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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 845

02/12/2015 Authored by Nornes

The bill was read for the first time and referred to the Committee on Higher Education Policy and Finance

1.1 A bill for an act
1.2 relating to education; postsecondary; establishing a budget for higher education;
1.3 appropriating money to the Office of Higher Education, the Board of Trustees
1.4 of the Minnesota State Colleges and Universities, the Board of Regents of
1.5 the University of Minnesota, and the Mayo Clinic; modifying the state grant
1.6 deduction; making changes to the assigned family responsibility; amending
1.7 Minnesota Statutes 2014, sections 136A.101, subdivision 5a; 136A.121,
1.8 subdivision 5.

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

1.10 ARTICLE 1

1.11 HIGHER EDUCATION APPROPRIATIONS

1.12 Section 1. SUMMARY OF APPROPRIATIONS.

1.13 Subdivision 1. Summary By Fund. The amounts shown in this subdivision
1.14 summarize direct appropriations, by fund, made in this article.

1.15 SUMMARY BY FUND

	<u>2016</u>	<u>2017</u>	<u>Total</u>
1.16 <u>General</u>	\$ 1,476,251,000	\$ 1,509,188,000	\$ 2,985,439,000
1.17 <u>Health Care Access</u>	2,157,000	2,157,000	4,314,000
1.18 <u>Total</u>	\$ 1,478,408,000	\$ 1,511,345,000	\$ 2,989,753,000

1.20 Subd. 2. Summary By Agency - All Funds. The amounts shown in this subdivision
1.21 summarize direct appropriations, by agency, made in this article.

1.22 SUMMARY BY AGENCY - ALL FUNDS

	<u>2016</u>	<u>2017</u>	<u>Total</u>
1.23 <u>Minnesota Office of Higher</u>			
1.24 <u>Education</u>	\$ 238,058,000	\$ 239,895,000	\$ 477,953,000

2.1	<u>Board of Trustees of the</u>			
2.2	<u>Minnesota State Colleges and</u>			
2.3	<u>Universities</u>	<u>622,143,000</u>	<u>622,143,000</u>	<u>1,244,286,000</u>
2.4	<u>Board of Regents of the</u>			
2.5	<u>University of Minnesota</u>	<u>616,856,000</u>	<u>647,956,000</u>	<u>1,264,812,000</u>
2.6	<u>Mayo Clinic</u>	<u>1,351,000</u>	<u>1,351,000</u>	<u>2,702,000</u>
2.7	<u>Total</u>	<u>\$ 1,478,408,000</u>	<u>\$ 1,511,345,000</u>	<u>\$ 2,989,753,000</u>

2.8 **Sec. 2. HIGHER EDUCATION APPROPRIATIONS.**

2.9 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.10 agencies and for the purposes specified in this article. The appropriations are from the
 2.11 general fund, or another named fund, and are available for the fiscal years indicated
 2.12 for each purpose. The figures "2016" and "2017" used in this article mean that the
 2.13 appropriations listed under them are available for the fiscal year ending June 30, 2016, or
 2.14 June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal
 2.15 year 2017. "The biennium" is fiscal years 2016 and 2017.

2.16		<u>APPROPRIATIONS</u>	
2.17		<u>Available for the Year</u>	
2.18		<u>Ending June 30</u>	
2.19		<u>2016</u>	<u>2017</u>

2.20 **Sec. 3. MINNESOTA OFFICE OF HIGHER**
 2.21 **EDUCATION**

2.22 Subdivision 1. **Total Appropriation** **\$ 238,058,000** **\$ 239,895,000**

2.23 The amounts that may be spent for each
 2.24 purpose are specified in the following
 2.25 subdivisions.

2.26 Subd. 2. **State Grants** 189,281,000 189,281,000

2.27 (a) If the appropriation in this subdivision for
 2.28 either year is insufficient, the appropriation
 2.29 for the other year is available for it.

2.30 (b) This appropriation sets the living and
 2.31 miscellaneous expense allowance at \$8,858
 2.32 for fiscal year 2016 and \$8,958 for fiscal year
 2.33 2017.

