

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 3166

DATE: February 21, 2008

Version: As introduced

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Subject: University of Minnesota Biomedical Science Research Facilities

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Overview

This bill establishes a program to build and fund four biomedical science research facilities at the University of Minnesota . The state provides up to 80 percent of the total project costs for the biomedical research facilities through general fund appropriations for payments to the university beginning in fiscal year 2010. Annual payments begin at approximately \$1 million and increase to a maximum of \$16.575 million. Payments continue while the university bonds issued to fund the research facilities, up to a maximum of \$233.6 million, are outstanding.

Section

- 1 **Purpose.** Describes the purpose of the biomedical research funding program as an investment to benefit the Minnesota economy, the biomedical technology industry, and human health and to facilitate research collaboration.
- 2 **Definitions.** Defines:
 - • “biomedical science research facility” as a facility on the campus of the University used for research for biomedical science and technology;
 - • “commissioner” as the commissioner of finance;
 - • “project costs” as the sum of the costs required to design, construct and complete a research facility; and
 - • “project” as the components necessary to construct and equip a biomedical science research facility.

Section

3 Biomedical science research facilities funding program. Establishes a program for the state to appropriate money for up to 80 percent of the project costs of each of the four projects approved by the Board of Regents. Requires the Board of Regents to be responsible for at least 20 percent of the total costs of the projects.

4 Conditions for payments to university.

Subd. 1. Certifications. Requires the commissioner of finance to certify that the research facility project and its total costs have been certified by the Board of Regents before making any payments. Requires the board to annually certify to the commissioner the amount of the state's annual payment up to the state's share of the debt service for the bonds issued by the university to pay for the research facility.

Subd. 2. Payments. Requires annual state payments for the state's share of project costs to be made on July 1 each year beginning no sooner than 2009. Payments continue until the university issued bonds for the projects, up to a maximum of \$233.6 million, are outstanding.

Subd. 3. Appropriations. Establishes a schedule for maximum state general fund appropriations for payments to the board. The maximum payment starts at \$1 million for fiscal year 2010 and increases to \$16.575 million beginning no sooner than fiscal year 2015. The state's maximum annual payment continues for up to 25 years following certification of the last biomedical science research facility project.

Subd. 4. Reinvestment. Requires the board, consistent with federal law and university policy, to place a priority on reducing the state's payment of debt service by dedicating a portion of the proceeds from any commercialization or licensing revenues attributable to research conducted in the facilities funded by this bill.