

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 1559

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DATE
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Introduction and first reading
Referred to Higher Education Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to higher education; requiring a report on certain consulting work performed
1.3 for public postsecondary educational systems; amending Minnesota Statutes 2016,
1.4 section 135A.031, subdivision 7.

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

1.6 Section 1. Minnesota Statutes 2016, section 135A.031, subdivision 7, is amended to read:

1.7 Subd. 7. **Reports.** (a) The University of Minnesota and the Minnesota State Colleges
1.8 and Universities systems shall include in their biennial budget proposals to the legislature:

1.9 (1) a five-year history of systemwide expenditures, reported by:

1.10 (i) functional areas, including instruction, research, public service, student financial aid,
1.11 and auxiliary services, and including direct costs and indirect costs, such as institutional
1.12 support, academic support, student services, and facilities management, associated with
1.13 each functional area; and

1.14 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;

1.15 (2) a five-year history of the system's total instructional expenditures per full-year
1.16 equivalent student, by level of instruction, including upper-division undergraduate,
1.17 lower-division undergraduate, graduate, professional, and other categories of instructional
1.18 programs offered by the system;

1.19 (3) a five-year history of the system's total revenues by funding source, including tuition,
1.20 state operations and maintenance appropriations, state special appropriations, other restricted
1.21 state funds, federal appropriations, sponsored research funds, gifts, auxiliary revenue, indirect
1.22 cost recovery, and any other revenue sources;

2.1 (4) an explanation describing how state appropriations made to the system in the previous
2.2 biennium were allocated and the methodology used to determine the allocation;

2.3 (5) data describing how the institution reallocated resources to advance the priorities set
2.4 forth in the budget submitted under section 135A.034 and the statewide objectives under
2.5 section 135A.011. The information must indicate whether instruction and support programs
2.6 received a reduction in or additional resources. The total amount reallocated must be clearly
2.7 explained;

2.8 (6) the tuition rates and fees established by the governing board in each of the past ten
2.9 years and comparison data for peer institutions and national averages;

2.10 (7) data on the number and proportion of students graduating within four, five, and six
2.11 years from universities and within three years from colleges as reported in the integrated
2.12 postsecondary education data system. These data must be provided for each institution by
2.13 race, ethnicity, and gender. Data and information must be submitted that describe the system's
2.14 plan and progress toward attaining the goals set forth in the plan to increase the number and
2.15 proportion of students that graduate within four, five, or six years from a university or within
2.16 three years from a college;

2.17 (8) data on, and the methodology used to measure, the number of students traditionally
2.18 underrepresented in higher education enrolled at the system's institutions. Data and
2.19 information must be submitted that describe the system's plan and progress toward attaining
2.20 the goals set forth in the plan to increase the recruitment, retention, and timely graduation
2.21 of students traditionally underrepresented in higher education; ~~and~~

2.22 (9) data on the revenue received from all sources to support research or workforce
2.23 development activities or the system's efforts to license, sell, or otherwise market products,
2.24 ideas, technology, and related inventions created in whole or in part by the system. Data
2.25 and information must be submitted that describe the system's plan and progress toward
2.26 attaining the goals set forth in the plan to increase the revenue received to support research
2.27 or workforce development activities or revenue received from the licensing, sale, or other
2.28 marketing and technology transfer activities by the system; and

2.29 (10) data on work completed by any consultant who is not an employee of the system
2.30 for which the system paid in excess of \$500,000. Data must include the name of the
2.31 consultant, the total cost incurred, a description of the work completed, and a description
2.32 of the reasons for using an outside consultant and not internal staff.

2.33 (b) Data required by this subdivision shall be submitted by the public postsecondary
2.34 systems to the Minnesota Office of Higher Education and the Department of Management

3.1 and Budget and included in the biennial budget document. Representatives from each system,
3.2 in consultation with the commissioner of management and budget and the commissioner
3.3 of the Office of Higher Education, shall develop consistent reporting practices for this
3.4 purpose.

3.5 (c) To the extent practicable, each system shall develop the ability to respond to legislative
3.6 requests for financial analyses that are more detailed than those required by this subdivision,
3.7 including but not limited to analyses that show expenditures or revenues by institution or
3.8 program, or in multiple categories of expenditures or revenues, and analyses that show
3.9 revenue sources for particular types of expenditures.