

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 3510

(SENATE AUTHORS: TOMASSONI)

DATE	D-PG	OFFICIAL STATUS
02/28/2022	5147	Introduction and first reading Referred to Higher Education Finance and Policy
04/04/2022	6297a	Comm report: To pass as amended and re-refer to Finance
04/26/2022		Comm report: To pass as amended Second reading

1.1 A bill for an act

1.2 relating to higher education; providing for supplemental funding for the Office of

1.3 Higher Education, Minnesota State Colleges and Universities, and the University

1.4 of Minnesota; creating and expanding workforce development programs and

1.5 scholarships; expanding and renaming the Minnesota Higher Education Facilities

1.6 Authority as the Minnesota Health and Education Facilities Authority; amending

1.7 Minnesota Statutes 2020, sections 3.732, subdivision 1; 136A.103; 136A.25;

1.8 136A.26; 136A.27; 136A.28; 136A.29, subdivisions 1, 3, 6, 9, 10, 14, 19, 20, 21,

1.9 22, by adding a subdivision; 136A.32, subdivision 4; 136A.33; 136A.34,

1.10 subdivisions 3, 4; 136A.36; 136A.38; 136A.41; 136A.42; 136F.02, subdivision

1.11 1; 136F.302, subdivisions 1, 2; 136F.38, subdivisions 2, 4; 136F.67, subdivision

1.12 1; 137.022, subdivision 4; 354B.20, subdivision 7; Minnesota Statutes 2021

1.13 Supplement, sections 10A.01, subdivision 35; 136F.38, subdivision 3; Laws 2021,

1.14 First Special Session chapter 2, article 1, sections 2, subdivisions 1, 9, 19, 20, 25,

1.15 26, 27, 33, 34, 38; 3, subdivisions 1, 3; 4, subdivisions 1, 4; proposing coding for

1.16 new law in Minnesota Statutes, chapters 124D; 136A; repealing Minnesota Statutes

1.17 2020, sections 136A.29, subdivision 4; 136F.03.

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

1.19 style="text-align:center">**ARTICLE 1**

1.20 style="text-align:center">**HIGHER EDUCATION APPROPRIATIONS**

1.21 Section 1. **HIGHER EDUCATION APPROPRIATIONS.**

1.22 The sums shown in the columns marked "Appropriations" are in addition to the

1.23 appropriations in Laws 2021, First Special Session chapter 2, article 1, as amended in this

1.24 act, unless otherwise specified, and are appropriated to the agencies and for the purposes

1.25 specified in this act. The appropriations are from the general fund, or another named fund,

1.26 and are available for the fiscal years indicated for each purpose. The figures "2022" and

1.27 "2023" used in this act mean that the appropriations listed under them are available for the

1.28 fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal

2.1 year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and
 2.2 2023.

2.3 APPROPRIATIONS
 2.4 Available for the Year
 2.5 Ending June 30
 2.6 2022 2023

2.7 Sec. 2. MINNESOTA OFFICE OF HIGHER
 2.8 EDUCATION

2.9 Subdivision 1. Total Appropriation \$ -0- \$ 5,261,000

2.10 The amounts that may be spent for each
 2.11 purpose are specified in the following
 2.12 subdivisions.

2.13 Subd. 2. Grants to Students Pursuing Law
 2.14 Enforcement -0- 3,761,000

2.15 For grants to eligible students under Minnesota
 2.16 Statutes, section 136A.1213. Of this amount,
 2.17 \$170,000 the first year is for administration
 2.18 costs. The base for this appropriation is
 2.19 \$3,666,000 for fiscal year 2024 and later.
 2.20 Beginning in fiscal year 2024, the
 2.21 commissioner may use \$75,000 for
 2.22 administration costs.

2.23 Subd. 3. Skills Path Grant Program -0- 500,000

2.24 For grants to eligible institutions under
 2.25 Minnesota Statutes, section 136A.247. Of this
 2.26 amount, the commissioner may use no more
 2.27 than \$15,000 of the appropriation for
 2.28 administration of the grant program. The base
 2.29 for this appropriation is \$500,000 for fiscal
 2.30 year 2024 and later.

2.31 Subd. 4. Owatonna Learn to Earn Coalition;
 2.32 Office of Higher Education -0- 980,000

2.33 This appropriation is for a grant to the
 2.34 Owatonna Learn to Earn Coalition to help the

3.1 Owatonna and Steele County region grow and
 3.2 retain a talented workforce. This is a onetime
 3.3 appropriation and is available until June 30,
 3.4 2024. Of this amount:

3.5 (1) \$900,000 is to develop educational learning
 3.6 spaces with state-of-the-art equipment and
 3.7 student support services in high-demand career
 3.8 pathway programs. Of this amount, \$306,000
 3.9 is to equip the new Owatonna High School's
 3.10 Industrial Technology classrooms with
 3.11 state-of-the-art equipment to introduce
 3.12 students to high-skill, high-wage, technical
 3.13 careers, and \$594,000 is to equip the
 3.14 Owatonna Riverland Community College
 3.15 Campus with state-of-the-art instructional
 3.16 equipment to offer credit and noncredit
 3.17 technical programs in automation robotics
 3.18 engineering technology and information
 3.19 technology; and

3.20 (2) \$80,000 is to create learn to earn
 3.21 opportunities for students and employers by
 3.22 engaging employers in the Owatonna
 3.23 community to offer tuition reimbursement or
 3.24 scholarships and part-time work and school
 3.25 schedules to employees who agree to continue
 3.26 their education while working for them.

3.27 **Subd. 5. Owatonna Learn to Earn Coalition;**
 3.28 **Department of Employment and Economic**
 3.29 **Development**

-0-

20,000

3.30 For transfer to the commissioner of
 3.31 employment and economic development for
 3.32 a grant to the Owatonna Learn to Earn
 3.33 Coalition to conduct a comprehensive local
 3.34 needs assessment to examine current and
 3.35 future workforce needs in the region. The

5.1 Sec. 5. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 9, is
5.2 amended to read:

5.3	Subd. 9. Intervention for College Attendance		
5.4	Program Grants	1,143,000	1,142,000

5.5 For the intervention for college attendance
5.6 program under Minnesota Statutes, section
5.7 136A.861.

5.8 The commissioner may use no more than ~~three~~
5.9 ~~percent~~ \$34,000 each year of this appropriation
5.10 to administer the intervention for college
5.11 attendance program grants.

5.12 Sec. 6. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 19, is
5.13 amended to read:

5.14	Subd. 19. Spinal Cord Injury and Traumatic		
5.15	Brain Injury Research Grant Program	3,000,000	3,000,000

5.16 For transfer to the spinal cord and traumatic
5.17 brain injury grant account in the special
5.18 revenue fund under Minnesota Statutes,
5.19 section 136A.901, subdivision 1.

5.20 The commissioner may use no more than ~~three~~
5.21 ~~percent~~ \$90,000 each year of the amount
5.22 transferred under this subdivision to administer
5.23 the grant program.

5.24 Sec. 7. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 20, is
5.25 amended to read:

5.26	Subd. 20. Summer Academic Enrichment		
5.27	Program	250,000	250,000

5.28 For summer academic enrichment grants under
5.29 Minnesota Statutes, section 136A.091.

5.30 The commissioner may use no more than ~~three~~
5.31 ~~percent~~ \$8,000 each year of this appropriation
5.32 to administer the grant program under this
5.33 subdivision.

6.1 Sec. 8. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 25, is
6.2 amended to read:

6.3 **Subd. 25. Grants to Student Teachers in**
6.4 **Shortage Areas** 500,000 500,000

6.5 For grants to student teachers in shortage areas
6.6 under Minnesota Statutes, section 136A.1275.

6.7 The commissioner may use no more than ~~three~~
6.8 ~~percent~~ \$15,000 each year of the appropriation
6.9 for administration of the program.

6.10 Sec. 9. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 26, is
6.11 amended to read:

6.12 **Subd. 26. Grants to Underrepresented Student**
6.13 **Teachers** 1,000,000 ~~1,000,000~~
1,250,000

6.14 For grants to underrepresented student teachers
6.15 under Minnesota Statutes, section 136A.1274.

6.16 The commissioner may use no more than ~~three~~
6.17 ~~percent~~ \$30,000 the first year and \$38,000 the
6.18 second year of the appropriation for
6.19 administration of the program.

6.20 The base for this appropriation is ~~\$1,125,000~~
6.21 \$1,250,000 in fiscal year 2024 and later.

6.22 Sec. 10. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 27,
6.23 is amended to read:

6.24 **Subd. 27. Teacher Shortage Loan Repayment** 200,000 200,000

6.25 For transfer to the teacher shortage loan
6.26 repayment account in the special revenue fund
6.27 under Minnesota Statutes, section 136A.1791,
6.28 subdivision 8.

6.29 The commissioner may use no more than ~~three~~
6.30 ~~percent~~ \$6,000 each year of the amount
6.31 transferred under this subdivision to administer
6.32 the program.

7.1 Sec. 11. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 33,
7.2 is amended to read:

7.3	Subd. 33. Minnesota Independence College and		1,250,000
7.4	Community	1,250,000	<u>1,750,000</u>

7.5 For a grant to Minnesota Independence
7.6 College and Community for need-based
7.7 scholarships and tuition reduction. Beginning
7.8 with students first enrolled in the fall of 2019,
7.9 eligibility is limited to resident students as
7.10 defined in Minnesota Statutes, section
7.11 136A.101, subdivision 8.

7.12 The base for this appropriation is ~~\$1,000,000~~
7.13 \$1,207,000 in fiscal year 2024 and later.

7.14 Sec. 12. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 34,
7.15 is amended to read:

7.16	Subd. 34. Student Loan Debt Counseling	200,000	200,000
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7.17 For student loan debt counseling under
7.18 Minnesota Statutes, section 136A.1788.

7.19 The Office of Higher Education may use no
7.20 more than ~~three percent~~ \$6,000 each year of
7.21 the appropriation to administer the student
7.22 loan debt counseling program.

7.23 Sec. 13. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 38,
7.24 is amended to read:

7.25	Subd. 38. Aspiring Teachers of Color		
7.26	Scholarship Pilot Program	1,500,000	1,500,000

7.27 (a) This appropriation is for the aspiring
7.28 teachers of color scholarship pilot program
7.29 under article 2, section 45.

