

Sec. 4. Minnesota Statutes 1994, section 205A.12, subdivision 5, is amended to read:

Subd. 5. **BOARD ELECTIONS.** If the proposal for the establishment of election districts is approved by the voters, the board shall specify the election districts from which vacancies shall be filled as they occur until such time as each board member represents an election district. A candidate for school board in a subsequent election must file an affidavit of candidacy to be elected as a school board member for the election district in which the candidate resides. If there are as many election districts as there are members of the board, one and only one member of the board shall be elected from each election district. In school districts where one or more board members are elected by election districts, candidates must indicate on the affidavit of candidacy the number of the district from which they seek election or, if appropriate, that they seek election from one of the offices elected at large. If the election districts have two or three members each, the terms of the members must be staggered. Each board member must be a resident of the election district for which elected but the creation of an election district or a change in election district boundaries shall not disqualify a board member from serving for the remainder of a term.

Sec. 5. Minnesota Statutes 1994, section 465.797, is amended by adding a subdivision to read:

Subd. 5a. **EXEMPTIONS GRANTED IN 1995.** Notwithstanding subdivision 5, exemptions from enforcement of law granted by the board during calendar year 1995 remain in effect until June 30, 1999. This subdivision expires June 30, 1999.

**Sec. 6. EFFECTIVE DATE.**

This act is effective the day following final enactment.

Presented to the governor March 26, 1996

Signed by the governor March 28, 1996, 10:15 a.m.

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**CHAPTER 395—S.F.No. 2849**

*An act relating to education; appropriating money for education and related purposes to the higher education services office, the board of trustees of the Minnesota state colleges and universities, and the board of regents of the University of Minnesota; making technical changes related to the post-secondary merger; redirecting University of Minnesota revenue; extending survivor education benefits; amending Minnesota Statutes 1994, sections 116L.03, subdivision 1; 169.121, subdivision 10; 202A.19, subdivision 3; and 204C.03, subdivision 2; Minnesota Statutes 1995 Supplement, sections 116L.03, subdivision 2; 256.969, subdivision 9; and 297A.25, subdivision 11; Laws 1994, chapter 643, section 69, subdivision 1; Laws 1995, chapter 212, article 1, section 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1995 Supplement, section 16A.125, subdivision 6a; Minnesota Rules, parts 4800.8100, 4800.8200,*

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

4800.8300, 4800.8400, 4830.6500, 4830.6510, 4830.6520, 4830.6600, 4830.6610, 4830.6620, 4830.8510, 4830.8520, 4830.8530, 4830.8535, 4830.8540, 4830.8550, 4830.8570, and 4830.8575.

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

Section 1. **HIGHER EDUCATION APPROPRIATIONS.**

The sums in the columns headed "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified to be available for the fiscal years indicated for each purpose.

SUMMARY BY FUND

	1996	1997	TOTAL
General	\$ -0-	\$ 16,000,000	\$ 16,000,000

SUMMARY BY AGENCY - ALL FUNDS

	1996	1997	TOTAL
Higher Education Services Office	-0-	1,700,000	1,700,000
Board of Trustees of the Minnesota State Colleges and Universities	-0-	5,300,000	5,300,000
Board of Regents of the University of Minnesota	-0-	9,000,000	9,000,000

APPROPRIATIONS

Available for the Year  
Ending June 30

	1996	1997
Sec. 2. HIGHER EDUCATION SERVICES OFFICE	\$ -0-	\$ 1,700,000

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) State Grants  
-0- 1,500,000

This appropriation contains money to set the living and miscellaneous expense at \$4,255 in the second year.