2.34 Subd. 3. **Child Care Grants** 6,684,000 6,684,000

2.35 Subd. 4. **State Work-Study** 14,502,000 14,502,000

3.1	<u>Subd. 5. Interstate Tuition Reciprocity</u>	<u>12,718,000</u>	<u>14,518,000</u>
3.2	<u>If the appropriation in this subdivision for</u>		
3.3	<u>either year is insufficient, the appropriation</u>		
3.4	<u>for the other year is available to meet</u>		
3.5	<u>reciprocity contract obligations.</u>		
3.6	<u>Subd. 6. Safety Officer's Survivors</u>	<u>100,000</u>	<u>100,000</u>
3.7	<u>This appropriation is to provide educational</u>		
3.8	<u>benefits under Minnesota Statutes, section</u>		
3.9	<u>299A.45, to eligible dependent children and</u>		
3.10	<u>to the spouses of public safety officers killed</u>		
3.11	<u>in the line of duty.</u>		
3.12	<u>If the appropriation in this subdivision for</u>		
3.13	<u>either year is insufficient, the appropriation</u>		
3.14	<u>for the other year is available for it.</u>		
3.15	<u>Subd. 7. Indian Scholarships</u>	<u>3,100,000</u>	<u>3,100,000</u>
3.16	<u>The director must contract with or employ</u>		
3.17	<u>at least one person with demonstrated</u>		
3.18	<u>competence in American Indian culture and</u>		
3.19	<u>residing in or near the city of Bemidji to</u>		
3.20	<u>assist students with the scholarships under</u>		
3.21	<u>Minnesota Statutes, section 136A.126, and</u>		
3.22	<u>with other information about financial aid for</u>		
3.23	<u>which the students may be eligible. Bemidji</u>		
3.24	<u>State University must provide office space</u>		
3.25	<u>at no cost to the Minnesota Office of Higher</u>		
3.26	<u>Education for purposes of administering the</u>		
3.27	<u>American Indian scholarship program under</u>		
3.28	<u>Minnesota Statutes, section 136A.126. This</u>		
3.29	<u>appropriation includes funding to administer</u>		
3.30	<u>the American Indian scholarship program.</u>		
3.31	<u>Subd. 8. Tribal College Grants</u>	<u>150,000</u>	<u>150,000</u>
3.32	<u>Subd. 9. High School-to-College Developmental</u>		
3.33	<u>Transition Grants</u>	<u>100,000</u>	<u>100,000</u>

4.1	<u>For grants under Minnesota Statutes, section</u>		
4.2	<u>136A.862, for the high school-to-college</u>		
4.3	<u>developmental transition program grants.</u>		
4.4	<u>Subd. 10. Intervention for College Attendance</u>		
4.5	<u>Program Grants</u>	<u>671,000</u>	<u>671,000</u>
4.6	<u>For the intervention for college attendance</u>		
4.7	<u>program under Minnesota Statutes, section</u>		
4.8	<u>136A.861.</u>		
4.9	<u>This appropriation includes funding to</u>		
4.10	<u>administer the intervention for college</u>		
4.11	<u>attendance program grants.</u>		
4.12	<u>Subd. 11. Student-Parent Information</u>	<u>122,000</u>	<u>122,000</u>
4.13	<u>Subd. 12. Get Ready</u>	<u>180,000</u>	<u>180,000</u>
4.14	<u>Subd. 13. Midwest Higher Education Compact</u>	<u>95,000</u>	<u>95,000</u>
4.15	<u>Subd. 14. Minnesota Minority Partnership</u>	<u>45,000</u>	<u>45,000</u>
4.16	<u>Subd. 15. United Family Medicine Residency</u>		
4.17	<u>Program</u>	<u>351,000</u>	<u>351,000</u>
4.18	<u>For a grant to United Family Medicine</u>		
4.19	<u>residency program. This appropriation</u>		
4.20	<u>shall be used to support up to 18 resident</u>		
4.21	<u>physicians each year in family practice at</u>		
4.22	<u>United Family Medicine residency programs</u>		
4.23	<u>and shall prepare doctors to practice family</u>		
4.24	<u>care medicine in underserved rural and</u>		
4.25	<u>urban areas of the state. It is intended</u>		
4.26	<u>that this program will improve health</u>		
4.27	<u>care in underserved communities, provide</u>		
4.28	<u>affordable access to appropriate medical</u>		
4.29	<u>care, and manage the treatment of patients in</u>		
4.30	<u>a cost-effective manner.</u>		
4.31	<u>Subd. 16. MnLINK Gateway and Minitex</u>	<u>5,905,000</u>	<u>5,905,000</u>
4.32	<u>Subd. 17. Statewide Longitudinal Education</u>		
4.33	<u>Data System</u>	<u>882,000</u>	<u>882,000</u>
4.34	<u>Subd. 18. Hennepin County Medical Center</u>	<u>645,000</u>	<u>645,000</u>

5.1 For transfer to Hennepin County Medical
 5.2 Center for graduate family medical education
 5.3 programs at Hennepin County Medical
 5.4 Center.

