 352.

(3) 4.02 percent of the agency's fiscal year 1991 salaries paid to employees covered by the state patrol retirement plan established in Minnesota Statutes, section 352B.02.

(4) .84 percent of the agency's fiscal year 1991 salaries paid to employees covered by the teacher's retirement plan established in Minnesota Statutes, chapter 354.

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

The appropriation reductions made under this section are permanent reductions to each agency's budget.

Sec. 8. EFFECTIVE DATES.

Sections 1 to 5 are effective July 1, 1990, and apply to pay periods beginning with the first full pay period after June 30, 1990.

Section 6 is effective the day following final enactment.

ARTICLE 3

PLANNING AND OPERATIONS

Section 1. LEGISLATIVE INTENT.

During the biennium, to ensure fiscal responsibility and to protect current levels of academic quality and funding, the legislature intends that greater oversight be given to (1) the development and establishment of off-campus post-secondary centers, permanent sites, and other large-scale or long-term operations that are intended to provide academic programs, courses, or student services; and (2) the management of enrollment on and off campus.

Sec. 2. Minnesota Statutes 1989 Supplement, 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;

(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;

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

(4) a review of the current and projected use of community outreach and extension programs ~~including information~~ on all off-campus sites, including at least information for each site from the inventory established in section 9;

(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;

(6) estimated financial costs and savings of alternative plans for (i) adjusting facilities, staff, and programs to changing enrollments and fiscal resources, and (ii) managing enrollments and resources to better utilize existing facilities and staff, and to protect academic quality;

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

(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. 3. Minnesota Statutes 1989 Supplement, section 135A.06, is amended by adding a subdivision to read:

Subd. 6. SUBMISSION TO LEGISLATURE. Each public post-secondary governing board shall submit the information on off-campus sites required in subdivision 3, clause (4), to the legislature with its biennial budget request in odd-numbered years, and shall update the information with its supplemental budget request in the even-numbered years. The board shall provide detailed information on the use of state appropriated funds in support of each site, including information on the effects on campuses of funding off-campus sites.

Sec. 4. Minnesota Statutes 1989 Supplement, section 136.03, is amended by adding a subdivision to read:

Subd. 3. The state board and the state universities must not establish any off-campus centers or other permanent sites located off state university campuses to provide academic programs, courses, or student services without authorizing legislation. For the purposes of this subdivision, the campus of Metropolitan State University is the seven-county metropolitan area.

Sec. 5. Minnesota Statutes 1988, section 136.62, is amended by adding a subdivision to read:

Subd. 8. The state board and the community colleges must not establish any off-campus centers or other permanent sites located off community college campuses to provide academic programs, courses, or student services without authorizing legislation.

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

Sec. 6. Minnesota Statutes 1989 Supplement, section 136A.04, is amended to read:

136A.04 DUTIES.

Subdivision 1. The higher education coordinating board shall:

(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;

(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;

(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;

(4) review, approve or disapprove, make recommendations, and identify priorities with respect to all proposals for new ~~or~~, additional, or changes in existing programs or large-scale or permanent sites 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, public post-secondary institutions~~ and, with respect to programs only, private ~~collegiate and noncollegiate~~ post-secondary institutions. The board shall forward its recommendations on sites to the chairs of the house appropriations and senate finance committees. The board shall also periodically review existing programs and recommend discontinuing or modifying any existing program. When reviewing ~~new or existing programs~~ a site or program, the board shall consider whether ~~the program~~ it 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;

(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~~ public post-secondary institutions, which includes the relating of dollars to program output;

(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~~ public post-secondary institutions 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

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extent to which the expenditures and accomplishments are consistent with legislative intent;

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

(8) continuously monitor and study the transferability of credits between Minnesota post-secondary ~~and higher education~~ institutions of credits, earned for equal 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 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 state director of vocational technical education.

Sec. 7. Minnesota Statutes 1988, section 136C.04, is amended by adding a subdivision to read:

Subd. 20. The state board and the technical colleges must not establish any off-campus centers or other permanent sites located off technical college campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 8. [137.37] OFF-CAMPUS SITES AND CENTERS.

The board of regents and the university campuses are requested to not establish any off-campus centers or other permanent sites located off university campuses to provide academic programs, courses, or student services without authorizing legislation.

Sec. 9. INVENTORY.