By October 1, 1996, the higher education services office shall transfer any projected surplus in the state grant appropriation to the state work study program to be added to the fiscal year 1997 appropriation in Laws 1995, chapter 212, article 1, section 2, subdivision

**4.\* (The preceding text beginning "(a)" was vetoed by the governor.)**

**(b) Statewide On-line Library  
Information System Planning**

-0- 150,000

The higher education services office shall manage and coordinate a process to develop a statewide, on-line information system for libraries, and determine the benefits and functional requirements of automated, state-wide linkages. The process, reports, plans, and requests for proposals shall be subject to the review and recommendation of the library planning task force. The higher education services office shall coordinate with the University of Minnesota, the Minnesota state colleges and universities, the Minnesota education telecommunications council, the government information access council, the MINITEX advisory committee, the advisory council of the office of library development and services in the department of children, families, and learning, and the information policy office in the department of administration.

The statewide, on-line information system must meet the following criteria:

- (1) be open to all University of Minnesota, Minnesota state colleges and universities, state government, public, school, and private college libraries;
- (2) have a formal governing structure that includes the University of Minnesota, Minnesota state colleges and universities, and representatives of participating state government, public, school, private college, and other libraries;
- (3) provide for the broadest possible sharing of information and cooperative collection management;
- (4) provide the people of Minnesota with direct access to library catalogs and information resources;
- (5) allow libraries to retain local options for determining when to begin participating in

the statewide systems and for maintaining circulation policies and practices; and

(6) have a plan for evaluation of costs, access, and outcomes.

By January 15, 1997, the higher education services office shall recommend to the chairs of the higher education committees of the legislature a plan for creating a statewide, on-line information system. The plan, subject to the prior review and recommendation by the library planning task force, shall include a proposed implementation timeline, technical standards, a draft request for proposal, a governance structure, and a budget.

The higher education services office shall develop the final request for proposal, subject to the prior review and recommendation by the library planning task force, for a statewide, on-line information system no later than June 30, 1997.

Money appropriated under this paragraph may not be used for the office's indirect or operating costs.

(c) Loan Repayment Assistance

—0— 50,000

This appropriation is for the loan repayment assistance program of Minnesota to reimburse graduates of Minnesota law schools working in Minnesota communities who are eligible under the criteria for loan repayment assistance for institutional law school debt. The eligibility criteria must include the following: (1) recipient's annual household income is \$30,000 or less; and (2) recipients are providing legal services full time for economically disadvantaged persons for a non-profit agency as defined by sections 501(c)(3), 501(c)(4), or 501(c)(5) of the Internal Revenue Code of 1986, or Native American tribal governments. The money may be released to the program only in amounts that match contributions from the private sector.\* (The preceding text beginning "(c)" was vetoed by the governor.)

Sec. 3. BOARD OF TRUSTEES OF THE  
MINNESOTA STATE COLLEGES  
AND UNIVERSITIES

-0-

4,900,000

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Applied Research Center  
-0- 50,000

This appropriation is for Bemidji State University to establish an applied research, design, and development center. The center will contract with Minnesota businesses and industries to conduct applied research. This appropriation is nonrecurring.

(b) Instructional Technology Grants  
-0- 4,525,000

This appropriation is to develop an electronic delivery system by awarding competitive grants to campuses or campus faculty for acquisition, improvement, and innovative applications of technology. Up to \$300,000 of this appropriation may be spent for central office administrative costs. The grants must be awarded for proposals that are student centered and directly affect classroom instruction, advising, and other services that enhance student success. Priority shall be placed on grant projects for instructional technology. Grants may be for any amount up to \$250,000 and shall be awarded through a process developed by the board. The board shall set up a review panel to judge the proposals. The panel shall include faculty, administration, students, and at least one member of the Minnesota high technology council.

The legislature expects that the system office will complete at least the following tasks in the development of the electronic delivery system: (1) request proposals from campuses and award grants; (2) identify system-wide network defects; and (3) promote public/private ventures. The system shall report the results of use of this appropriation in the 1997-1999 biennial budget document.

(c) Regional Farm Business  
Management Programs

-0- 150,000

This appropriation is to update electronic capability for the instructors in farm business management programs. Each of the six regional farm business management programs shall receive \$25,000 of this appropriation.