5.5 Subd. 19. **Agency Administration** 2,527,000 2,564,000

5.6 Subd. 20. **Balances Forward**

5.7 A balance in the first year under this section
 5.8 does not cancel, but is available for the
 5.9 second year.

5.10 Subd. 21. **Transfers**

5.11 The Minnesota Office of Higher Education
 5.12 may transfer unencumbered balances from
 5.13 the appropriations in this section to the state
 5.14 grant appropriation, the interstate tuition
 5.15 reciprocity appropriation, the child care
 5.16 grant appropriation, the Indian scholarship
 5.17 appropriation, the state work-study
 5.18 appropriation, the get ready appropriation,
 5.19 the intervention for college attendance
 5.20 program appropriation, and the public safety
 5.21 officers' survivors appropriation. Transfers
 5.22 from the child care or state work-study
 5.23 appropriations may only be made to the
 5.24 extent there is a projected surplus in the
 5.25 appropriation. A transfer may be made only
 5.26 with prior written notice to the chairs and
 5.27 ranking minority members of the senate
 5.28 and house of representatives committees
 5.29 and divisions with jurisdiction over higher
 5.30 education finance.

5.31 Sec. 4. **BOARD OF TRUSTEES OF THE**
 5.32 **MINNESOTA STATE COLLEGES AND**
 5.33 **UNIVERSITIES**

5.34 Subdivision 1. **Total Appropriation** \$ 622,143,000 \$ 622,143,000

6.1 The amounts that may be spent for each
 6.2 purpose are specified in the following
 6.3 subdivisions.

6.4 Subd. 2. **Central Office and Shared Services**
 6.5 **Unit**

33,074,000

33,074,000

6.6 For the Office of the Chancellor and the
 6.7 Shared Services Division.

6.8 Subd. 3. **Operations and Maintenance**

584,954,000

584,954,000

6.9 Subd. 4. **Learning Network of Minnesota**

4,115,000

4,115,000

6.10 Sec. 5. **BOARD OF REGENTS OF THE**
 6.11 **UNIVERSITY OF MINNESOTA**

6.12 Subdivision 1. **Total Appropriation**

\$

616,856,000

647,956,000

6.13 Appropriations by Fund

6.14 2016 2017

6.15 General 614,699,000 645,799,000

6.16 Health Care Access 2,157,000 2,157,000

6.17 The amounts that may be spent for each
 6.18 purpose are specified in the following
 6.19 subdivisions.

6.20 Subd. 2. **Operations and Maintenance**

548,761,000

579,861,000

6.21 \$5,000,000 in fiscal year 2016 and
 6.22 \$25,000,000 in fiscal year 2017 are for the
 6.23 medical school to support clinical research
 6.24 and to establish and hire medical discovery
 6.25 teams. Up to \$2,000,000 of this appropriation
 6.26 may be used for nationally recognized rural
 6.27 and urban physician training programs such
 6.28 as the Rural Physician Associate Program,
 6.29 the Metropolitan Physicians Associate
 6.30 Program, and the Rural Medical Scholars
 6.31 Program. The University of Minnesota
 6.32 Medical School is requested to submit a
 6.33 biennial report on the medical discovery
 6.34 teams to the governor and the chairs and

7.1 ranking minority members of the legislative
 7.2 committees with jurisdiction over higher
 7.3 education that includes the following:
 7.4 (1) progress on metrics and benchmarks
 7.5 adopted in the medical school's strategic plan;
 7.6 (2) total increases in medical school
 7.7 philanthropy and National Institutes of
 7.8 Health funding; and
 7.9 (3) status of funding from Fairview Health
 7.10 Services to the medical school for academic
 7.11 support and clinical research.

7.12 **Subd. 3. Primary Care Education Initiatives** 2,157,000 2,157,000

7.13 This appropriation is from the health care
 7.14 access fund.

7.15 **Subd. 4. Special Appropriations**

7.16 **(a) Agriculture and Extension Service** 42,922,000 42,922,000

7.17 For the Agricultural Experiment Station and
 7.18 the Minnesota Extension Service:

7.19 (1) the agricultural experiment stations
 7.20 and Minnesota Extension Service must
 7.21 convene agricultural advisory groups to
 7.22 focus research, education, and extension
 7.23 activities on producer needs and implement
 7.24 an outreach strategy that more effectively
 7.25 and rapidly transfers research results and best
 7.26 practices to producers throughout the state;

7.27 (2) this appropriation includes funding for
 7.28 research and outreach on the production of
 7.29 renewable energy from Minnesota biomass
 7.30 resources, including agronomic crops, plant
 7.31 and animal wastes, and native plants or trees.