Subdivision 1. HECB. By November 1, 1990, the higher education coordinating board shall compile an inventory of all existing off-campus sites and centers for each post-secondary system and institution that includes at least the following information: total full year equivalent and head count enrollment, number of course offerings in each field of study, degrees available and number awarded, location and type of facilities, leasing or other arrangements and cost, and the amount and sources of funding. The board shall also compile an inventory of program offerings on the campuses and at the off-campus sites.

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

Subd. 2. HEAC. The higher education advisory council, in cooperation with the higher education coordinating board, shall determine categories of off-campus sites and criteria to use in placing sites within categories.

Subd. 3. HECB. The higher education coordinating board, and the post-secondary governing boards, shall review the categories and criteria and the information included in the inventory to determine whether these are sufficient for incorporating into system planning activities and enhanced program review activities. As part of its review, the HECB shall examine duplication in programs offered on and off campus and the level of the systems' cooperative efforts. The board shall also consider overlap in system missions. The HECB shall report its findings and recommendations to the house appropriations and senate finance committees by February 15, 1991.

Sec. 10. CONDITIONS.

(a) The state university board, the state board for community colleges, the state board of vocational technical education, and their respective campuses must not enter into new long-term lease arrangements, significantly increase the course offerings at off-campus sites, enter any 2 + 2 arrangements, or significantly increase staffing levels for off-campus sites between the effective date of this section and the end of the 1990-1991 academic year. A current long-term lease may be renewed if it expires during this period. The board of regents is requested to abide by these conditions until the end of the 1990-1991 academic year.

(b) This section does not apply to actions of Metropolitan State University that are part of its plan to consolidate its sites in the seven-county metropolitan area. The state university board shall consult with the chairs of the house appropriations and senate finance committees in carrying out its plans. For purposes of this paragraph, "plan to consolidate" does not include entering into any 2 + 2 arrangements.

Sec. 11. ENROLLMENT REPORT.

Each public post-secondary governing board, excluding the board of regents, shall develop a plan for managing enrollments. The plan must include consideration of methods of: encouraging better student preparation, redistributing selected students or programs, encouraging students to complete programs earlier, using existing space more efficiently, changing marketing strategies, and reducing duplication of programs by suggesting which academic and technical programs or courses would most appropriately be offered on each existing campus in the state university, community college, and technical college system. The plan must address ways in which each campus can provide sufficient access and preserve or improve quality, given its present physical capacity and funding level. Each plan shall be submitted to HECB for review and comment by December 1, 1990. The HECB shall submit the plans and its review to the house education and appropriations and senate education and finance commit-

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

tees by February 15, 1991. The board of regents shall submit information on its enrollment management, the effects of its enrollment changes, and other measures of its progress in improving its quality of education to the committees by the same date.

Sec. 12. SYSTEM PLANS.

Subdivision 1. ALL SYSTEMS. Notwithstanding Minnesota Statutes, section 135A.06, in place of system plans, the public post-secondary systems shall submit plans for providing undergraduate and practitioner-oriented graduate programs in the seven-county metropolitan area to the higher education coordinating board.

Additionally, each public post-secondary governing board shall review its current mission statement. Each board shall determine whether the statement accurately reflects its mission and the role of its system in the mission differentiation efforts, and recommend any changes its statement requires. The boards shall submit their mission statements and recommendations to the higher education coordinating board with their metropolitan area plans by December 1, 1990.

The higher education coordinating board shall review and comment on the plans and mission statements and report to the legislature and governor by February 15, 1991.

Sec. 13. EFFECTIVE DATES.

Subdivision 1. Sections 1, 4, 5, and 7 to 12 are effective the day following final enactment.

Subd. 2. Section 6 is effective July 1, 1991.

ARTICLE 4

RURAL HEALTH PROGRAMS

Section 1. [136A.1351] DEFINITION; DESIGNATED RURAL AREA.

In sections 136A.1352 and 136A.1355, "designated rural area" means a Minnesota community outside a ten-mile radius of a ranally area, which community: (1) has more than 2,000 persons per physician, including seasonal variation; and (2) has notified the higher education coordinating board of its need for a physician or nurse for the community.

For purposes of this definition, "ranally area" means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile

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

and the work force of the other communities significantly depends on the central city or cities.

Sec. 2. [136A.1352] PRE-NURSING GRANTS.