7.30 (b) The commissioner of the Office of Higher
7.31 Education may use no more than ~~three percent~~
7.32 \$45,000 each year of the appropriation to

8.1 administer the aspiring teachers of color
8.2 scholarship program.

8.3 (c) This is a onetime appropriation. The base
8.4 for this appropriation is \$0 in fiscal year 2024
8.5 and later. Notwithstanding Minnesota Statutes,
8.6 section 16A.28, unencumbered balances under
8.7 this subdivision do not cancel until July 1,
8.8 2025.

8.9 Sec. 14. Laws 2021, First Special Session chapter 2, article 1, section 3, subdivision 1, is
8.10 amended to read:

8.11			<u>789,491,000</u>
8.12	Subdivision 1. Total Appropriation	\$ 791,992,000 \$	<u>800,140,000</u>

8.13 The amounts that may be spent for each
8.14 purpose are specified in the following
8.15 subdivisions.

8.16 Sec. 15. Laws 2021, First Special Session chapter 2, article 1, section 3, subdivision 3, is
8.17 amended to read:

8.18			751,295,000
8.19	Subd. 3. Operations and Maintenance	753,795,000	<u>761,944,000</u>

8.20 (a) The Board of Trustees must establish
8.21 tuition rates as follows:

8.22 (1) for the 2021-2022 and 2022-2023
8.23 academic years, tuition rates for undergraduate
8.24 students at colleges and universities must not
8.25 be increased by more than 3.5 percent as
8.26 compared to the previous academic year,
8.27 except that a university may change base
8.28 tuition to adjust for the reduction of online
8.29 differential charges provided the change is
8.30 revenue-neutral; and

8.31 (2) the student tuition relief may not be offset
8.32 by increases in mandatory fees, charges, or
8.33 other assessments to the student. Colleges and

9.1 universities are permitted to increase
9.2 differential tuition charges in fiscal years 2022
9.3 and 2023 where costs for course or program
9.4 delivery have increased due to extraordinary
9.5 circumstances beyond the control of the
9.6 college or university. Rates and rationale must
9.7 be approved by the Board of Trustees.

9.8 (b) The Board of Trustees must request
9.9 guidance from the United States Department
9.10 of Education regarding whether it is
9.11 permissible to allocate federal funds received
9.12 under section 314 of the Consolidated
9.13 Appropriations Act, 2021, as provided by
9.14 Public Law 116-260, and section 2003 of the
9.15 American Rescue Plan Act, as provided by
9.16 Public Law 117-2, to provide a tuition credit
9.17 for enrolled students or refund for students
9.18 who are no longer enrolled in an amount equal
9.19 to the amount of the online differential tuition
9.20 rate charged to students for courses moved
9.21 online due to the coronavirus pandemic during
9.22 the 2020-2021 academic year that were not
9.23 offered as online courses during the previous
9.24 academic year. If the department advises that
9.25 this is a permissible use of the federal funds,
9.26 institutions must issue such tuition credits to
9.27 enrolled students and must inform students
9.28 who are no longer enrolled in the institution
9.29 of their eligibility for a refund. In order to
9.30 receive a refund, the student must apply for
9.31 the refund.

9.32 (c) \$5,700,000 in fiscal year 2022 and
9.33 \$5,700,000 in fiscal year 2023 are to provide
9.34 supplemental aid for operations and
9.35 maintenance to the president of each two-year

10.1 institution in the system with at least one
10.2 campus that is not located in a metropolitan
10.3 county, as defined in Minnesota Statutes,
10.4 section 473.121, subdivision 4. The board
10.5 shall transfer at least \$158,000 for each
10.6 campus not located in a metropolitan county
10.7 in each year to the president of each institution
10.8 that includes such a campus.

10.9 (d) The Board of Trustees is requested to help
10.10 Minnesota close the attainment gap by funding
10.11 activities which improve retention and
10.12 completion for students of color.

10.13 (e) \$4,500,000 in fiscal year 2022 and
10.14 ~~\$4,500,000~~ \$14,500,000 in fiscal year 2023
10.15 are for workforce development scholarships
10.16 under Minnesota Statutes, section 136F.38.
10.17 Of this appropriation, up to \$200,000 is
10.18 available in each year to administer the
10.19 program. Of this amount, \$7,500,000 in the
10.20 second year and later must be used for
10.21 scholarships to students enrolled in a law
10.22 enforcement program of study. If there is a
10.23 balance of unobligated funds to law
10.24 enforcement students by February 15 of each
10.25 year, the board may reallocate the balance to
10.26 other purposes under this paragraph. The base
10.27 for this appropriation is \$9,500,000 for fiscal
10.28 year 2024 and later.

10.29 (f) \$300,000 in fiscal year 2022 and \$300,000
10.30 in fiscal year 2023 are for transfer to the Cook
10.31 County Higher Education Board to provide
10.32 educational programming, workforce
10.33 development, and academic support services
10.34 to remote regions in northeastern Minnesota.
10.35 The Cook County Higher Education Board

11.1 shall continue to provide information to the
11.2 Board of Trustees on the number of students
11.3 served, credit hours delivered, and services
11.4 provided to students.

11.5 (g) This appropriation includes \$40,000 in
11.6 fiscal year 2022 and \$40,000 in fiscal year
11.7 2023 to implement the sexual assault policies
11.8 required under Minnesota Statutes, section
11.9 135A.15.

11.10 (h) This appropriation includes \$8,000,000 in
11.11 fiscal year 2022 and \$8,000,000 in fiscal year
11.12 2023 for upgrading the Integrated Statewide
11.13 Record System.

11.14 (i) This appropriation includes \$250,000 in
11.15 fiscal year 2022 and \$250,000 in fiscal year
11.16 2023 to implement the Z-Degree program
11.17 under Minnesota Statutes, section 136F.305.
11.18 The base for this appropriation is \$50,000 in
11.19 fiscal year 2024 and later.

11.20 (j) \$1,500,000 in fiscal year 2022 is for the
11.21 mental health awareness program for students
11.22 required under Minnesota Statutes, section
11.23 136F.20, subdivision 4. Of this amount:
11.24 \$500,000 must be used for training
11.25 opportunities under Minnesota Statutes,
11.26 section 136F.20, subdivision 4, paragraph (a),
11.27 clause (2); and \$200,000 must be used for
11.28 grants to colleges and universities to establish
11.29 peer support pilot programs in Minnesota
11.30 Statutes, section 136F.20, subdivision 4,
11.31 paragraph (c). The Board of Trustees shall
11.32 convene a committee that includes students to
11.33 review and approve grant applications.
11.34 Notwithstanding Minnesota Statutes, section

12.1 16A.28, unencumbered balances under this
12.2 paragraph do not cancel until July 1, 2025.

12.3 (k) \$1,000,000 in fiscal year 2022 is for
12.4 colleges and universities to comply with the
12.5 student basic needs requirements under
12.6 Minnesota Statutes, section 136F.202. The
12.7 Board of Trustees must use at least 25 percent
12.8 of this appropriation for grants to colleges and
12.9 universities to comply with Minnesota
12.10 Statutes, section 136F.202, subdivision 1,
12.11 paragraph (a). The board must use a
12.12 consultation and committee process that
12.13 includes students to review and approve grant
12.14 applications. Notwithstanding Minnesota
12.15 Statutes, section 16A.28, unencumbered
12.16 balances under this paragraph do not cancel
12.17 until July 1, 2025.

12.18 (l) The total operations and maintenance base
12.19 for fiscal year 2024 and later is ~~\$751,095,000~~
12.20 \$756,095,000.

12.21 Sec. 16. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 1, is
12.22 amended to read:

12.23					692,813,000
12.24	Subdivision 1. Total Appropriation		\$	692,813,000	\$ <u>694,813,000</u>

12.25	Appropriations by Fund	
12.26	2022	2023
12.27		690,656,000
12.28	General	<u>692,656,000</u>
12.29	Health Care Access	2,157,000

12.30 The amounts that may be spent for each
12.31 purpose are specified in the following
12.32 subdivisions.

13.1 Sec. 17. Laws 2021, First Special Session chapter 2, article 1, section 4, subdivision 4, is
 13.2 amended to read:

13.3 **Subd. 4. Special Appropriations**

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

13.5 For the Agricultural Experiment Station and
 13.6 the Minnesota Extension Service:

13.7 (1) the agricultural experiment stations and
 13.8 Minnesota Extension Service must convene
 13.9 agricultural advisory groups to focus research,
 13.10 education, and extension activities on producer
 13.11 needs and implement an outreach strategy that
 13.12 more effectively and rapidly transfers research
 13.13 results and best practices to producers
 13.14 throughout the state;

13.15 (2) this appropriation includes funding for
 13.16 research and outreach on the production of
 13.17 renewable energy from Minnesota biomass
 13.18 resources, including agronomic crops, plant
 13.19 and animal wastes, and native plants or trees.