7.32 The following areas should be prioritized and
 7.33 carried out in consultation with Minnesota

8.1 producers, renewable energy, and bioenergy
8.2 organizations:

8.3 (i) biofuel and other energy production from
8.4 perennial crops, small grains, row crops,
8.5 and forestry products in conjunction with
8.6 the Natural Resources Research Institute
8.7 (NRRI);

8.8 (ii) alternative bioenergy crops and cropping
8.9 systems; and

8.10 (iii) biofuel coproducts used for livestock
8.11 feed;

8.12 (3) this appropriation includes funding
8.13 for the College of Food, Agricultural, and
8.14 Natural Resources Sciences to establish and
8.15 provide leadership for organic agronomic,
8.16 horticultural, livestock, and food systems
8.17 research, education, and outreach and for
8.18 the purchase of state-of-the-art laboratory,
8.19 planting, tilling, harvesting, and processing
8.20 equipment necessary for this project;

8.21 (4) this appropriation includes funding
8.22 for research efforts that demonstrate a
8.23 renewed emphasis on the needs of the state's
8.24 agriculture community. The following
8.25 areas should be prioritized and carried
8.26 out in consultation with Minnesota farm
8.27 organizations:

8.28 (i) vegetable crop research with priority for
8.29 extending the Minnesota vegetable growing
8.30 season;

8.31 (ii) fertilizer and soil fertility research and
8.32 development;

- 9.1 (iii) soil, groundwater, and surface water
9.2 conservation practices and contaminant
9.3 reduction research;
- 9.4 (iv) discovering and developing plant
9.5 varieties that use nutrients more efficiently;
- 9.6 (v) breeding and development of turf seed
9.7 and other biomass resources in all three
9.8 Minnesota biomes;
- 9.9 (vi) development of new disease-resistant
9.10 and pest-resistant varieties of turf and
9.11 agronomic crops;
- 9.12 (vii) utilizing plant and livestock cells to treat
9.13 and cure human diseases;
- 9.14 (viii) the development of dairy coproducts;
- 9.15 (ix) a rapid agricultural response fund for
9.16 current or emerging animal, plant, and insect
9.17 problems affecting production or food safety;
- 9.18 (x) crop pest and animal disease research;
- 9.19 (xi) developing animal agriculture that is
9.20 capable of sustainably feeding the world;
- 9.21 (xii) consumer food safety education and
9.22 outreach;
- 9.23 (xiii) programs to meet the research and
9.24 outreach needs of organic livestock and crop
9.25 farmers; and
- 9.26 (xiv) alternative bioenergy crops and
9.27 cropping systems; and growing, harvesting,
9.28 and transporting biomass plant material; and
- 9.29 (5) by February 1, 2017, the Board of Regents
9.30 must submit a report to the legislative
9.31 committees and divisions with responsibility
9.32 for agriculture and higher education finance

