

1.1 ..... moves to amend H.F. No. 1692 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 **"ARTICLE 1**

1.4 **HIGHER EDUCATION APPROPRIATIONS**

1.5 Section 1. **SUMMARY OF APPROPRIATIONS.**

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

1.8 **SUMMARY BY FUND**

	<u>2014</u>	<u>2015</u>	<u>Total</u>
1.9 <u>General</u>	\$ 1,336,854,000	\$ 1,378,282,000	\$ 2,715,136,000
1.10 <u>Health Care Access</u>	2,157,000	2,157,000	4,314,000
1.11 <b><u>Total</u></b>	<b>\$ 1,339,011,000</b>	<b>\$ 1,380,439,000</b>	<b>\$ 2,719,450,000</b>

1.12

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

1.15 **SUMMARY BY AGENCY - ALL FUNDS**

	<u>2014</u>	<u>2015</u>	<u>Total</u>
1.16 <u>Minnesota Office of Higher</u>			
1.17 <u>Education</u>	\$ 195,969,000	\$ 196,197,000	\$ 392,166,000
1.18 <u>Board of Trustees of the</u>			
1.19 <u>Minnesota State Colleges and</u>			
1.20 <u>Universities</u>	570,865,000	597,865,000	1,168,730,000
1.21 <u>Board of Regents of the</u>			
1.22 <u>University of Minnesota</u>	570,826,000	585,026,000	1,155,852,000
1.23 <u>Mayo Clinic</u>	1,351,000	1,351,000	2,702,000
1.24 <b><u>Total</u></b>	<b>\$ 1,339,011,000</b>	<b>\$ 1,380,439,000</b>	<b>\$ 2,719,450,000</b>

1.25

1.26 Sec. 2. **HIGHER EDUCATION APPROPRIATIONS.**

2.1 The sums shown in the columns marked "Appropriations" are appropriated to the  
 2.2 agencies and for the purposes specified in this article. The appropriations are from the  
 2.3 general fund, or another named fund, and are available for the fiscal years indicated  
 2.4 for each purpose. The figures "2014" and "2015" used in this article mean that the  
 2.5 appropriations listed under them are available for the fiscal year ending June 30, 2014, or  
 2.6 June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal  
 2.7 year 2015. "The biennium" is fiscal years 2014 and 2015.

2.8		<b><u>APPROPRIATIONS</u></b>	
2.9		<b><u>Available for the Year</u></b>	
2.10		<b><u>Ending June 30</u></b>	
2.11		<b><u>2014</u></b>	<b><u>2015</u></b>

2.12 **Sec. 3. MINNESOTA OFFICE OF HIGHER**  
 2.13 **EDUCATION**

2.14	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 195,969,000</u></b>	<b><u>\$ 196,197,000</u></b>
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2.15 The amounts that may be spent for each  
 2.16 purpose are specified in the following  
 2.17 subdivisions.

2.18	<b><u>Subd. 2. State Grants</u></b>	<b><u>160,005,000</u></b>	<b><u>160,214,000</u></b>
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2.19 If the appropriation in this subdivision for  
 2.20 either year is insufficient, the appropriation  
 2.21 for the other year is available for it.

2.22 For the biennium, the tuition maximum is  
 2.23 \$10,488 in each year for students in four-year  
 2.24 programs, and \$5,808 in fiscal year 2014  
 2.25 and \$5,865 in fiscal year 2015 for students  
 2.26 in two-year programs.

2.27 This appropriation sets the living and  
 2.28 miscellaneous expense allowance at \$7,000  
 2.29 each year.

2.30 Notwithstanding section 136A.101,  
 2.31 subdivision 5a, for the biennium ending June  
 2.32 30, 2015, the assigned family responsibility  
 2.33 for independent students without dependents  
 2.34 other than a spouse is 53 percent of the  
 2.35 student contribution, and the assigned family

3.1 responsibility for independent students with  
 3.2 dependents other than a spouse is 80 percent  
 3.3 of the student contribution.