Subdivision 1. ESTABLISHMENT. The higher education coordinating board shall provide grants to students who are entering or enrolled in registered nurse or licensed practical nurse programs, who have no previous nursing training or education, and who agree to practice in a designated rural area.

Subd. 2. ELIGIBILITY. (a) To be eligible to receive a grant, a student must be:

(1) a resident of the state of Minnesota;

(2) enrolled in a Minnesota school, college, or program of nursing to complete an educational program that would lead to the student's first licensure as a licensed practical nurse or as a registered nurse;

(3) willing to agree to serve at least three of the first five years following licensure in a designated rural area; and

(4) able to meet the financial need criteria established in section 136A.121 and board rules.

(b) The grant must be awarded for one academic year, but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent, but cannot continue after receipt of the nursing degree or certificate.

Subd. 3. PRIORITY. If insufficient funds are available to meet the needs of all eligible applicants, the board shall give priority to applicants who reside in a designated rural area and applicants attending post-secondary institutions outside the seven-county metropolitan area.

Subd. 4. DETERMINATION OF NEED; AMOUNT OF AWARD. The determination of a student's need and the amount of a grant award must be based on the criteria established in section 136A.121 and related board rules. A grant under this section does not affect a recipient's eligibility for a state grant under section 136A.121.

Sec. 3. [136A.1353] NURSING GRANT PROGRAM FOR LICENSED PRACTICAL NURSES.

Subdivision 1. ESTABLISHMENT. A nursing grant program is established under the authority of the higher education coordinating board to provide grants to licensed practical nurses who are entering or enrolled in an educational program that would lead to licensure as a registered nurse.

Subd. 2. ELIGIBILITY. To be eligible to receive a grant, a student must be:

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

(1) a resident of the state of Minnesota;

(2) a licensed practical nurse enrolled in a Minnesota school, college, or program of nursing to complete an educational program that would lead to licensure as a registered nurse; and

(3) eligible under any additional criteria established by the school, college, or program of nursing in which the student is enrolled.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. RESPONSIBILITY OF NURSING PROGRAMS. Each school, college, or program of nursing that wishes to participate in the nursing grant program must apply to the higher education coordinating board for grant money, according to rules and policies established by the board. A school, college, or program of nursing must establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the nursing educational program and must give priority to students with the greatest financial need. Grants must be for a minimum of \$500, but must not exceed \$2,500 per year. Each school, college, or program of nursing must establish procedures for students to apply for and receive grants.

Subd. 4. RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD. The higher education coordinating board shall distribute funds each year to the schools, colleges, or programs of nursing applying to participate in the nursing grant program based on the last academic year's enrollment of students in educational programs that would lead to licensure as a licensed practical nurse. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested schools, colleges, or programs of nursing. Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant school, college, or program of nursing of its approximate allocation of funds in order to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute funds to the schools, colleges, or programs of nursing by August 1, 1991, and by August 1 of each later year.

Subd. 5. REPORT. The schools, colleges, or programs of nursing participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Sec. 4. [136A.1354] NURSING GRANT PROGRAM FOR REGISTERED NURSES.

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Subdivision 1. ESTABLISHMENT. A nursing grant program is established under the authority of the higher education coordinating board to provide grants to registered nurses seeking to complete baccalaureate or master's degrees in nursing or a program of advanced nursing education.

Subd. 2. ELIGIBILITY. To be eligible to receive a grant, a student must be:

(1) licensed as a registered nurse in Minnesota and have been employed as a nurse in the state for at least one year before re-enrolling in college;

(2) a resident of the state of Minnesota;

(3) enrolled in a Minnesota school or college of nursing to complete a baccalaureate or master's degree, or a program of advanced nursing education; and

(4) eligible under any additional criteria established by the school, college of nursing, or program of advanced nursing education, in which the student is enrolled.

The grant must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent.

Subd. 3. RESPONSIBILITY OF NURSING PROGRAMS. Each school or college of nursing, or program of advanced nursing education, that wishes to participate in the nursing grant program must apply to the higher education coordinating board for money, according to rules and policies established by the board. A school or college of nursing, or program of advanced nursing education, must establish criteria to use in awarding the grants. The criteria must include consideration of the likelihood of a student's success in completing the educational program and must give priority to: (1) students with the greatest financial need; and (2) students enrolling to complete baccalaureate degrees in nursing. Grants must be for a minimum of \$500, but must not exceed \$2,500 per year. Each school or college of nursing, or program of advanced nursing education, must establish procedures for students to apply for and receive grants.