(d) Work Skills Upgrade Program

-0- 175,000

The chancellor of the Minnesota state colleges and universities shall designate at least one technical college or consolidated community-technical college to be a demonstration site for a work skills upgrade program. The program shall offer learning experiences that have broad application for Minnesotans wishing to improve their employability or otherwise keep current in skills necessary to succeed in the changing economy. The program shall be offered at low cost to the student. The chancellor shall report to the education committees of the legislature, in the biennial budget document, on the progress of the demonstration program and potential for expanding the program to other campuses.

The chancellor shall establish an advisory group which includes the commissioner of economic security or the commissioner's designee; the commissioner of children, families, and learning or the commissioner's designee; a representative of labor; a representative of business; a faculty member; and a student.

The advisory group shall:

- (1) identify the outcomes of each learning experience offered under the program;
- (2) establish methods to document that students have achieved the outcomes identified for each learning experience;
- (3) identify and seek nonstate money to supplement the appropriation; and

(4) identify mechanisms whereby students and employers who benefit from the program are required to repay some portion of the benefit.

“Learning experience” means a short course offered at an on- or off-campus site or through distance education; computer-based instruction; videocassettes; and other alternative instructional technologies.

(e) Metro State University Planning

By February 15, 1997, the system office and campuses of the Minnesota state colleges and universities shall submit to the legislature a master academic plan for the metropolitan area that defines the current and future missions and plans of the metro area colleges and universities. Within the fiscal realities of the state, the plan must consider short- and long-term demographic and enrollment projections, physical plant capacity and needs, and coordination and duplication of program offerings. The system office shall consult with the University of Minnesota during the planning process. The plan must be submitted to the board of trustees for approval before submission for legislative approval.

Sec. 4. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

-0-

8,600,000

The amounts that may be spent from this appropriation for each purpose are as follows:

(a) Academic Health Center

(1) Information Technology  
-0- 2,000,000

This appropriation is for a data and video network and equipment to connect academic health center faculty and students on the St. Paul, Duluth, and Minneapolis campuses and at community-based sites.

(2) Restructuring  
-0- 6,600,000

This appropriation is for the academic health center for the development and purchase of

new information technology to improve the delivery of health care education programs and to redesign the curriculum and underwrite the development of new or expanded programs in health care education. Where necessary, this money may also be used to cover the costs of downsizing programs and retraining faculty and staff, but may not be used to finance the integration of the University hospital with Fairview Health Systems. The legislature requests the faculty, administration, and board of regents of the University to pursue an internal process leading to changes in the tenure code applicable to the academic health center, without infringing on academic freedom.

The commissioner of finance shall place this appropriation in a performance incentive account.

The commissioner shall release 90 percent of this money to the board of regents when the board of regents certifies that changes have been made in the personnel policies for clinical faculty with regular appointments in the academic health center which enable the University to alter clinical compensation and base salary, and provide a streamlined due process procedure for separation under the provost of the academic health center, without infringing on academic freedom.

The commissioner shall release ten percent of this money when the University demonstrates that it is progressing in its development of the school of medicine at the University of Minnesota Duluth as a rural health center. This progress shall be measured by (1) changes in the educational program to expand the coordination of training for rural nurse practitioner, pharmacy, physician assistant, and medical students; and (2) development of electronic linkages between distant sites to provide video conferences, transmission of images, and transfer of information.



Sec. 5. BOARD OF TRUSTEES OF THE  
MINNESOTA STATE COLLEGES AND UNIVERSITIES  
AND THE BOARD OF REGENTS OF THE  
UNIVERSITY OF MINNESOTA

-0-

800,000

\$400,000 of this appropriation is to the board of trustees of the Minnesota state colleges and universities and \$400,000 is to the board of regents of the University of Minnesota to enter into a joint project for distance learning development.

