

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 3670

(SENATE AUTHORS: FISCHBACH and Eichorn)

DATE
03/21/2018

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Introduction and first reading
Referred to Capital Investment

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to capital investment; appropriating money for capital improvements at
1.3 Minnesota State Colleges and Universities; authorizing the sale and issuance of
1.4 state bonds.

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

1.6 Section 1. **MINNESOTA STATE COLLEGES AND UNIVERSITIES.**

1.7 Subdivision 1. **Appropriation.** \$224,509,000 is appropriated from the bond proceeds
1.8 fund to the Board of Trustees of the Minnesota State Colleges and Universities for the
1.9 purposes of this section.

1.10 Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR).**
1.11 \$180,000,000 of this appropriation is to be spent in accordance with Minnesota Statutes,
1.12 section 135A.046.

1.13 Subd. 3. **Anoka-Ramsey Community College, Coon Rapids.** \$569,000 of this
1.14 appropriation is to design the renovation of the business and nursing building on the Coon
1.15 Rapids campus.

1.16 Subd. 4. **Baccalaureate Expansion, Minneapolis Community and Technical College,**
1.17 **North Hennepin Community College, Normandale Community College.** \$4,270,000
1.18 of this appropriation is to design, renovate, and equip space on the college campuses in
1.19 Minneapolis, Brooklyn Park, and Bloomington to support baccalaureate programming
1.20 expansion.

1.21 Subd. 5. **Bemidji State University.** \$22,512,000 of this appropriation is to demolish
1.22 and replace Hagg Sauer Hall with the Academic Learning Center Building; and to design,

2.1 renovate, and equip A.C. Clark Library, Bangsberg Hall, Bensen Hall, Bridgeman Hall, and
2.2 Sattgast Hall.

2.3 Subd. 6. **Central Lakes College, Brainerd.** \$455,000 of this appropriation is to design
2.4 the renovation of the student support and student life areas within the main campus building.

2.5 Subd. 7. **Century College.** \$6,362,000 of this appropriation is to design, renovate, and
2.6 equip the Engineering and Applied Technology Center, welding lab, fabrication lab, auto
2.7 disassembly, and related student support and university partnership space on the east campus.

2.8 Subd. 8. **Fond du Lac Tribal and Community College, Maajiigi (Start to Grow).**
2.9 \$1,157,000 of this appropriation is to design, renovate, and equip classrooms and offices
2.10 for the elementary education program; renovate kitchen area; to perform site work to support
2.11 outdoor learning; and to demolish obsolete modular classroom/office building.

2.12 Subd. 9. **Inver Hills Community College.** \$698,000 of this appropriation is to design
2.13 the renovation of the Technology and Business Center to include the link to Heritage Hall.

2.14 Subd. 10. **Minnesota State University, Mankato.** \$6,478,000 of this appropriation is
2.15 to design, renovate, renew, equip, and repurpose the spaces in Wissink Hall, Morris Hall,
2.16 and Wiecking Center vacated when occupants moved to the new Clinical Science Building;
2.17 and to install a solar array on the roof of the new Clinical Science Building.

2.18 Subd. 11. **Minnesota State University, Moorhead.** \$628,000 of this appropriation is
2.19 to design the renovation of Weld Hall.

2.20 Subd. 12. **Normandale Community College.** \$12,636,000 of this appropriation is to
2.21 design Phases 1 and 2 of the renovation of the College Services Building; and to renovate
2.22 and equip the first floor of the College Services Building, including site improvements that
2.23 address ADA compliance and storm water management.

2.24 Subd. 13. **Northland Community and Technical College, East Grand Forks.**
2.25 \$2,425,000 of this appropriation is to design, renovate, renew, and equip teaching and
2.26 learning lab space at the East Grand Forks campus.

2.27 Subd. 14. **Riverland Community College, Albert Lea.** \$10,122,000 of this appropriation
2.28 is to design, renovate, renew, and equip classroom and lab space at the Albert Lea campus;
2.29 to construct infill in Building C to support auto and diesel labs; and to demolish obsolete
2.30 child care building.

2.31 Subd. 15. **Rochester Community and Technical College.** \$22,853,000 of this
2.32 appropriation is to demolish Plaza and Memorial Halls; to design, renovate, renew, and

3.1 equip classrooms and labs; to construct an addition adjacent to Endicott Hall; to construct
3.2 a central chiller plant; and to demolish the maintenance building and child care building.

3.3 Subd. 16. **Saint Paul College.** \$995,000 of this appropriation is to design the renovation
3.4 of classroom, lab, and student services space in the main campus building.

3.5 Subd. 17. **Vermilion Community College.** \$2,349,000 of this appropriation is to design,
3.6 renovate, renew, and equip the classroom building and common space.

3.7 Subd. 18. **Debt service.** (a) Except as provided in paragraph (b), the Board of Trustees
3.8 shall pay the debt service on one-third of the principal amount of state bonds sold to finance
3.9 projects authorized by this section. After each sale of general obligation bonds, the
3.10 commissioner of management and budget shall notify the board of the amounts assessed
3.11 for each year for the life of the bonds.

3.12 (b) The board need not pay debt service on bonds sold to finance HEAPR. Where a
3.13 nonstate match is required, the debt service is due on a principal amount equal to one-third
3.14 of the total project cost, less the match committed before the bonds are sold.

3.15 (c) The commissioner of management and budget shall reduce the board's assessment
3.16 each year by one-third of the net income from investment of general obligation bond proceeds
3.17 in proportion to the amount of principal and interest otherwise required to be paid by the
3.18 board. The board shall pay its resulting net assessment to the commissioner of management
3.19 and budget by December 1 each year. If the board fails to make a payment when due, the
3.20 commissioner of management and budget shall reduce allotments for appropriations from
3.21 the general fund otherwise available to the board and apply the amount of the reduction to
3.22 cover the missed debt service payment. The commissioner of management and budget shall
3.23 credit the payments received from the board to the bond debt service account in the state
3.24 bond fund each December 1 before money is transferred from the general fund under
3.25 Minnesota Statutes, section 16A.641, subdivision 10.

3.26 Subd. 19. **Unspent appropriations.** (a) Upon substantial completion of a project
3.27 authorized in this section and after written notice to the commissioner of management and
3.28 budget, the board must use any money remaining in the appropriation for that project for
3.29 HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report
3.30 by February 1 of each even-numbered year to the chairs of the house of representatives and
3.31 senate committees with jurisdiction over capital investment and higher education finance,
3.32 and to the chairs of the house of representatives Ways and Means Committee and the senate
3.33 Finance Committee, on how the remaining money has been allocated or spent.

4.1 (b) The unspent portion of an appropriation for a project in this section that is complete
4.2 is available for HEAPR under this subdivision, at the same campus as the project for which
4.3 the original appropriation was made and the debt service requirement under this section is
4.4 reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the
4.5 original appropriation to the unspent amount transferred.

4.6 Subd. 20. **Bond sale.** To provide the money appropriated in this section from the bond
4.7 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
4.8 the state in an amount up to \$224,509,000 in the manner, upon the terms, and with the effect
4.9 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
4.10 Constitution, article XI, sections 4 to 7.

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