13.20 The following areas should be prioritized and
 13.21 carried out in consultation with Minnesota
 13.22 producers, renewable energy, and bioenergy
 13.23 organizations:

13.24 (i) biofuel and other energy production from
 13.25 perennial crops, small grains, row crops, and
 13.26 forestry products in conjunction with the
 13.27 Natural Resources Research Institute (NRRI);

13.28 (ii) alternative bioenergy crops and cropping
 13.29 systems; and

13.30 (iii) biofuel coproducts used for livestock feed;

13.31 (3) this appropriation includes funding for the
 13.32 College of Food, Agricultural, and Natural
 13.33 Resources Sciences to establish and provide

- 14.1 leadership for organic agronomic,
14.2 horticultural, livestock, and food systems
14.3 research, education, and outreach and for the
14.4 purchase of state-of-the-art laboratory,
14.5 planting, tilling, harvesting, and processing
14.6 equipment necessary for this project;
- 14.7 (4) this appropriation includes funding for
14.8 research efforts that demonstrate a renewed
14.9 emphasis on the needs of the state's agriculture
14.10 community. The following areas should be
14.11 prioritized and carried out in consultation with
14.12 Minnesota farm organizations:
- 14.13 (i) vegetable crop research with priority for
14.14 extending the Minnesota vegetable growing
14.15 season;
- 14.16 (ii) fertilizer and soil fertility research and
14.17 development;
- 14.18 (iii) soil, groundwater, and surface water
14.19 conservation practices and contaminant
14.20 reduction research;
- 14.21 (iv) discovering and developing plant varieties
14.22 that use nutrients more efficiently;
- 14.23 (v) breeding and development of turf seed and
14.24 other biomass resources in all three Minnesota
14.25 biomes;
- 14.26 (vi) development of new disease-resistant and
14.27 pest-resistant varieties of turf and agronomic
14.28 crops;
- 14.29 (vii) utilizing plant and livestock cells to treat
14.30 and cure human diseases;
- 14.31 (viii) the development of dairy coproducts;

15.1 (ix) a rapid agricultural response fund for
 15.2 current or emerging animal, plant, and insect
 15.3 problems affecting production or food safety;
 15.4 (x) crop pest and animal disease research;
 15.5 (xi) developing animal agriculture that is
 15.6 capable of sustainably feeding the world;
 15.7 (xii) consumer food safety education and
 15.8 outreach;
 15.9 (xiii) programs to meet the research and
 15.10 outreach needs of organic livestock and crop
 15.11 farmers; and
 15.12 (xiv) alternative bioenergy crops and cropping
 15.13 systems; and growing, harvesting, and
 15.14 transporting biomass plant material; and
 15.15 (5) by February 1, 2023, the Board of Regents
 15.16 must submit a report to the legislative
 15.17 committees and divisions with jurisdiction
 15.18 over agriculture and higher education finance
 15.19 on the status and outcomes of research and
 15.20 initiatives funded in this paragraph.

15.21	(b) Health Sciences	9,204,000	9,204,000
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15.22 \$346,000 each year is to support up to 12
 15.23 resident physicians in the St. Cloud Hospital
 15.24 family practice residency program. The
 15.25 program must prepare doctors to practice
 15.26 primary care medicine in rural areas of the
 15.27 state. The legislature intends this program to
 15.28 improve health care in rural communities,
 15.29 provide affordable access to appropriate
 15.30 medical care, and manage the treatment of
 15.31 patients in a more cost-effective manner. The
 15.32 remainder of this appropriation is for the rural
 15.33 physicians associates program; the Veterinary

16.1	Diagnostic Laboratory; health sciences		
16.2	research; dental care; the Biomedical		
16.3	Engineering Center; and the collaborative		
16.4	partnership between the University of		
16.5	Minnesota and Mayo Clinic for regenerative		
16.6	medicine, research, clinical translation, and		
16.7	commercialization.		
16.8	(c) College of Science and Engineering	1,140,000	1,140,000
16.9	For the geological survey and the talented		
16.10	youth mathematics program.		
16.11			7,431,000
16.12	(d) System Special	7,431,000	<u>9,431,000</u>
16.13	For general research, the Labor Education		
16.14	Service, Natural Resources Research Institute,		
16.15	Center for Urban and Regional Affairs, Bell		
16.16	Museum of Natural History, and the		
16.17	Humphrey exhibit.		
16.18	\$2,250,000 in fiscal year 2022 and \$2,250,000		
16.19	<u>\$4,250,000</u> in fiscal year 2023 are for the		
16.20	Natural Resources Research Institute to invest		
16.21	in applied research for economic development.		
16.22	The base for this appropriation is \$7,181,000		
16.23	in fiscal year 2024 and later and, of this		
16.24	amount, \$2,000,000 per fiscal year is for the		
16.25	Natural Resources Research Institute to invest		
16.26	in applied research for economic development.		
16.27	(e) University of Minnesota and Mayo		
16.28	Foundation Partnership	7,991,000	7,991,000
16.29	This appropriation is for the following		
16.30	activities:		
16.31	(1) \$7,491,000 in fiscal year 2022 and		
16.32	\$7,491,000 in fiscal year 2023 are for the		
16.33	direct and indirect expenses of the		
16.34	collaborative research partnership between the		

17.1 University of Minnesota and the Mayo
 17.2 Foundation for research in biotechnology and
 17.3 medical genomics. An annual report on the
 17.4 expenditure of these funds must be submitted
 17.5 to the governor and the chairs of the legislative
 17.6 committees responsible for higher education
 17.7 finance by June 30 of each fiscal year.

17.8 (2) \$500,000 in fiscal year 2022 and \$500,000
 17.9 in fiscal year 2023 are to award competitive
 17.10 grants to conduct research into the prevention,
 17.11 treatment, causes, and cures of Alzheimer's
 17.12 disease and other dementias.

17.13 **Sec. 18. EDUCATION APPROPRIATIONS.**

17.14 **Subdivision 1. Department of Education.** The sum indicated in this section is
 17.15 appropriated from the general fund to the Department of Education for the fiscal year
 17.16 designated. This sum is in addition to appropriations made for the same purpose in any other
 17.17 law.

17.18 **Subd. 2. General education aid.** For general education aid under Minnesota Statutes,
 17.19 section 126C.13, subdivision 4:

17.20 § 24,000 2023

17.21 The 2023 appropriation includes \$0 for 2022 and \$24,000 for 2023.

17.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

17.23 **ARTICLE 2**

17.24 **HIGHER EDUCATION PROVISIONS**

17.25 **Section 1. [124D.351] SKILLS PATH PROGRAM.**

17.26 **Subdivision 1. Purpose.** The purpose of the skills path program is to provide students
 17.27 with clear pathways from high school to careers in skilled work and the trades and create
 17.28 opportunities for students to enter postsecondary programs and employment-based training
 17.29 in high school.

17.30 **Subd. 2. Definitions.** (a) For purposes of this section, the following terms have the
 17.31 meanings given.

18.1 (b) "Career and technical education dual credit program" means a postsecondary career
18.2 or technical education course under section 124D.09, subdivision 5a; a secondary course
18.3 that has a current articulation agreement for postsecondary credit hours with a participating
18.4 institution; or a youth skills training program that awards postsecondary credit to students.

18.5 (c) "Employment-based training" means a registered apprenticeship or apprenticeship
18.6 readiness program, a dual-training program, a workforce training program at an opportunities
18.7 industrialization center, or other work-based learning programs in which the student has
18.8 paid employment.

18.9 Subd. 3. **Eligible institutions.** (a) A secondary public school, an American
18.10 Indian-controlled Tribal contract or grant school eligible for aid under section 124D.83, a
18.11 vocational center school, a nonpublic school, or any combination of schools is eligible to
18.12 apply for a skills path program designation.

18.13 (b) A Minnesota state college or university, an institution licensed or registered as a
18.14 postsecondary institution by the Office of Higher Education, or an institution exempt from
18.15 the provisions of sections 136A.61 to 136A.71 or 136A.822 to 136A.834, as approved by
18.16 the Office of Higher Education, may partner with an institution in paragraph (a) to provide
18.17 a postsecondary options enrollment career and technical education course for eligible students
18.18 in a skills path program.

18.19 (c) An eligible institution may work in partnership with one or more postsecondary
18.20 programs designated in paragraph (b) to create a two-year program that incorporates
18.21 secondary and postsecondary credit along with employment-based training to award an
18.22 associate degree in skilled occupations.

18.23 Subd. 4. **Skills path programs.** The commissioner of higher education must develop
18.24 an application consistent with section 136A.247, and may consult with the commissioners
18.25 of education and labor and industry, for programs that provide students with clear pathways
18.26 from high school to careers in skilled work and the trades to be designated as skills path
18.27 programs. Skills path programs must include career-connected learning options, career and
18.28 technical education dual credit program options, and employment-based training opportunities
18.29 to be eligible for this designation. Applicants must demonstrate how skills path programs
18.30 will be marketed to students and what other local partners and employers are involved in
18.31 developing career pathway opportunities. Skills path programs may be identified in skilled
18.32 occupations and the trades, including manufacturing, construction, health care services,
18.33 information technology, agriculture, transportation, child care, law enforcement, energy,
18.34 and other related industries.

19.1 Subd. 5. **Interaction with education finance.** For the purpose of computing state aids
 19.2 for the school district, students participating in the skills path programs under this section
 19.3 shall be counted in the average daily membership of the school district.

19.4 Subd. 6. **Academic credit.** A school district may grant academic credit for skills path
 19.5 programs under this section in accordance with local requirements.

19.6 Sec. 2. Minnesota Statutes 2020, section 136A.103, is amended to read:

19.7 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

19.8 (a) A postsecondary institution is eligible for state student aid under chapter 136A and
 19.9 sections 197.791 and 299A.45, if the institution ~~is located in this state and:~~

19.10 (1) is operated by this state or the Board of Regents of the University of Minnesota; ~~or~~

19.11 (2) is operated privately, is located in the state, and, as determined by the office, meets
 19.12 the requirements of paragraph (b); or

19.13 (3) is a university that:

19.14 (i) is a nonprofit entity as defined by Internal Revenue Code, section 501(c)(3);

19.15 (ii) is accredited by the institutional accreditor, Northwest Commission on Colleges and
 19.16 Universities;

19.17 (iii) provides online education;

19.18 (iv) offers exclusively competency-based education; and

19.19 (v) as determined by the office, meets the requirements of paragraph (b).

19.20 For purposes of this clause, competency-based education means an educational delivery
 19.21 model which organizes academic content by competency rather than more traditional
 19.22 methods, such as by course, and measures a student's academic progress by assessing learning
 19.23 outcomes, typically on the basis of mastery of a defined set of competency standards.

19.24 (b) A private institution must:

19.25 (1) maintain academic standards substantially equivalent to those of comparable
 19.26 institutions operated in this state;

19.27 (2) be licensed or registered as a postsecondary institution by the office; and

19.28 (3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of
 19.29 the Higher Education Act of 1965, Public Law 89-329, as amended; or

20.1 (ii) if an institution was participating in state student aid programs as of June 30, 2010,
 20.2 and the institution did not participate in the federal Pell Grant program by June 30, 2010,
 20.3 the institution must require every student who enrolls to sign a disclosure form, provided
 20.4 by the office, stating that the institution is not participating in the federal Pell Grant program.