The systems shall use the appropriation for the following functions:

- (1) to acquire, develop, and distribute high quality distance learning resources and courseware needed to meet identified distance learning needs;
- (2) to award grants to faculty to develop technology-based courseware for a variety of delivery modes including multimedia and the Internet;
- (3) to decide which courses and degrees shall be offered by each institution in order to eliminate overlap and promote efficient use of resources; and
- (4) to develop strategies to market and distribute distance learning proposals within and outside Minnesota, including possible collaborative relationships with private organizations.

Staffing for the joint project shall be provided by the member systems.

The higher education systems shall report in the 1997-1999 biennial budget document on progress in carrying out the functions specified and any organizational or governance structure changes needed for the joint project to most effectively carry out its functions.

Sec. 6. Minnesota Statutes 1994, section 116L.03, subdivision 1, is amended to read:

Subdivision 1. **MEMBERS.** The partnership shall be governed by a board of ~~12~~ 11 directors.

Sec. 7. Minnesota Statutes 1995 Supplement, section 116L.03, subdivision 2, is amended to read:

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

Subd. 2. **APPOINTMENT.** The Minnesota job skills partnership board consists of: eight members appointed by the governor, the commissioner of trade and economic development, the commissioner of economic security, ~~the chancellor of the technical college system, and the chancellor, or the chancellor's designee, of the board of trustees of the Minnesota state colleges and universities.~~ If the chancellor makes a designation under this subdivision, the designee must have experience in technical education.

Sec. 8. Minnesota Statutes 1994, section 169.121, subdivision 10, is amended to read:

Subd. 10. **RESEARCH PROGRAMS.** No person is guilty of a violation of this section committed while participating in a research or demonstration project conducted by the Minnesota highway safety center ~~created pursuant to section 136.147.~~ This subdivision applies only to conduct occurring while operating a state-owned vehicle under the supervision of personnel of the center on the grounds of the center.

Sec. 9. Minnesota Statutes 1994, section 202A.19, subdivision 3, is amended to read:

Subd. 3. The University of Minnesota may not schedule an event which will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the board of regents. No Minnesota state college or university may schedule an event which will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the state university board of trustees of the Minnesota state colleges and universities. No community college may schedule an event which will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the state board for community colleges.

Sec. 10. Minnesota Statutes 1994, section 204C.03, subdivision 2, is amended to read:

Subd. 2. **STATE COLLEGES AND UNIVERSITIES AND COMMUNITY COLLEGES.** Except for regularly scheduled classes, no ~~Minnesota state college or university or state community college~~ shall schedule an event between 6:00 p.m. and 8:00 p.m. on the day that an election is held in any political subdivision in which the university or college is located.

Sec. 11. Minnesota Statutes 1995 Supplement, section 256.969, subdivision 9, is amended to read:

Subd. 9. **DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.** (a) For admissions occurring on or after October 1, 1992, through December 31, 1992, the medical assistance disproportionate population adjustment shall comply with federal law and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service but less than or equal to one standard deviation above the mean, the adjustment must be determined by multiplying the total of the operating and

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property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment that would be determined under clause (1) for that hospital by 1.1. If federal matching funds are not available for all adjustments under this subdivision, the commissioner shall reduce payments on a pro rata basis so that all adjustments qualify for federal match. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. For purposes of this subdivision medical assistance does not include general assistance medical care. The commissioner shall report annually on the number of hospitals likely to receive the adjustment authorized by this paragraph. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class.