Subd. 4. RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD. The higher education coordinating board shall distribute funds each year to the schools or colleges of nursing, or programs of advanced nursing education, applying to participate in the nursing grant program based on the last academic year's enrollment of registered nurses in schools or colleges of nursing, or programs of advanced nursing education. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested schools or colleges of nursing, or programs of advanced nursing education. Initial applications are due by January 1, 1991, and by January 1 of each later year. By March 1, 1991, and by March 1 of each later year, the board shall notify each applicant school or college of nursing, or

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program of advanced nursing education, of its approximate allocation of money to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute money to the schools or colleges of nursing, or programs of advanced nursing education, by August 1, 1991, and by August 1 of each later year.

Subd. 5. REPORT. The schools or colleges of nursing, or programs of advanced nursing education, participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Sec. 5. [136A.1355] RURAL PHYSICIAN EDUCATION ACCOUNT.

Subdivision 1. CREATION OF ACCOUNT. A rural physician education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for medical students agreeing to practice in designated rural areas.

Subd. 2. ELIGIBILITY. To be eligible to participate in the program, a prospective physician must submit a letter of interest to the higher education coordinating board while attending medical school. Before completing the first year of residency, a student or resident must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Subd. 3. LOAN FORGIVENESS. The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 4. PENALTY FOR NONFULFILLMENT. If a participant does not fulfill the required three-year minimum commitment of service in a designated rural area, the higher education coordinating board shall collect from the participant the amount paid by the board under the loan forgiveness program. The higher education coordinating board shall deposit the money collected in the rural physician education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the three-year service commitment.

Sec. 6. HECB EVALUATION.

The higher education coordinating board shall evaluate the programs established in sections 2 to 5. The initial evaluation must examine the progress in

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establishing the programs and must be reported to the house appropriations and senate finance committees by February 1, 1991. Beginning in 1992, and each year thereafter, the HECB shall report to the committees by February 1 on the operation of each program. The report must include an analysis of whether each program is achieving its goals and recommendations regarding whether each program should be terminated or changed.

Sec. 7. RULES.

The higher education coordinating board shall develop rules, including emergency rules if necessary, to implement the programs in sections 2 to 5. The emergency rules shall be effective until July 1, 1991.

Sec. 8. FUNDING.

Sections 3 and 4 are funded as provided in the 1990 health and human services supplemental appropriations act.

Sec. 9. SUNSET.

Sections 1 to 6 are repealed on June 30, 1995.

ARTICLE 5

PUBLIC SAFETY OFFICER'S SURVIVOR BENEFITS

Section 1. [299A.41] DEFINITIONS.

Subdivision 1. SCOPE. The definitions used in this section apply in this chapter.

Subd. 2. DEPENDENT CHILD. A "dependent child" means a person who is unmarried and who was either living with or was receiving support contributions from the public safety officer at the time of death, including a child by birth, a stepchild, an adopted child, or a posthumous child, and who is:

(1) under 18 years of age;

(2) over 18 years of age and incapable of self-support because of physical or mental disability; or

(3) over 18 years of age and a student as defined by United States Code, title 5, section 8101.

Subd. 3. KILLED IN THE LINE OF DUTY. "Killed in the line of duty" does not include deaths from natural causes.

Subd. 4. PUBLIC SAFETY OFFICER. "Public safety officer" includes:

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(1) a peace officer defined in section 626.84;

(2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;

(3) a firefighter employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in the hazards of firefighting;

(4) a legally enrolled member of a volunteer fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

(5) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;

(6) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;

(7) a driver or attendant with a licensed basic or advanced life support transportation service who is engaged in providing emergency care; and

(8) a first responder who is certified by the commissioner of health to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service recognized by a local political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance.

Subd. 5. SPOUSE. "Spouse" means a person legally married to the decedent at the time of the decedent's death.

Sec. 2. [299A.42] PUBLIC SAFETY OFFICER'S BENEFIT ACCOUNT.

The public safety officer's benefit account is created in the state treasury. Money in the account consists of money transferred and appropriated to that account.