20.5 (c) An institution that offers only graduate-level degrees or graduate-level nondegree
 20.6 programs is an eligible institution if the institution is licensed or registered as a postsecondary
 20.7 institution by the office.

20.8 (d) An eligible institution under paragraph (b), clause (3), item (ii), that changes
 20.9 ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell
 20.10 Grant program within four calendar years of the first ownership change to continue eligibility.

20.11 (e) An institution that loses its eligibility for the federal Pell Grant program is not an
 20.12 eligible institution. The office may terminate an institution's eligibility to participate in state
 20.13 student aid programs effective the date of the loss of eligibility for the federal Pell Grant
 20.14 program.

20.15 (f) An institution must maintain adequate administrative and financial standards and
 20.16 compliance with all state statutes, rules, and administrative policies related to state financial
 20.17 aid programs.

20.18 (g) The office may terminate a postsecondary institution's eligibility to participate in
 20.19 state student aid programs if the institution is terminated from participating in federal
 20.20 financial aid programs by the United States Department of Education for a violation of laws,
 20.21 regulations, or participation agreements governing federal financial aid programs.

20.22 **EFFECTIVE DATE.** This section is effective July 1, 2023.

20.23 **Sec. 3. [136A.1213] GRANTS FOR STUDENTS PURSUING LAW ENFORCEMENT.**

20.24 **Subdivision 1. Grant amount; eligibility.** (a) A student is eligible for a \$3,000 annual
 20.25 grant, awarded at the beginning of the academic term and distributed evenly between two
 20.26 terms, if the student:

20.27 (1) meets the eligibility requirements in section 136A.121, subdivision 2;

20.28 (2) is enrolled for at least nine credits in a law enforcement degree program or a nondegree
 20.29 program under section 626.84, subdivision 1, paragraph (g);

20.30 (3) attends an eligible institution as defined in section 136A.103; and

20.31 (4) is making satisfactory academic progress as defined under section 136A.101,
 20.32 subdivision 10.

21.1 (b) The lifetime limit for:

21.2 (1) nondegree students is \$3,000;

21.3 (2) associate degree students is \$6,000; and

21.4 (3) baccalaureate degree students is \$12,000.

21.5 Subd. 2. **Application.** To receive a grant under this section, a student must apply in the
21.6 form and manner specified by the commissioner.

21.7 Sec. 4. **[136A.247] SKILLS PATH GRANT PROGRAM.**

21.8 Subdivision 1. **Grant amount.** The commissioner of higher education shall award grants
21.9 up to \$50,000 per grant to up to ten secondary schools annually for skills path programs
21.10 under section 124D.351 that align career and technical education dual credit program options
21.11 with employment-based training opportunities. Applications must demonstrate how grant
21.12 funding will provide students with clear pathways from high school to postsecondary training
21.13 that lead to careers in skilled work and the trades. The commissioner of higher education
21.14 may work with the commissioner of education and the commissioner of labor and industry
21.15 to develop the grant application and administer the grants.

21.16 Subd. 2. **Grant uses.** (a) A secondary school awarded a grant under this section must
21.17 use the grant award for any of the following implementation and coordination activities:

21.18 (1) marketing efforts to students about skills path program opportunities;

21.19 (2) coordinating academic, vocational, and occupational learning; school-based and
21.20 work-based learning; and secondary and postsecondary education for participants in the
21.21 program;

21.22 (3) reimbursement of tuition, books, required tools, and other expenses necessary for
21.23 participation in the program; and

21.24 (4) any other implementation or coordination activity that the commissioner may direct
21.25 or permit the eligible institution to perform.

21.26 (b) Grant awards may not be used to pay the wages of a student directly or indirectly.

21.27 Subd. 3. **Grant application.** The following information must be included in the grant
21.28 application:

21.29 (1) the identity of each secondary school that is a participant in the skills path program;

21.30 (2) the identity of each registered apprenticeship program or apprenticeship readiness
21.31 program, dual-training program, workforce training program at an opportunities

- 22.1 industrialization center, or other work-based learning program in which the student has the
 22.2 opportunity for paid employment that is a participant in the skills path program;
 22.3 (3) the identity of each postsecondary institution, intermediate school district, public
 22.4 agency, nonprofit organization, union, career and technical education consortium, or
 22.5 workforce development authority that is a participant in the skills path program;
 22.6 (4) the identity of any employers participating in the skills path program;
 22.7 (5) a description of any career-connected learning components;
 22.8 (6) a description of the career and technical education dual-credit program options;
 22.9 (7) a description of any postsecondary education components in the skills path program;
 22.10 (8) a description of employment-based training opportunities; and
 22.11 (9) applicable career planning information.

22.12 Sec. 5. Minnesota Statutes 2020, section 136F.02, subdivision 1, is amended to read:

22.13 Subdivision 1. **Membership.** The board consists of 15 members appointed by the
 22.14 governor, including three members who are students who have attended an institution for
 22.15 at least one year and are enrolled at the time of appointment at least half time in a degree,
 22.16 diploma, or certificate program in an institution governed by the board. The student members
 22.17 shall include one member from a community college, one member from a state university,
 22.18 and one member from a technical college. One member representing labor must be appointed
 22.19 after considering the recommendations made under section 136F.045. The governor is not
 22.20 bound by the recommendations. Appointments to the board are with the advice and consent
 22.21 of the senate. At least one member of the board must be a resident of each congressional
 22.22 district. All other members must be appointed to represent the state at large. In selecting
 22.23 appointees, the governor must consider the needs of the board and the balance of the board
 22.24 membership with respect to labor and business representation ~~and~~; racial, gender, geographic,
 22.25 and ethnic composition; and occupation and experience. In selecting appointees, the governor
 22.26 must consider the needs of the board for skills relevant to the governance of the Minnesota
 22.27 State Colleges and Universities and the candidate's ability to discharge the responsibilities
 22.28 of the board.

22.29 A commissioner of a state agency may not serve as a member of the board.

23.1 Sec. 6. Minnesota Statutes 2020, section 136F.302, subdivision 1, is amended to read:

23.2 Subdivision 1. **ACT or SAT college ready score; Minnesota Comprehensive**
 23.3 **Assessment career and college ready benchmarks.** (a) A state college or university must
 23.4 not require an individual to take a ~~remedial~~ developmental, noncredit course in a subject
 23.5 area if the individual has received a college ready ACT or SAT score or met a career and
 23.6 college ready Minnesota Comprehensive Assessment benchmark in that subject area. Only
 23.7 the ACT and SAT scores an individual received and the Minnesota Comprehensive
 23.8 Assessment benchmarks an individual met in the previous five years are valid for purposes
 23.9 of this section. Each state college and university must post notice of the exemption from
 23.10 ~~remedial~~ developmental course taking on its website explaining student course placement
 23.11 requirements. Prior to enrolling an individual in a developmental course, a college or
 23.12 university must (1) determine if the individual's performance on the ACT, SAT, or Minnesota
 23.13 Comprehensive Assessments exempts the individual from the developmental course under
 23.14 this paragraph, and (2) inform the individual if a developmental course is required.

23.15 (b) When deciding if an individual is admitted to or if an individual may enroll in a state
 23.16 college or university, the state college or university must consider the individual's scores
 23.17 on the high school Minnesota Comprehensive Assessments, in addition to other factors
 23.18 determined relevant by the college or university.

23.19 Sec. 7. Minnesota Statutes 2020, section 136F.302, subdivision 2, is amended to read:

23.20 Subd. 2. **Testing Process for determining if ~~remediating~~ developmental education**
 23.21 **is necessary.** (a) A college or university must not determine if an individual is placed in a
 23.22 developmental, noncredit course based solely on a testing process. A state college or
 23.23 university may use multiple measures to make a holistic determination on whether to place
 23.24 an individual in a developmental course. Multiple measures may include:

23.25 (1) testing under paragraph (b);

23.26 (2) the individual's scores on the high school Minnesota Comprehensive Assessments,
 23.27 the ACT, or the SAT;

23.28 (3) high school grade point average;

23.29 (4) teacher recommendations; and

23.30 (5) other factors determined relevant by the college or university.

23.31 (b) A college or university testing process used to determine whether an individual is
 23.32 placed in a ~~remedial~~ developmental, noncredit course must comply with this subdivision.

24.1 Prior to taking a test, an individual must be given reasonable time and opportunity to review
24.2 materials provided by the college or university covering the material to be tested which
24.3 must include a sample test. An individual who is required to take a ~~remedial~~ developmental,
24.4 noncredit course as a result of a test given by a college or university must be given an
24.5 opportunity to retake the test at the earliest time determined by the individual when testing
24.6 is otherwise offered. The college or university must provide an individual with study materials
24.7 for the purpose of retaking and passing the test.

24.8 Sec. 8. Minnesota Statutes 2020, section 136F.38, subdivision 2, is amended to read:

24.9 Subd. 2. **Scholarship awards.** The program shall award scholarships at the beginning
24.10 of an academic term, in the amount of \$2,500, or \$5,000 for law enforcement students, to
24.11 be distributed evenly between two terms.

24.12 Sec. 9. Minnesota Statutes 2021 Supplement, section 136F.38, subdivision 3, is amended
24.13 to read:

24.14 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible
24.15 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following
24.16 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health
24.17 care services; (4) information technology; (5) early childhood; (6) transportation; ~~or~~ (7)
24.18 construction; (8) law enforcement; or (9) a program of study under paragraph (b).

24.19 (b) Each institution may add one additional area of study or certification, based on a
24.20 workforce shortage for full-time employment requiring postsecondary education that is
24.21 unique to the institution's specific region, as reported in the most recent Department of
24.22 Employment and Economic Development job vacancy survey data for the economic
24.23 development region in which the institution is located. A workforce shortage area is one in
24.24 which the job vacancy rate for full-time employment in a specific occupation in a region is
24.25 higher than the state average vacancy rate for that same occupation. The institution may
24.26 change the area of study or certification based on new data once every two years.

24.27 (c) The student must be enrolled for at least nine credits in a two-year college in the
24.28 Minnesota State Colleges and Universities system to be eligible for first- and second-year
24.29 scholarships.