(b) For admissions occurring on or after July 1, 1993, the medical assistance disproportionate population adjustment shall comply with federal law and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service but less than or equal to one standard deviation above the mean, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service;

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment that would be determined under clause (1) for that hospital by 1.1. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. For purposes of this subdivision, medical assistance does not include general assistance medical care. The commissioner shall report annually on the number of hospitals likely to receive the adjustment authorized by this paragraph. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class; and

(3) for a hospital that had medical assistance fee-for-service payment volume during calendar year 1991 in excess of 13 percent of total medical assistance fee-for-service payment volume, a medical assistance disproportionate population adjustment shall be paid in addition to any other disproportionate payment due under this subdivision as follows: \$1,515,000 due on the 15th of each month after noon, beginning July 15, 1995. For a hospital that had medical assistance fee-for-service payment volume during calendar year 1991 in excess of eight percent of total medical assistance fee-for-service payment volume and is was the primary hospital affiliated with the University of Minnesota, a medical assistance disproportionate population adjustment shall be paid in addition to

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any other disproportionate payment due under this subdivision as follows: \$505,000 due on the 15th of each month after noon, beginning July 15, 1995.

(c) The commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in paragraph (b), clauses (1) and (2), on a nondiscounted hospital-specific basis but shall not adjust those rates to reflect payments provided in clause (3).

(d) If federal matching funds are not available for all adjustments under paragraph (b), the commissioner shall reduce payments under paragraph (b), clauses (1) and (2), on a pro rata basis so that all adjustments under paragraph (b) qualify for federal match.

(e) For purposes of this subdivision, medical assistance does not include general assistance medical care.

### Sec. 12. [256.9692] EFFECT OF INTEGRATION AGREEMENT ON DIVISION OF COST.

Beginning in the first calendar month after there is a definitive integration agreement affecting the University of Minnesota hospital and clinics and Fairview hospital and health care services, Fairview hospital and health care services shall pay the University of Minnesota \$505,000 on the 15th of each month, after receiving the state payment, provided that the University of Minnesota has fulfilled the requirements of section 256B.19, subdivision 1c.

Sec. 13. Minnesota Statutes 1995 Supplement, section 297A.25, subdivision 11, is amended to read:

Subd. 11. **SALES TO GOVERNMENT.** The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Minnesota center for arts education, and school districts are exempt.

As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, educational cooperative service units, secondary vocational cooperative centers, special education cooperatives, joint purchasing cooperatives, telecommunication cooperatives, regional management information centers, ~~technical colleges, joint vocational technical districts,~~ and any instrumentality of a school district, as defined in section 471.59.

Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, paragraph (f), but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii).

Sales to hospitals and nursing homes owned and operated by political subdivisions of the state are exempt under this subdivision.

The sales to and exclusively for the use of libraries of books, periodicals, audiovisual materials and equipment, photocopiers for use by the public, and all cataloguing

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and circulation equipment, and cataloguing and circulation software for library use are exempt under this subdivision. For purposes of this paragraph "libraries" means libraries as defined in section 134.001, county law libraries under chapter 134A, the state library under section 480.09, and the legislative reference library.

Sales of supplies and equipment used in the operation of an ambulance service owned and operated by a political subdivision of the state are exempt under this subdivision provided that the supplies and equipment are used in the course of providing medical care. Sales to a political subdivision of repair and replacement parts for emergency rescue vehicles and fire trucks and apparatus are exempt under this subdivision.

Sales to a political subdivision of machinery and equipment, except for motor vehicles, used directly for mixed municipal solid waste management services at a solid waste disposal facility as defined in section 115A.03, subdivision 10, are exempt under this subdivision.

Sales to political subdivisions of chore and homemaking services to be provided to elderly or disabled individuals are exempt.

Sales of telephone services to the department of administration that are used to provide telecommunications services through the intertechnologies revolving fund are exempt under this subdivision.

This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities.

The tax imposed on sales to political subdivisions of the state under this section applies to all political subdivisions other than those explicitly exempted under this subdivision, notwithstanding section 115A.69, subdivision 6, 116A.25, 360.035, 458A.09, 458A.30, 458D.23, 469.101, subdivision 2, 469.127, 473.394, 473.448, 473.545, or 473.608 or any other law to the contrary enacted before 1992.