10.1	<u>on the status and outcomes of research and</u>		
10.2	<u>initiatives funded in this section.</u>		
10.3	<u>(b) Health Sciences</u>	<u>9,204,000</u>	<u>9,204,000</u>
10.4	<u>\$346,000 each year is to support up to 12</u>		
10.5	<u>resident physicians in the St. Cloud Hospital</u>		
10.6	<u>family practice residency program. The</u>		
10.7	<u>program must prepare doctors to practice</u>		
10.8	<u>primary care medicine in rural areas of the</u>		
10.9	<u>state. The legislature intends this program</u>		
10.10	<u>to improve health care in rural communities,</u>		
10.11	<u>provide affordable access to appropriate</u>		
10.12	<u>medical care, and manage the treatment of</u>		
10.13	<u>patients in a more cost-effective manner.</u>		
10.14	<u>The remainder of this appropriation is for</u>		
10.15	<u>the rural physicians associates program, the</u>		
10.16	<u>Veterinary Diagnostic Laboratory, health</u>		
10.17	<u>sciences research, dental care, and the</u>		
10.18	<u>Biomedical Engineering Center.</u>		
10.19	<u>(c) Institute of Technology</u>	<u>1,140,000</u>	<u>1,140,000</u>
10.20	<u>For the geological survey and the talented</u>		
10.21	<u>youth mathematics program.</u>		
10.22	<u>(d) System Special</u>	<u>5,181,000</u>	<u>5,181,000</u>
10.23	<u>For general research, the Labor Education</u>		
10.24	<u>Service, Natural Resources Research</u>		
10.25	<u>Institute, Center for Urban and Regional</u>		
10.26	<u>Affairs, Bell Museum of Natural History, and</u>		
10.27	<u>the Humphrey exhibit.</u>		
10.28	<u>Of this amount, \$125,000 in fiscal year 2016</u>		
10.29	<u>and \$125,000 in fiscal year 2017 are added</u>		
10.30	<u>to the base for the Labor Education Service.</u>		
10.31	<u>(e) University of Minnesota and Mayo</u>		
10.32	<u>Foundation Partnership</u>	<u>7,491,000</u>	<u>7,491,000</u>
10.33	<u>For the direct and indirect expenses of the</u>		
10.34	<u>collaborative research partnership between</u>		

11.1 the University of Minnesota and the Mayo
11.2 Foundation for research in biotechnology
11.3 and medical genomics. This appropriation is
11.4 available until expended. An annual report
11.5 on the expenditure of these funds must be
11.6 submitted to the governor and the chairs of
11.7 the legislative committee responsible for
11.8 higher education finance by June 30 of each
11.9 fiscal year.

11.10 **Subd. 5. Academic Health Center**

11.11 The appropriation for Academic Health
11.12 Center funding under Minnesota Statutes,
11.13 section 297F.10, is estimated to be
11.14 \$22,250,000 each year.

11.15 **Sec. 6. MAYO CLINIC**

11.16 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>1,351,000</u>	<u>\$</u>	<u>1,351,000</u>
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11.17 The amounts that may be spent are specified
11.18 in the following subdivisions.

11.19 <u>Subd. 2. Medical School</u>		<u>665,000</u>		<u>665,000</u>
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11.20 The state must pay a capitation each year for
11.21 each student who is a resident of Minnesota.
11.22 The appropriation may be transferred
11.23 between each year of the biennium to
11.24 accommodate enrollment fluctuations. It is
11.25 intended that during the biennium the Mayo
11.26 Clinic use the capitation money to increase
11.27 the number of doctors practicing in rural
11.28 areas in need of doctors.

11.29 <u>Subd. 3. Family Practice and Graduate</u> 11.30 <u>Residency Program</u>		<u>686,000</u>		<u>686,000</u>
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11.31 The state must pay stipend support for up to
11.32 27 residents each year.

12.1 **ARTICLE 2**12.2 **HIGHER EDUCATION POLICY**

12.3 Section 1. Minnesota Statutes 2014, section 136A.101, subdivision 5a, is amended to
12.4 read:

12.5 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means
12.6 the amount of a family's contribution to a student's cost of attendance, as determined by a
12.7 federal need analysis. For dependent students, the assigned family responsibility is ~~96~~ 94
12.8 percent of the parental contribution. For independent students with dependents other than
12.9 a spouse, the assigned family responsibility is ~~86~~ 70 percent of the student contribution.
12.10 For independent students without dependents other than a spouse, the assigned family
12.11 responsibility is ~~50~~ 34 percent of the student contribution.

12.12 Sec. 2. Minnesota Statutes 2014, section 136A.121, subdivision 5, is amended to read:

12.13 Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of
12.14 responsibility for covering the recognized cost of attendance by the applicant, the
12.15 applicant's family, and the government. The amount of a financial stipend must not
12.16 exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after
12.17 deducting the following:

12.18 (1) the assigned student responsibility of at least 50 percent of the cost of attending
12.19 the institution of the applicant's choosing;

12.20 (2) the assigned family responsibility as defined in section 136A.101; and

12.21 (3) the amount of a federal Pell grant award for which the grant applicant is
12.22 financially eligible, unless the student is ineligible to receive a Pell grant under United
12.23 States Code, title 20, section 1091(a)(5) or (d).

12.24 The minimum financial stipend is \$100 per academic year.

APPENDIX
Article locations in 15-2193

ARTICLE 1 HIGHER EDUCATION APPROPRIATIONS Page.Ln 1.10
ARTICLE 2 HIGHER EDUCATION POLICY Page.Ln 12.1