24.30 (d) The student is eligible for a one-year transfer scholarship if the student transfers from
24.31 a two-year college after two or more terms, and the student is enrolled for at least nine
24.32 credits in a four-year university in the Minnesota State Colleges and Universities system.

25.1 Sec. 10. Minnesota Statutes 2020, section 136F.38, subdivision 4, is amended to read:

25.2 Subd. 4. **Renewal; cap.** A student who has received a scholarship may apply again but
 25.3 total lifetime awards are not to exceed \$7,500 per student, or \$15,000 for law enforcement
 25.4 students. Students may only be awarded a second scholarship upon completion of two
 25.5 academic terms. Students may be awarded a third scholarship if the student transfers to a
 25.6 corresponding program at a Minnesota state university.

25.7 Sec. 11. Minnesota Statutes 2020, section 137.022, subdivision 4, is amended to read:

25.8 Subd. 4. **Mineral research; scholarships.** (a) All income credited after July 1, 1992,
 25.9 to the permanent university fund from royalties for mining under state mineral leases from
 25.10 and after July 1, 1991, must be allocated as provided in this subdivision.

25.11 (b)(1) Beginning January 1, 2013, 50 percent of the income must be allocated according
 25.12 to this paragraph. One-half of the income under this paragraph, up to ~~\$50,000,000~~
 25.13 \$100,000,000, must be credited to the mineral research account of the fund to be allocated
 25.14 for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral
 25.15 and mineral-related research including mineral-related environmental research. The other
 25.16 one-half of the income under this paragraph, up to \$25,000,000, is credited to an endowment
 25.17 for the costs of operating a mining, ~~metallurgical~~ mineral, mineral-related, or related
 25.18 engineering science, technology, engineering, and mathematics (STEM) degree program
 25.19 programs offered through the University of Minnesota at Mesabi Range Community and
 25.20 Technical College and the Swenson College of Science and Engineering at Duluth to support
 25.21 workforce development and collaborations benefiting regional academics, industry, and
 25.22 natural resources on the Iron Range in northeast Minnesota and for scholarships for
 25.23 Minnesota students to attend the mining, ~~metallurgical, or related engineering program~~
 25.24 mineral, mineral-related, or STEM programs. The maximum scholarship awarded to attend
 25.25 the ~~mining, metallurgical, or related engineering degree program~~ programs funded under
 25.26 this paragraph cannot exceed ~~\$6,500~~ 75 percent of current in-state tuition rates per academic
 25.27 year and may be awarded a maximum of four academic years.

25.28 (2) The remainder of the income under paragraph (a) plus the amount of any income
 25.29 under clause (1) after ~~\$50,000,000~~ \$100,000,000 has been credited to the mineral research
 25.30 account for the Natural Resources Research Institute and the amount of any income over
 25.31 the \$25,000,000 for the ~~engineering program~~ programming in clause (1) must be credited
 25.32 to the endowed scholarship account of the fund for distribution annually for scholastic
 25.33 achievement as provided by the Board of Regents to undergraduates enrolled at the University
 25.34 of Minnesota who are resident students as defined in section 136A.101, subdivision 8.

26.1 (c) The annual distribution from the endowed scholarship account must be allocated to
 26.2 the various campuses of the University of Minnesota in proportion to the number of
 26.3 undergraduate resident students enrolled on each campus.

26.4 (d) The Board of Regents must report to the education committees of the legislature
 26.5 biennially at the time of the submission of its budget request on the disbursement of money
 26.6 from the endowed scholarship account and to the environment and natural resources
 26.7 committees on the use of the mineral research account.

26.8 (e) Capital gains and losses and portfolio income of the permanent university fund must
 26.9 be credited to its three accounts in proportion to the market value of each account.

26.10 (f) The endowment support from the income and capital gains of the endowed mineral
 26.11 research and endowed scholarship accounts of the fund must not total more than six percent
 26.12 per year of the 36-month trailing average market value of the account from which the support
 26.13 is derived.

26.14 Sec. 12. **REVISOR INSTRUCTION.**

26.15 The revisor of statutes shall substitute the term "developmental" for "remedial" wherever
 26.16 the term refers to remedial education courses at a postsecondary institution. The revisor
 26.17 shall also make grammatical changes related to the changes in terms to preserve the meaning
 26.18 of the text.

26.19 Sec. 13. **REPEALER.**

26.20 Minnesota Statutes 2020, section 136F.03, is repealed.

26.21 **ARTICLE 3**

26.22 **MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY**

26.23 Section 1. Minnesota Statutes 2020, section 136A.25, is amended to read:

26.24 **136A.25 CREATION.**

26.25 A state agency known as the Minnesota ~~Higher~~ Health and Education Facilities Authority
 26.26 is hereby created.

27.1 Sec. 2. Minnesota Statutes 2020, section 136A.26, is amended to read:

27.2 **136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.**

27.3 Subdivision 1. **Membership.** The Minnesota ~~Higher~~ Health and Education Facilities
27.4 Authority shall consist of ~~eight~~ nine members appointed by the governor with the advice
27.5 and consent of the senate, and a representative of the ~~office~~ Office of Higher Education.

27.6 All members to be appointed by the governor shall be residents of the state. At least two
27.7 members must reside outside the metropolitan area as defined in section 473.121, subdivision
27.8 2. At least one of the members shall be a person having a favorable reputation for skill,
27.9 knowledge, and experience in the field of state and municipal finance; ~~and~~ at least one shall
27.10 be a person having a favorable reputation for skill, knowledge, and experience in the building
27.11 construction field; ~~and~~ at least one of the members shall be a trustee, director, officer, or
27.12 employee of an institution of higher education; and at least one of the members shall be a
27.13 trustee, director, officer, or employee of a health care organization.

27.14 Subd. 1a. **Private College Council member.** The president of the Minnesota Private
27.15 College Council, or the president's designee, shall serve without compensation as an advisory,
27.16 nonvoting member of the authority.

27.17 Subd. 1b. **Nonprofit health care association member.** The chief executive officer of
27.18 a Minnesota nonprofit membership association whose members are primarily nonprofit
27.19 health care organizations, or the chief executive officer's designee, shall serve without
27.20 compensation as an advisory, nonvoting member of the authority. The identity of the
27.21 Minnesota nonprofit membership association shall be determined and may be changed from
27.22 time to time by the members of the authority in accordance with and as shall be provided
27.23 in the bylaws of the authority.

27.24 Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal
27.25 of members, and filling of vacancies for authority members other than the representative
27.26 of the office, ~~and~~ the president of the Private College Council, or the chief executive officer
27.27 of the Minnesota nonprofit membership association described in subdivision 1b shall be as
27.28 provided in section 15.0575.

27.29 Sec. 3. Minnesota Statutes 2020, section 136A.27, is amended to read:

27.30 **136A.27 POLICY.**

27.31 It is hereby declared that for the benefit of the people of the state, the increase of their
27.32 commerce, welfare and prosperity and the improvement of their health and living conditions
27.33 it is essential that health care organizations within the state be provided with appropriate

28.1 additional means to establish, acquire, construct, improve, and expand health care facilities
 28.2 in furtherance of their purposes; that this and future generations of youth be given the fullest
 28.3 opportunity to learn and to develop their intellectual and mental capacities; ~~that it is essential~~
 28.4 that institutions of higher education within the state be provided with appropriate additional
 28.5 means to assist such youth in achieving the required levels of learning and development of
 28.6 their intellectual and mental capacities; and that health care organizations and institutions
 28.7 of higher education be enabled to refinance outstanding indebtedness incurred to provide
 28.8 existing facilities used for such purposes in order to preserve and enhance the utilization of
 28.9 facilities for purposes of health care and higher education, to extend or adjust maturities in
 28.10 relation to the resources available for their payment, and to save interest costs and thereby
 28.11 reduce health care costs or higher education tuition, fees, and charges; ~~and~~. It is hereby
 28.12 further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure
 28.13 of assistance and an alternative method to enable health care organizations and institutions
 28.14 of higher education in the state to provide the facilities and structures which are sorely
 28.15 needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit
 28.16 and good, to the extent and manner provided herein.

28.17 Sec. 4. Minnesota Statutes 2020, section 136A.28, is amended to read:

28.18 **136A.28 DEFINITIONS.**

28.19 Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms
 28.20 shall, unless the context otherwise requires, have the meanings ascribed to them.

28.21 Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is
 28.22 controlled by, or is under common control with, another entity. For the purposes of this
 28.23 subdivision, "control" means either the power to elect a majority of the members of the
 28.24 governing body of an entity or the power, whether by contract or otherwise, to direct the
 28.25 management and policies of the entity. Affiliate also means an entity whose business or
 28.26 substantially all of whose property is operated under a lease, management agreement, or
 28.27 operating agreement by another entity, or an entity who operates the business or substantially
 28.28 all of the property of another entity under a lease, management agreement, or operating
 28.29 agreement.

28.30 Subd. 2. **Authority.** "Authority" means the ~~Higher~~ Health and Education Facilities
 28.31 Authority created by sections 136A.25 to 136A.42.

28.32 Subd. 3. **Project.** "Project" means ~~a structure or structures available for use as a dormitory~~
 28.33 ~~or other student housing facility, a dining hall, student union, administration building,~~
 28.34 ~~academic building, library, laboratory, research facility, classroom, athletic facility, health~~

29.1 ~~care facility, child care facility, and maintenance, storage, or utility facility and other~~
 29.2 ~~structures or facilities related thereto or required or useful for the instruction of students or~~
 29.3 ~~the conducting of research or the operation of an institution of higher education, whether~~
 29.4 ~~proposed, under construction, or completed, including parking and other facilities or~~
 29.5 ~~structures essential or convenient for the orderly conduct of such institution for higher~~
 29.6 ~~education, and shall also include landscaping, site preparation, furniture, equipment and~~
 29.7 ~~machinery, and other similar items necessary or convenient for the operation of a particular~~
 29.8 ~~facility or structure in the manner for which its use is intended but shall not include such~~
 29.9 ~~items as books, fuel, supplies, or other items the costs of which are customarily deemed to~~
 29.10 ~~result in a current operating charge, and shall~~ a health care facility or an education facility
 29.11 whether proposed, under construction, or completed, and includes land or interests in land,
 29.12 appurtenances, site preparation, landscaping, buildings and structures, systems, fixtures,
 29.13 furniture, machinery, equipment, and parking. Project also includes other structures, facilities,
 29.14 improvements, machinery, equipment, and means of transport of a capital nature that are
 29.15 necessary or convenient for the operation of the facility. Project does not include: (1) any
 29.16 facility used or to be used for sectarian instruction or as a place of religious worship nor;
 29.17 (2) any facility which is used or to be used primarily in connection with any part of the
 29.18 program of a school or department of divinity for any religious denomination; nor (3) any
 29.19 books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are
 29.20 customarily deemed to result in a current operating charge.