Sales exempted by this subdivision include sales made to other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state, but do not include sales under section 297A.01, subdivision 3, paragraphs (c) and (e).

Sec. 14. Laws 1994, chapter 643, section 69, subdivision 1, is amended to read:

Subdivision 1. **TASK FORCE MEMBERSHIP.** ~~An 18-member~~ A 22-member planning task force for library and information services shall be established and shall be composed of: three representatives appointed by the chancellor of the higher education board Minnesota state colleges and universities, one of whom may be serving on the MINITEX advisory committee; two representatives appointed by the president of the

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University of Minnesota, one of whom may be serving on the MINITEX advisory committee; one representative appointed by the president of the Minnesota private college council; the director of MINITEX; one representative appointed by the commissioner of finance; one representative appointed by the commissioner of administration; one representative appointed by the executive director of the Minnesota higher education coordinating board services office; the director of the office of library development and services; five representatives of public libraries appointed by the director of library development and services; two representatives of elementary and secondary schools appointed by the commissioner of education children, families, and learning; and one representative four representatives appointed by the governor who shall represent the private sector. The executive director of the Minnesota higher education coordinating board services office shall confer with the other appointing authorities to ensure that at least one-half of the task force members are employed in occupations unrelated to library science. The executive director of the Minnesota higher education coordinating board shall convene the first meeting of the task force.

Sec. 15. Laws 1995, chapter 212, article 1, section 3, subdivision 2, is amended to read:

#### Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$214,536,000 each year for the technical colleges.

The legislature estimates that instructional expenditures will be \$145,565,000 each year for community colleges.

The legislature estimates that instructional expenditures will be \$253,612,000 each year for state universities.

During the biennium neither the board nor 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 ways and means.

This appropriation includes continued support of at least \$400,000 each year for the Mid-Tec and Heartland Telecommunications Networks.

This appropriation includes \$40,000 each year for American Indian outreach. The legislature anticipates this money will assist the Fond Du Lac campus to recruit, advise, and retain American Indian students.

It is the intent of the legislature to hold the Minnesota state colleges and universities ac-

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countable for making budgetary and policy decisions that provide students with access to high quality education and training programs. Significant and demonstrable progress toward the goals in this subdivision and in section 6, subdivision 2, are expected in this biennium for consideration in funding decisions in the next supplemental budget and in the 1998-1999 biennial budget.

The commissioner of finance shall place \$5,000,000 of the second year appropriation in a performance incentive account. The commissioner shall release \$1,000,000 of this amount to the board of trustees each time that it demonstrates that it has achieved one of the following performance measures has been achieved:

- (1) increase the percentage of the budget directed to instruction and academic resources;
- (2) increase the number of credits issued through telecommunications between fiscal year 1995 and fiscal year 1996;
- (3) increase the retention of new entering freshman on state university campuses who continue into the sophomore year between fiscal year 1995 and fiscal year 1996 by at least two percent. The appropriation shall be distributed released for distribution to those campuses that achieve the increase;
- (4) increase the percentage of students in two-year programs who graduate within two years of admission, and the percentage of students in four-year programs who graduate within four years of admission by at least two percent. The appropriation shall be distributed released for distribution to campuses that achieve the increase; and
- (5) increase in placement rates for occupational programs and transfer rates for academic programs for community and technical colleges. One-half of the appropriation for this measure shall be released for placement rate improvements, and one-half shall be released for transfer rate improvements.

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The legislature expects the board of trustees to demonstrate its commitment to enhancing educational quality, including high priority initiatives that capitalize on opportunities created by merger for: joint programs with the University of Minnesota for faculty, staff, and administrative development; enhanced opportunities for students of color; and opportunities for using technology to the advantage of students and faculty.

The legislature further expects the board of trustees to make difficult choices in its allocations, based on critical evaluations of its campuses and programs, including actions to address the 14 duplicate two-year programs located within 35 miles of each other, as identified by the legislative auditor, for which no action has yet been taken.