Sec. 3. [299A.43] ELIGIBILITY DETERMINATION; CONTESTED CASE.

A challenge to a determination of eligibility by the commissioner of public safety must be heard as a contested case, except that the decision of the administrative law judge is binding on the parties to the proceeding. The order of the administrative law judge is the final decision of the commissioner. The hearing must be conducted according to sections 14.56 to 14.62 and is subject to appeal according to sections 14.63 to 14.68.

Sec. 4. [299A.44] DEATH BENEFIT.

On certification to the governor by the commissioner of public safety that a public safety officer employed within this state has been killed in the line of

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duty, leaving a spouse or one or more eligible dependents, the commissioner of finance shall pay \$100,000 from the public safety officer's benefit account, as follows:

- (1) if there is no dependent child, to the spouse;
- (2) if there is no spouse, to the dependent child or children in equal shares;
- (3) if there are both a spouse and one or more dependent children, one-half to the spouse and one-half to the child or children, in equal shares;
- (4) if there is no surviving spouse or dependent child or children, to the parent or parents dependent for support on the decedent, in equal shares; or
- (5) if there is no surviving spouse, dependent child, or dependent parent, then no payment may be made from the public safety officer's benefit fund.

Sec. 5. [299A.45] EDUCATION BENEFIT.

Subdivision 1. ELIGIBILITY. Following certification under section 4 and compliance with this section and rules of the commissioner of public safety and the higher education coordinating board, dependent children less than 23 years of age and the surviving spouse of a public safety officer killed in the line of duty on or after January 1, 1973, are eligible to receive educational benefits under this section. To qualify for an award, they must be enrolled in undergraduate degree or certificate programs after June 30, 1990, at 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. Persons who have received a baccalaureate degree or have been enrolled full time or the equivalent of eight semesters or 12 quarters, whichever occurs first, are no longer eligible.

Subd. 2. AWARD AMOUNT. (a) The amount of the award is:

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

(2) for private institutions the lesser of (i) the actual tuition and fees charged by the institution or (ii) the highest tuition and fees charged by a public institution in Minnesota.

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

Subd. 3. PAYMENT. On proof of eligibility for this program, an eligible institution, on behalf of the student, shall request payment of the award from the higher education coordinating board. An institution must not request payment unless the student is enrolled in or has completed the term for which the payment is intended.

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Subd. 4. RENEWALS. Each award must be given for one academic year and is renewable for a maximum of six semesters or nine quarters or their equivalent. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.

Sec. 6. [299A.46] RULES.

The commissioner of public safety may adopt rules, including emergency rules, under chapter 14 to implement, coordinate, and administer sections 1 to 4. The higher education coordinating board may adopt rules, including emergency rules, to implement, coordinate, and administer section 5.

Sec. 7. REPORTS.

By February 1, 1991, the commissioner of public safety shall report to the chairs of the house appropriations and senate finance committees on the use of the educational benefits provisions and on any recommendations to change these provisions. The higher education coordinating board shall report on its expenditures as part of its 1991 biennial budget request.

Sec. 8. REPEALER.

Minnesota Statutes 1988, sections 176B.01, as amended by Laws 1989, chapter 289, section 2; 176B.02; 176B.03; 176B.04; and 176B.05, are repealed.

Sec. 9. MONEY SET ASIDE.

The higher education coordinating board shall set aside \$100,000 appropriated for the state grant program under Minnesota Statutes, section 136A.121 for the purpose of section 5.

Sec. 10. EFFECTIVE DATES.

Sections 1 to 4, 6, and 8 are effective the day following final enactment. Section 5 is effective July 1, 1990, and applies to all eligible surviving dependents and spouses of public safety officers killed in the line of duty on or after January 1, 1973.

ARTICLE 6

MISCELLANEOUS

Section 1. Minnesota Statutes 1989 Supplement, section 16B.335, subdivision 2, is amended to read:

Subd. 2. OTHER PROJECTS. All other capital projects except for those contained in agency operations budgets, including building improvements, small

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structures at experiment stations, asbestos removal, life safety, PCB removal, tuckpointing, roof repair, code compliance, landscaping, drainage, electrical and mechanical systems work, paving of streets, parking lots, and the like must not proceed until the agency undertaking the project has notified the chair of the senate finance committee and the chair of the house appropriations committee that the work is ready to begin.