29.21 Subd. 4. **Cost.** "Cost," as applied to a project or any portion thereof financed under the
 29.22 provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction,
 29.23 acquisition, alteration, enlargement, reconstruction and remodeling of a project including
 29.24 all lands, structures, real or personal property, rights, rights-of-way, franchises, easements
 29.25 and interests acquired or used for or in connection with a project, the cost of demolishing
 29.26 or removing any buildings or structures on land so acquired, including the cost of acquiring
 29.27 any lands to which ~~such~~ buildings or structures may be moved, the cost of all machinery
 29.28 and equipment, financing charges, interest prior to, during and for a period after completion
 29.29 of such construction and acquisition, provisions for reserves for principal and interest and
 29.30 for extensions, enlargements, additions and improvements, the cost of architectural,
 29.31 engineering, financial and legal services, plans, specifications, studies, surveys, estimates
 29.32 of cost and of revenues, administrative expenses, expenses necessary or incident to
 29.33 determining the feasibility or practicability of constructing the project and such other
 29.34 expenses as may be necessary or incident to the construction and acquisition of the project,
 29.35 the financing of such construction and acquisition and the placing of the project in operation.

30.1 Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority
 30.2 issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding
 30.3 bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit
 30.4 of a participating institution ~~for higher education~~ or any other lawfully pledged security of
 30.5 a participating institution ~~for higher education~~.

30.6 Subd. 6. **Institution of higher education.** "Institution of higher education" means a
 30.7 nonprofit educational institution within the state authorized to provide a program of education
 30.8 beyond the high school level.

30.9 Subd. 6a. **Health care organization.** (a) "Health care organization" means a nonprofit
 30.10 organization located within the state and authorized by law to operate a nonprofit health
 30.11 care facility in the state. Health care organization also means a nonprofit affiliate of a health
 30.12 care organization as defined under this paragraph, provided the affiliate is located within
 30.13 the state or within a state that is geographically contiguous to Minnesota.

30.14 (b) Health care organization also means a nonprofit organization located within another
 30.15 state that is geographically contiguous to Minnesota and authorized by law to operate a
 30.16 nonprofit health care facility in that state, provided that the nonprofit organization located
 30.17 within the contiguous state is an affiliate of a health care organization located within the
 30.18 state.

30.19 Subd. 6b. **Education facility.** "Education facility" means a structure or structures
 30.20 available for use as a dormitory or other student housing facility, dining hall, student union,
 30.21 administration building, academic building, library, laboratory, research facility, classroom,
 30.22 athletic facility, student health care facility, or child care facility, and includes other facilities
 30.23 or structures related thereto essential or convenient for the orderly conduct of an institution
 30.24 of higher education.

30.25 Subd. 6c. **Health care facility.** (a) "Health care facility" means a structure or structures
 30.26 available for use within this state as a hospital, clinic, psychiatric residential treatment
 30.27 facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation
 30.28 facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis
 30.29 facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility,
 30.30 medical office building, residence for nurses or interns, nursing home, boarding care home,
 30.31 assisted living facility, residential hospice, intermediate care facility for persons with
 30.32 developmental disabilities, supervised living facility, housing with services establishment,
 30.33 board and lodging establishment with special services, adult day care center, day services
 30.34 facility, prescribed pediatric extended care facility, community residential setting, adult

31.1 foster home, or other facility related to medical or health care research, or the delivery or
 31.2 administration of health care services, and includes other structures or facilities related
 31.3 thereto essential or convenient for the orderly conduct of a health care organization.

31.4 (b) Health care facility also means a facility in a state that is geographically contiguous
 31.5 to Minnesota operated by a health care organization that corresponds by purpose, function,
 31.6 or use with a facility listed in paragraph (a).

31.7 Subd. 7. **Participating institution of higher education.** "Participating institution of
 31.8 ~~higher education~~" means a health care organization or an institution of higher education
 31.9 that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and
 31.10 construction or acquisition of a project or undertakes the refunding or refinancing of
 31.11 obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42.
 31.12 Community colleges and technical colleges may be considered participating institutions of
 31.13 ~~higher education~~ for the purpose of financing and constructing child care facilities and
 31.14 parking facilities.

31.15 Sec. 5. Minnesota Statutes 2020, section 136A.29, subdivision 1, is amended to read:

31.16 Subdivision 1. **Purpose.** The purpose of the authority shall be to assist health care
 31.17 organizations and institutions of higher education in the construction, financing, and
 31.18 refinancing of projects. The exercise by the authority of the powers conferred by sections
 31.19 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public
 31.20 function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the
 31.21 powers and duties set forth in subdivisions 2 to 23.

31.22 Sec. 6. Minnesota Statutes 2020, section 136A.29, subdivision 3, is amended to read:

31.23 Subd. 3. **Employees.** The authority is authorized and empowered to appoint and employ
 31.24 employees as it may deem necessary to carry out its duties, determine the title of the
 31.25 employees so employed, and fix the salary of ~~said~~ its employees. Employees of the authority
 31.26 shall participate in retirement and other benefits in the same manner that employees in the
 31.27 ~~unclassified service of the office~~ managerial plan under section 43A.18, subdivision 3,
 31.28 participate.

31.29 Sec. 7. Minnesota Statutes 2020, section 136A.29, subdivision 6, is amended to read:

31.30 Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine
 31.31 the location and character of any project to be financed under the provisions of sections
 31.32 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge,

32.1 alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, to enter into
 32.2 contracts for any or all of such purposes, to enter into contracts for the management and
 32.3 operation of a project, and to designate a participating institution ~~of higher education~~ as its
 32.4 agent to determine the location and character of a project undertaken by such participating
 32.5 institution ~~of higher education~~ under the provisions of sections 136A.25 to 136A.42 and as
 32.6 the agent of the authority, to construct, reconstruct, remodel, maintain, manage, enlarge,
 32.7 alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same, and as the
 32.8 agent of the authority, to enter into contracts for any or all of such purposes, including
 32.9 contracts for the management and operation of such project.

32.10 (b) Notwithstanding paragraph (a), a project involving a health care facility within the
 32.11 state financed under sections 136A.25 to 136A.42, must comply with all applicable
 32.12 requirements in state law related to authorizing construction of or modifications to a health
 32.13 care facility, including the requirements of sections 144.5509, 144.551, 144A.071, and
 32.14 252.291.

32.15 (c) Contracts of the authority or of a participating institution ~~of higher education~~ to
 32.16 acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair
 32.17 projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other
 32.18 public contract or competitive bid law.

32.19 Sec. 8. Minnesota Statutes 2020, section 136A.29, subdivision 9, is amended to read:

32.20 Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue
 32.21 revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$1,300,000,000~~
 32.22 \$4,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds
 32.23 of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for
 32.24 acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving,
 32.25 furnishing, or equipping one or more projects or parts thereof.

32.26 (b) Of the \$4,000,000,000 limit in paragraph (a), the aggregate principal amount used
 32.27 to fund education facilities may not exceed \$1,750,000,000 at any time, and the aggregate
 32.28 principal amount used to fund health care facilities may not exceed \$2,250,000,000 at any
 32.29 time.

32.30 Sec. 9. Minnesota Statutes 2020, section 136A.29, subdivision 10, is amended to read:

32.31 Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized
 32.32 and empowered to issue revenue bonds to acquire projects from or to make loans to
 32.33 participating institutions ~~of higher education~~ and thereby refinance outstanding indebtedness

33.1 incurred by participating institutions of higher education to provide funds for the acquisition,
 33.2 construction or improvement of a facility before or after the enactment of sections 136A.25
 33.3 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the
 33.4 authority finds that such refinancing will enhance or preserve such participating institutions
 33.5 and such facilities or utilization thereof for health care or educational purposes or extend
 33.6 or adjust maturities to correspond to the resources available for their payment, or reduce
 33.7 charges or fees imposed on patients or occupants, or the tuition, charges, or fees imposed
 33.8 on students for the use or occupancy of the facilities of such participating institutions of
 33.9 higher education or costs met by federal or state public funds, or enhance or preserve health
 33.10 care or educational programs and research or the acquisition or improvement of other
 33.11 facilities eligible to be a project or part thereof by the participating institution of higher
 33.12 education. The amount of revenue bonds to be issued to refinance outstanding indebtedness
 33.13 of a participating institution of higher education shall not exceed the lesser of (a) the fair
 33.14 value of the project to be acquired by the authority from the institution or mortgaged to the
 33.15 authority by the institution or (b) the amount of the outstanding indebtedness including any
 33.16 premium thereon and any interest accrued or to accrue to the date of redemption and any
 33.17 legal, fiscal and related costs in connection with such refinancing and reasonable reserves,
 33.18 as determined by the authority. The provisions of this subdivision do not prohibit the authority
 33.19 from issuing revenue bonds within and charged against the limitations provided in subdivision
 33.20 9 to provide funds for improvements, alteration, renovation, or extension of the project
 33.21 refinanced.

33.22 Sec. 10. Minnesota Statutes 2020, section 136A.29, subdivision 14, is amended to read:

33.23 Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to
 33.24 establish rules for the use of a project or any portion thereof and to designate a participating
 33.25 institution of higher education as its agent to establish rules for the use of a project undertaken
 33.26 for such participating institution of higher education.