Each college and university shall demonstrate to the board that, in the face of severe budget constraints, it has identified those programs and functions that are central to the mission of that campus and are most critical to meeting student needs, and that the campus has redirected resources to those identified areas to protect the core educational enterprise. Further, each campus shall demonstrate that it has taken actions to improve the productivity of faculty, administrators, and staff.

The amounts for library access; Fond du Lac American Indian student outreach; incentives for co-located campuses; increased instructional appropriations; performance funding; instructional equipment; conversion to semesters; systemwide computer system development for accounting, payroll, personnel, procurement, and student records; staff training for use of systems; staff restructuring, separation payments, and unemployment insurance; and development of library collections and curriculum at Metro State University are for these purposes only and shall be nonrecurring. The amounts are \$8,741,000 in fiscal year 1996 and \$16,147,000 in fiscal year 1997.

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



**Sec. 16. PUBLIC SAFETY OFFICER'S SURVIVOR BENEFITS; EDUCATIONAL BENEFITS FOR CERTAIN SURVIVING CHILDREN.**

Each surviving child of a volunteer firefighter killed in the line of duty before July 1, 1990, who was eligible to receive educational benefits as of that date under Minnesota Statutes, section 299A.45, but for whom educational certificates were not issued by the department of public safety, shall be eligible to receive an educational benefit award equal to the amount the child would have been eligible to receive had the certificates been issued in a timely manner.

The awards under this section are otherwise subject to Minnesota Statutes, section 299A.45.

**Sec. 17. REPEALER.**

(a) Minnesota Statutes 1995 Supplement, section 16A.125, subdivision 6a, is repealed.

(b) Minnesota Rules, parts 4800.8100, 4800.8200, 4800.8300, 4800.8400, 4830.6500, 4830.6510, 4830.6520, 4830.6600, 4830.6610, 4830.6620, 4830.8510, 4830.8520, 4830.8530, 4830.8535, 4830.8540, 4830.8550, 4830.8570, and 4830.8575, are repealed.

**Sec. 18. INSTRUCTION TO REVISOR.**

(a) In the next and subsequent editions of Minnesota Statutes, the revisor shall delete "community college," "board of community colleges," or related terms; "state university," "board of state universities," or related terms; and "technical college," "board of technical colleges," or related terms and replace them with "Minnesota state colleges and universities," "board of trustees of the Minnesota state colleges and universities," or related terms in the following sections and subdivisions: 3.3005, subdivision 1; 3.732, subdivision 1; 3.754; 13.792; 15.44; 16A.127, subdivision 8; 16B.101, subdivision 1; 16B.24, subdivision 2; 16B.30; 16B.31, subdivision 1; 16B.61, subdivision 5; 43A.08, subdivision 1a; 116N.02, subdivision 1; 116O.09, subdivision 4; 135A.06, subdivision 1; 138.054, subdivision 2; 216C.13; 256.7365, subdivision 4; 256H.01, subdivision 13; 268.65, subdivision 2; 309.515, subdivision 1; and 491A.01, subdivision 6.

(b) In the next and subsequent editions of Minnesota Statutes, the revisor shall change the term "chancellor of vocational education" to "chancellor of the Minnesota state colleges and universities" in Minnesota Statutes, section 268.363.

(c) In the next and subsequent editions of Minnesota Statutes, the revisor shall change the cross-reference to chapter "136C" to "136F" in Minnesota Statutes, section 326.84, subdivision 3, clause (9).

**Sec. 19. EFFECTIVE DATE.**

Sections 3, paragraph (e), 7, 11, 12, 14, 15, and 16 are effective the day after final enactment.

Section 17, paragraph (a), is effective June 30, 1997.

Presented to the governor March 28, 1996

Signed by the governor April 1, 1996, 10:55 a.m.

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