Sec. 2. [136A.0411] COLLECTING FEES.

The board may charge fees for seminars, conferences, workshops, services, and materials. The money is annually appropriated to the board.

Sec. 3. Minnesota Statutes 1989 Supplement, section 136A.05, is amended to read:

136A.05 COOPERATION OF INSTITUTIONS OF HIGHER EDUCATION.

Subdivision 1. 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.

Subd. 2. The higher education coordinating board and public post-secondary institutions shall provide data, in a manner consistent with state and federal laws governing student records, to and as requested by the Minnesota house or senate for research projects and studies qualifying under Code of Federal Regulations, title 34, section 99.31(a)(6). Private post-secondary institutions are requested to cooperate and provide data. As a condition of receiving the data, the house or senate shall enter into an agreement with the board or institutions to ensure that the house or senate will not disclose any data that identify individuals.

Sec. 4. Minnesota Statutes 1989 Supplement, section 136A.08, is amended to read:

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

Subdivision 1. DEFINITIONS. For the purposes of this section, the terms "province" and "provincial" mean the Canadian province of Manitoba.

Subdivision 1. Subd. 2. AUTHORIZATION. The Minnesota higher education coordinating board may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public post-secondary institutions, with appropriate state or provincial agencies and public post-secondary institutions in other states or provinces. The agreements

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shall be for the purpose of the mutual improvement of educational advantages for residents of this state and other states or provinces with whom agreements are made.

Subd. ~~4a.~~ **3. WISCONSIN.** A higher education 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 is included, 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. 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.~~ **4. NORTH DAKOTA; SOUTH DAKOTA.** 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, 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.~~ **5. FINANCIAL AID.** The board may enter into an agreement, with a state or province 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 or province of residence for attending an eligible institution in the other state or province.

Subd. ~~4.~~ **6. GOVERNING BOARD APPROVAL.** An agreement made by the board under this section is not valid as to a particular institution without the approval of that institution's state or provincial governing board. A valid agreement under this subdivision that incurs additional financial liability to the state, beyond enrollment funding adjustments, must be submitted to the chairs of the senate finance and house appropriations committees for review. The agreement remains valid unless it is disapproved in law.

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Sec. 5. Minnesota Statutes 1988, section 136A.15, as amended by Laws 1989, chapter 293, sections 33 to 35, is amended to read:

136A.15 DEFINITIONS.

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

Subd. 2. "Academic year or its equivalent" shall be as defined in the federal regulations which govern the administration of the National Vocational Student Loan Insurance Act of 1965 and title IV of the Higher Education Act of 1965.

Subd. 3. "Board" means the Minnesota higher education coordinating board.

Subd. 4. "Director" means the executive director of the Minnesota higher education coordinating board.

Subd. 5. "Province" means the Canadian province of Manitoba.

~~Subd. 5. 6.~~ "Eligible institution" means any public educational institution and any private educational institution, in any state which is approved by the United States commissioner of education in accordance with requirements set forth in the Higher Education Act of 1965, as amended. It also includes any institution chartered in a province.

~~Subd. 6. 7.~~ "Eligible lender" means an eligible institution, an agency or instrumentality of a state, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the state of Minnesota or of the United States.

~~Subd. 7. 8.~~ "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 or province. 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.

~~Subd. 8. 9.~~ "Resident student" means a student who meets the conditions in section 136A.101, subdivision 8.

Sec. 6. Minnesota Statutes 1988, section 136C.05, is amended by adding a subdivision to read:

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Subd. 7. ADMINISTRATIVE SERVICES. A technical college must not contract for administrative services with a school board unless the services are approved by the state director as part of an administrative services plan. Each school board affected by this subdivision shall submit an administrative services plan to the state director.

Sec. 7. Minnesota Statutes 1988, section 136C.08, subdivision 2, is amended to read:

Subd. 2. Any fee established by the board pursuant to ~~under~~ the authority granted in subdivision 1 ~~shall not exceed \$1 per day per vehicle~~ must be approved by the state board. Parking fees collected shall be deposited in the general or repair and betterment fund of the school district or joint school district.