33.27 Sec. 11. Minnesota Statutes 2020, section 136A.29, subdivision 19, is amended to read:

33.28 Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of
 33.29 sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution
 33.30 of the authority to handle funds or sign checks of the authority shall be covered under a
 33.31 surety or fidelity bond in an amount to be determined by the authority. Each such bond shall
 33.32 be conditioned upon the faithful performance of the duties of the office of the member or
 33.33 officer, and shall be executed by a surety company authorized to transact business in the
 33.34 state of Minnesota as surety. The cost of each such bond shall be paid by the authority.

34.1 Sec. 12. Minnesota Statutes 2020, section 136A.29, subdivision 20, is amended to read:

34.2 Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and
34.3 empowered to sell, lease, release, or otherwise dispose of real and personal property or
34.4 interests therein, or a combination thereof, acquired by the authority under authority of
34.5 sections 136A.25 to 136A.42 and no longer needed for the purposes of ~~such~~ this chapter or
34.6 of the authority, and grant such easements and other rights in, over, under, or across a project
34.7 as will not interfere with its use of ~~such~~ the property. ~~Such~~ The sale, lease, release,
34.8 disposition, or grant may be made without competitive bidding and in ~~such~~ the manner and
34.9 for such consideration as the authority in its judgment deems appropriate.

34.10 Sec. 13. Minnesota Statutes 2020, section 136A.29, subdivision 21, is amended to read:

34.11 Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any
34.12 participating institution ~~of higher education~~ for the cost of a project in accordance with an
34.13 agreement between the authority and the participating institution ~~of higher education~~;
34.14 provided that no ~~such~~ loan shall exceed the total cost of the project as determined by the
34.15 participating institution ~~of higher education~~ and approved by the authority.

34.16 Sec. 14. Minnesota Statutes 2020, section 136A.29, subdivision 22, is amended to read:

34.17 Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and
34.18 empowered to charge to and apportion among participating institutions ~~of higher education~~
34.19 its administrative costs and expenses incurred in the exercise of the powers and duties
34.20 conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment
34.21 deems appropriate.

34.22 Sec. 15. Minnesota Statutes 2020, section 136A.29, is amended by adding a subdivision
34.23 to read:

34.24 Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered
34.25 to determine whether an entity is an affiliate as defined in section 136A.28, subdivision 1a.
34.26 A determination by the authority of affiliate status shall be deemed conclusive for the
34.27 purposes of sections 136A.25 to 136A.42.

34.28 Sec. 16. Minnesota Statutes 2020, section 136A.32, subdivision 4, is amended to read:

34.29 Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions
34.30 authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which
34.31 shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

35.1 (1) pledging all or any part of the revenues of a project or projects, any revenue producing
 35.2 contract or contracts made by the authority with ~~any individual partnership, corporation or~~
 35.3 ~~association or other body~~ one or more partnerships, corporations or associations, or other
 35.4 bodies, public or private, to secure the payment of the revenue bonds or of any particular
 35.5 issue of revenue bonds, subject to such agreements with bondholders as may then exist;

35.6 (2) the rentals, fees and other charges to be charged, and the amounts to be raised in
 35.7 each year thereby, and the use and disposition of the revenues;

35.8 (3) the setting aside of reserves or sinking funds, and the regulation and disposition
 35.9 thereof;

35.10 (4) limitations on the right of the authority or its agent to restrict and regulate the use of
 35.11 the project;

35.12 (5) limitations on the purpose to which the proceeds of sale of any issue of revenue
 35.13 bonds then or thereafter to be issued may be applied and pledging such proceeds to secure
 35.14 the payment of the revenue bonds or any issue of the revenue bonds;

35.15 (6) limitations on the issuance of additional bonds, the terms upon which additional
 35.16 bonds may be issued and secured and the refunding of outstanding bonds;

35.17 (7) the procedure, if any, by which the terms of any contract with bondholders may be
 35.18 amended or abrogated, the amount of bonds the holders of which must consent thereto, and
 35.19 the manner in which such consent may be given;

35.20 (8) limitations on the amount of moneys derived from the project to be expended for
 35.21 operating, administrative or other expenses of the authority;

35.22 (9) defining the acts or omissions to act which shall constitute a default in the duties of
 35.23 the authority to holders of its obligations and providing the rights and remedies of such
 35.24 holders in the event of a default; or

35.25 (10) the mortgaging of a project and the site thereof for the purpose of securing the
 35.26 bondholders.

35.27 Sec. 17. Minnesota Statutes 2020, section 136A.33, is amended to read:

35.28 **136A.33 TRUST AGREEMENT.**

35.29 In the discretion of the authority any revenue bonds issued under the provisions of
 35.30 sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the
 35.31 authority and a corporate trustee or trustees, which may be any trust company or bank having
 35.32 the powers of a trust company within the state. ~~Such~~ The trust agreement or the resolution

36.1 providing for the issuance of ~~such~~ revenue bonds may pledge or assign the revenues to be
 36.2 received or proceeds of any contract or contracts pledged and may convey or mortgage the
 36.3 project or any portion thereof. ~~Such~~ The trust agreement or resolution providing for the
 36.4 issuance of ~~such~~ revenue bonds may contain such provisions for protecting and enforcing
 36.5 the rights and remedies of the bondholders as may be reasonable and proper and not in
 36.6 violation of laws, including particularly such provisions as have hereinabove been specifically
 36.7 authorized to be included in any resolution or resolutions of the authority authorizing revenue
 36.8 bonds thereof. Any bank or trust company incorporated under the laws of the state ~~which~~
 36.9 that may act as depository of the proceeds of bonds or of revenues or other moneys may
 36.10 furnish ~~such~~ indemnifying bonds or ~~pledges~~ ~~such~~ pledge securities as may be required by
 36.11 the authority. Any ~~such~~ trust agreement may set forth the rights and remedies of the
 36.12 bondholders and of the trustee or trustees and may restrict the individual right of action by
 36.13 bondholders. In addition to the foregoing, any ~~such~~ trust agreement or resolution may contain
 36.14 ~~such~~ other provisions as the authority may deem reasonable and proper for the security of
 36.15 the bondholders. All expenses incurred in carrying out the provisions of ~~such~~ the trust
 36.16 agreement or resolution may be treated as a part of the cost of the operation of a project.

36.17 Sec. 18. Minnesota Statutes 2020, section 136A.34, subdivision 3, is amended to read:

36.18 Subd. 3. **Investment.** Any ~~such~~ escrowed proceeds, pending such use, may be invested
 36.19 and reinvested in direct obligations of the United States of America, or in certificates of
 36.20 deposit or time deposits secured by direct obligations of the United States of America, or
 36.21 in shares or units in any money market mutual fund whose investment portfolio consists
 36.22 solely of direct obligations of the United States of America, maturing at such time or times
 36.23 as shall be appropriate to assure the prompt payment, as to principal, interest and redemption
 36.24 premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income
 36.25 and profits, if any, earned or realized on any such investment may also be applied to the
 36.26 payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow
 36.27 have been fully satisfied and carried out, any balance of such proceeds and interest, income
 36.28 and profits, if any, earned or realized on the investments thereof may be returned to the
 36.29 authority for use by it in any lawful manner.

36.30 Sec. 19. Minnesota Statutes 2020, section 136A.34, subdivision 4, is amended to read:

36.31 Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any ~~such~~
 36.32 revenue bonds issued for the additional purpose of paying all or any part of the cost of
 36.33 constructing and acquiring additions, improvements, extensions or enlargements of a project

37.1 may be invested or deposited ~~in time deposits~~ as provided in section 136A.32, subdivision
37.2 7.

37.3 Sec. 20. Minnesota Statutes 2020, section 136A.36, is amended to read:

37.4 **136A.36 REVENUES.**

37.5 The authority may fix, revise, charge and collect rates, rents, fees and charges for the
37.6 use of and for the services furnished or to be furnished by each project and ~~to~~ may contract
37.7 with any person, partnership, association or corporation, or other body, public or private,
37.8 in respect thereof. ~~Such~~ The rates, rents, fees, and charges may vary between projects
37.9 involving an education facility and projects involving a health care facility and shall be
37.10 fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from ~~such~~
37.11 the project so as to provide funds sufficient with other revenues, if any:

37.12 (1) to pay the cost of maintaining, repairing and operating the project and each and every
37.13 portion thereof, to the extent that the payment of such cost has not otherwise been adequately
37.14 provided for;

37.15 (2) to pay the principal of and the interest on outstanding revenue bonds of the authority
37.16 issued in respect of such project as the same shall become due and payable; and

37.17 (3) to create and maintain reserves required or provided for in any resolution authorizing,
37.18 or trust agreement securing, ~~such~~ revenue bonds of the authority. ~~Such~~ The rates, rents, fees
37.19 and charges shall not be subject to supervision or regulation by any department, commission,
37.20 board, body, bureau or agency of this state other than the authority. A sufficient amount of
37.21 the revenues derived in respect of a project, except ~~such~~ part of ~~such~~ the revenues as may
37.22 be necessary to pay the cost of maintenance, repair and operation and to provide reserves
37.23 and for renewals, replacements, extensions, enlargements and improvements as may be
37.24 provided for in the resolution authorizing the issuance of any revenue bonds of the authority
37.25 or in the trust agreement securing the same, shall be set aside at such regular intervals as
37.26 may be provided in ~~such~~ the resolution or trust agreement in a sinking or other similar fund
37.27 ~~which~~ that is hereby pledged to, and charged with, the payment of the principal of and the
37.28 interest on ~~such~~ revenue bonds as the same shall become due, and the redemption price or
37.29 the purchase price of bonds retired by call or purchase as therein provided. ~~Such~~ The pledge
37.30 shall be valid and binding from the time when the pledge is made; the rates, rents, fees and
37.31 charges and other revenues or other moneys so pledged and thereafter received by the
37.32 authority shall immediately be subject to the lien of ~~such~~ the pledge without physical delivery
37.33 thereof or further act, and the lien of any such pledge shall be valid and binding as against
37.34 all parties having claims of any kind against the authority, irrespective of whether such

38.1 parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge
 38.2 is created need be filed or recorded except in the records of the authority. The use and
 38.3 disposition of moneys to the credit of such sinking or other similar fund shall be subject to
 38.4 the provisions of the resolution authorizing the issuance of such bonds or of such trust
 38.5 agreement. Except as may otherwise be provided in ~~such~~ the resolution or ~~such~~ trust
 38.6 agreement, ~~such~~ the sinking or other similar fund shall be a fund for all ~~such~~ revenue bonds
 38.7 issued to finance a project or projects at one or more participating institutions ~~of higher~~
 38.8 ~~education~~ without distinction or priority of one over another; provided the authority in any
 38.9 such resolution or trust agreement may provide that such sinking or other similar fund shall
 38.10 be the fund for a particular project at ~~an~~ a participating institution ~~of higher education~~ and
 38.11 for the revenue bonds issued to finance a particular project and may, additionally, permit
 38.12 and provide for the issuance of revenue bonds having a subordinate lien in respect of the
 38.13 security herein authorized to other revenue bonds of the authority and, in such case, the
 38.14 authority may create separate or other similar funds in respect of ~~such~~ the subordinate lien
 38.15 bonds.

38.16 Sec. 21. Minnesota Statutes 2020, section 136A.38, is amended to read:

38.17 **136A.38 BONDS ELIGIBLE FOR INVESTMENT.**

38.18 Bonds issued by the authority under the provisions of sections 136A.25 to 136A.42, are
 38.19 hereby made securities in which all public officers and public bodies of the state and its
 38.20 political subdivisions, all insurance companies, trust companies, banking associations,
 38.21 investment companies, executors, administrators, trustees and other fiduciaries may properly
 38.22 and legally invest funds, including capital in their control or belonging to them; it being the
 38.23 purpose of this section to authorize the investment in such bonds of all sinking, insurance,
 38.24 retirement, compensation, pension and trust funds, whether owned or controlled by private
 38.25 or public persons or officers; provided, however, that nothing contained in this section may
 38.26 be construed as relieving any person, firm, or corporation from any duty of exercising due
 38.27 care in selecting securities for purchase or investment; and provide further, that in no event
 38.28 shall assets of pension funds of public employees of the state of Minnesota or any of its
 38.29 agencies, boards or subdivisions, whether publicly or privately administered, be invested
 38.30 in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby
 38.31 constituted "authorized securities" within the meaning and for the purposes of Minnesota
 38.32 Statutes 1969, section 50.14. ~~Such~~ The bonds are hereby made securities ~~which~~ that may
 38.33 properly and legally be deposited with and received by any state or municipal officer or any
 38.34 agency or political subdivision of the state for any purpose for which the deposit of bonds
 38.35 or obligations of the state now or may hereafter be authorized by law.

39.1 Sec. 22. Minnesota Statutes 2020, section 136A.41, is amended to read:

39.2 **136A.41 CONFLICT OF INTEREST.**

39.3 Notwithstanding any other law to the contrary it shall not be or constitute a conflict of
39.4 interest for a trustee, director, officer or employee of any participating institution of higher
39.5 education, financial institution, investment banking firm, brokerage firm, commercial bank
39.6 or trust company, architecture firm, insurance company, construction company, or any other
39.7 firm, person or corporation to serve as a member of the authority, provided such trustee,
39.8 director, officer or employee shall abstain from deliberation, action and vote by the authority
39.9 in each instance where the business affiliation of any such trustee, director, officer or
39.10 employee is involved.

39.11 Sec. 23. Minnesota Statutes 2020, section 136A.42, is amended to read:

39.12 **136A.42 ANNUAL REPORT.**

39.13 The authority shall keep an accurate account of all of its activities and all of its receipts
39.14 and expenditures ~~and shall annually report to the office.~~ Each year, the authority shall submit
39.15 to the Minnesota Historical Society and the Legislative Reference Library a report of the
39.16 authority's activities in the previous year, including all financial activities.

39.17 Sec. 24. **REVISOR INSTRUCTION.**

39.18 The revisor of statutes shall renumber the law establishing and governing the Minnesota
39.19 Higher Education Facilities Authority, renamed the Minnesota Health and Education
39.20 Facilities Authority in this act, as Minnesota Statutes, chapter 16F, coded in Minnesota
39.21 Statutes 2020, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor
39.22 of statutes shall also duplicate any required definitions from Minnesota Statutes, chapter
39.23 136A, revise any statutory cross-references consistent with the recoding, and report the
39.24 history in Minnesota Statutes, chapter 16F.

39.25 Sec. 25. **REPEALER.**

39.26 Minnesota Statutes 2020, section 136A.29, subdivision 4, is repealed.

ARTICLE 4

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY
CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2020, section 3.732, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the ~~Higher~~ Health and Education Facilities Authority, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

41.1 Sec. 2. Minnesota Statutes 2021 Supplement, section 10A.01, subdivision 35, is amended
41.2 to read:

41.3 Subd. 35. **Public official.** "Public official" means any:

41.4 (1) member of the legislature;

41.5 (2) individual employed by the legislature as secretary of the senate, legislative auditor,
41.6 director of the Legislative Budget Office, chief clerk of the house of representatives, revisor
41.7 of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of
41.8 Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis
41.9 Department;

41.10 (3) constitutional officer in the executive branch and the officer's chief administrative
41.11 deputy;

41.12 (4) solicitor general or deputy, assistant, or special assistant attorney general;

41.13 (5) commissioner, deputy commissioner, or assistant commissioner of any state
41.14 department or agency as listed in section 15.01 or 15.06, or the state chief information
41.15 officer;

41.16 (6) member, chief administrative officer, or deputy chief administrative officer of a state
41.17 board or commission that has either the power to adopt, amend, or repeal rules under chapter
41.18 14, or the power to adjudicate contested cases or appeals under chapter 14;

41.19 (7) individual employed in the executive branch who is authorized to adopt, amend, or
41.20 repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

41.21 (8) executive director of the State Board of Investment;

41.22 (9) deputy of any official listed in clauses (7) and (8);

41.23 (10) judge of the Workers' Compensation Court of Appeals;

41.24 (11) administrative law judge or compensation judge in the State Office of Administrative
41.25 Hearings or unemployment law judge in the Department of Employment and Economic
41.26 Development;

41.27 (12) member, regional administrator, division director, general counsel, or operations
41.28 manager of the Metropolitan Council;

41.29 (13) member or chief administrator of a metropolitan agency;

41.30 (14) director of the Division of Alcohol and Gambling Enforcement in the Department
41.31 of Public Safety;

- 42.1 (15) member or executive director of the ~~Higher~~ Health and Education Facilities
42.2 Authority;
- 42.3 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 42.4 (17) member of the board of directors or executive director of the Minnesota State High
42.5 School League;
- 42.6 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 42.7 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 42.8 (20) manager of a watershed district, or member of a watershed management organization
42.9 as defined under section 103B.205, subdivision 13;
- 42.10 (21) supervisor of a soil and water conservation district;
- 42.11 (22) director of Explore Minnesota Tourism;
- 42.12 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
42.13 97A.056;
- 42.14 (24) citizen member of the Clean Water Council established in section 114D.30;
- 42.15 (25) member or chief executive of the Minnesota Sports Facilities Authority established
42.16 in section 473J.07;
- 42.17 (26) district court judge, appeals court judge, or supreme court justice;
- 42.18 (27) county commissioner;
- 42.19 (28) member of the Greater Minnesota Regional Parks and Trails Commission;
- 42.20 (29) member of the Destination Medical Center Corporation established in section
42.21 469.41; or
- 42.22 (30) chancellor or member of the Board of Trustees of the Minnesota State Colleges
42.23 and Universities.
- 42.24 Sec. 3. Minnesota Statutes 2020, section 136F.67, subdivision 1, is amended to read:
- 42.25 Subdivision 1. **Authorization.** A technical college or a community college must not
42.26 seek financing for child care facilities or parking facilities through the ~~Higher~~ Health and
42.27 Education Facilities Authority, as provided in section 136A.28, subdivision 7, without the
42.28 explicit authorization of the board.

43.1 Sec. 4. Minnesota Statutes 2020, section 354B.20, subdivision 7, is amended to read:

43.2 Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered
43.3 by the individual retirement account plan under section 354B.211, means:

43.4 (1) the board;

43.5 (2) the Minnesota Office of Higher Education; and

43.6 (3) the ~~Higher~~ Health and Education Facilities Authority.

136A.29 POWERS; DUTIES.

Subd. 4. **Mutual agreement; staff, equipment, office space.** By mutual agreement between the authority and the office, authority staff employees may also be members of the office staff. By mutual agreement, authority employees may be provided office space in the office of the Office of Higher Education, and said employees may make use of equipment, supplies, and office space, provided that the authority fully reimburses the office for salaries and for space, equipment, supplies, and materials used. In the absence of such mutual agreement between the authority and the office, the authority may maintain an office at such place or places as it may designate.

136F.03 CANDIDATE ADVISORY COUNCIL.

Subdivision 1. **Purpose.** A Candidate Advisory Council for the board shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, nonstudent membership on the board.

Subd. 2. **Membership.** The advisory council consists of 24 members. Twelve members are appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate. Twelve members are appointed by the speaker of the house. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of a member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 governs the advisory council, except that the members must be appointed to six-year terms.

Subd. 3. **Duties.** (a) The advisory council shall:

(1) develop a statement of the selection criteria to be applied and a description of the responsibilities and duties of a member of the board and shall distribute this to potential candidates; and

(2) for each position on the board, identify and recruit qualified candidates for the board, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board.

(b) Selection criteria developed under this section must include the requirement that trustees represent diversity in geography, gender, race, occupation, and experience.

(c) Selection criteria developed under this section must also include the identification of the membership needs of the board for individual skills relevant to the governance of the Minnesota State Colleges and Universities and the needs for certain individual characteristics that include geographic location, gender, race, occupation, and experience.

Subd. 4. **Recommendations.** Except for seats filled under sections 136F.04 and 136F.045, the advisory council shall recommend at least two and not more than four candidates for each seat. By April 15 of each even-numbered year in which the governor makes appointments to the board, the advisory council shall submit its recommendations to the governor and to the chairs and ranking minority members of the legislative committees with primary jurisdiction over higher education policy and finance. The governor is not bound by these recommendations.

Subd. 5. **Support services.** The Legislative Coordinating Commission shall provide administrative and support services for the advisory council.