Sec. 8. Minnesota Statutes 1988, section 137.022, subdivision 1, is amended to read:

Subdivision 1. **INVESTMENT.** The investment management of the permanent university fund shall be under the jurisdiction of the board of regents of the University of Minnesota, subject to any limitations imposed by the Constitution of the state of Minnesota, article XI, section 9. All securities and cash held in the state treasury credited to the permanent university fund that are unappropriated or unencumbered are transferred and appropriated to the board of regents of the University of Minnesota solely for the purpose of investment by them; ~~with the restriction that all such investment transactions be handled through the supervision of investment counselors, bank trust departments, or insurance companies which are organized, licensed, or have registered offices within the state of Minnesota or have agreed in writing to conduct such securities transactions and investment counseling under Minnesota law and the rules established by the department of commerce. These.~~ The investments shall be are restricted to those authorized as eligible for use in the Minnesota postretirement investment fund, section 11A.18, with the exception that corporate debt securities may be used to the extent of 80 percent of the portfolio the state board of investment may invest in under section 11A.24.

Sec. 9. Minnesota Statutes 1988, section 137.022, subdivision 3, is amended to read:

Subd. 3. **ENDOWED CHAIRS.** (a) The income from the permanent university fund must be used, and capital gains of the fund may be used, to ~~help~~ endow provide endowment support for professorial chairs in academic disciplines. ~~This income~~ The endowment support for the chairs from the income and the capital gains must not total more than six percent per year of the 36-month trailing average market value of the fund, as computed quarterly or otherwise as directed by the regents. The endowment support from the income and the capital gains must not provide more than half the sum of the endowments endowment support for all chairs endowed, with nonstate sources providing the remainder. The endowment support from the income and the capital

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gains may provide more than half the endowment support of an individual chair.

(b) If any portion of the annual appropriation that of the income is not used for this the purpose specified in paragraph (a), that portion lapses and must be added to the principal of the permanent university fund.

Sec. 10. Laws 1989, chapter 293, section 2, subdivision 2, is amended to read:

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

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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, improvement of intersystem cooperation, reduction of duplication, and system and institutional missions.

The study should include consideration

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of at least the following concerns: the current and projected demographic and participation trends; current levels and types of services available; and 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 March 15, 1991. In submitting the findings of phase 2, the board shall relate them to the results of phase 1 and their implications for state-wide 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.

Sec. 11. LOURDES HALL PURCHASE.

The state university board may purchase Lourdes Hall, located on the campus of the former college of St. Teresa in Winona, for use as a residential college. The purchase may be by contract for deed. If the contract is terminated for default by the board, the seller's exclusive remedies are to retain the payments previously made and repossess the property; the seller must not sue on the

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contract to recover any additional amounts due under the contract. Responsibility for insuring the property during the term of the contract must be on the seller. Before finalizing the purchase agreement, the board shall obtain the advisory recommendations of the chairs of the senate finance and house appropriations committees.

Sec. 12. CONSUMER INFORMATION SYSTEM.

The public post-secondary state governing boards, and private post-secondary colleges and occupational and technical institutions that enroll recipients of state grants, shall develop a consumer information system for occupational programs. The system must be based on student placement and must include all subbaccalaureate occupational programs and all programs that lead to an occupation requiring certification, licensure, or testing for entry. The first phase of the system must include all subbaccalaureate occupational programs. The higher education coordinating board must coordinate the development of the system and must report on it to the chairs of the house appropriations and the senate finance committees by February 15, 1991.

Sec. 13. REPORT TO LEGISLATURE.

The state board for community colleges shall report in the 1991 biennial budget document, recommendations for the appropriate administrative structure for a community college campus at Cambridge. In making its recommendations, the board shall review the combined administrative structure for the community colleges located in the Arrowhead and Clearwater regions of the state. The center at Cambridge will be designated as a community college if the legislature enacts an appropriation specifically for this purpose.

Sec. 14. EFFECTIVE DATE.

Sections 3 to 5, and 8 to 12 are effective the day following final enactment.

Presented to the governor April 28, 1990

Signed by the governor May 4, 1990, 2:14 p.m.

CHAPTER 592—S.F.No. 1807

An act relating to Hennepin county; increasing and extending certain capital improvement bonding authority for Hennepin county; requiring a planning process; amending Minnesota Statutes 1989 Supplement, section 373.40, subdivision 4; Minnesota Statutes Second 1989 Supplement, section 373.40, subdivision 6; Laws 1989, chapter 245, section 1.

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

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