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

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

3.6 Subd. 5. **Interstate Tuition Reciprocity** 3,250,000 3,250,000

3.7 If the appropriation in this subdivision for  
 3.8 either year is insufficient, the appropriation  
 3.9 for the other year is available to meet  
 3.10 reciprocity contract obligations.

3.11 Subd. 6. **Safety Officer's Survivors** 100,000 100,000

3.12 This appropriation is to provide educational  
 3.13 benefits under Minnesota Statutes, section  
 3.14 299A.45, to eligible dependent children and  
 3.15 to the spouses of public safety officers killed  
 3.16 in the line of duty.

3.17 If the appropriation in this subdivision for  
 3.18 either year is insufficient, the appropriation  
 3.19 for the other year is available for it.

3.20 Subd. 7. **Indian Scholarships** 1,850,000 1,850,000

3.21 The director must contract with or employ  
 3.22 at least one person with demonstrated  
 3.23 competence in American Indian culture and  
 3.24 residing in or near the city of Bemidji to  
 3.25 assist students with the scholarships under  
 3.26 Minnesota Statutes, section 136A.126, and  
 3.27 with other information about financial aid for  
 3.28 which the students may be eligible. Bemidji  
 3.29 State University must provide office space  
 3.30 at no cost to the Minnesota Office of Higher  
 3.31 Education for purposes of administering the  
 3.32 American Indian scholarship program under  
 3.33 Minnesota Statutes, section 136A.126. This

4.1	<u>appropriation includes funding to administer</u>		
4.2	<u>the American Indian scholarship program.</u>		
4.3	<b><u>Subd. 8. Intervention for College Attendance</u></b>		
4.4	<b><u>Program Grants</u></b>	<u>671,000</u>	<u>671,000</u>
4.5	<u>For the intervention for college attendance</u>		
4.6	<u>program under Minnesota Statutes, section</u>		
4.7	<u>136A.861.</u>		
4.8	<u>This appropriation includes funding to</u>		
4.9	<u>administer the intervention for college</u>		
4.10	<u>attendance program grants.</u>		
4.11	<b><u>Subd. 9. Student-Parent Information</u></b>	<u>122,000</u>	<u>122,000</u>
4.12	<b><u>Subd. 10. Get Ready</u></b>	<u>180,000</u>	<u>180,000</u>
4.13	<b><u>Subd. 11. Midwest Higher Education Compact</u></b>	<u>95,000</u>	<u>95,000</u>
4.14	<b><u>Subd. 12. Minnesota Minority Partnership</u></b>	<u>45,000</u>	<u>45,000</u>
4.15	<b><u>Subd. 13. United Family Medicine Residency</u></b>		
4.16	<b><u>Program</u></b>	<u>351,000</u>	<u>351,000</u>
4.17	<b><u>Subd. 14. MnLINK Gateway and Minitex</u></b>	<u>5,605,000</u>	<u>5,605,000</u>
4.18	<b><u>Subd. 15. Agency Administration</u></b>	<u>2,491,000</u>	<u>2,491,000</u>
4.19	<b><u>Subd. 16. Balances Forward</u></b>		
4.20	<u>A balance in the first year under this section</u>		
4.21	<u>does not cancel, but is available for the</u>		
4.22	<u>second year.</u>		
4.23	<b><u>Sec. 4. BOARD OF TRUSTEES OF THE</u></b>		
4.24	<b><u>MINNESOTA STATE COLLEGES AND</u></b>		
4.25	<b><u>UNIVERSITIES</u></b>		
4.26	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 570,865,000</u></b>	<b><u>\$ 597,865,000</u></b>
4.27	<u>The amounts that may be spent for each</u>		
4.28	<u>purpose are specified in the following</u>		
4.29	<u>subdivisions.</u>		
4.30	<b><u>Subd. 2. Central Office and Shared Services</u></b>		
4.31	<b><u>Unit</u></b>	<u>33,074,000</u>	<u>33,074,000</u>

5.1 For the Office of the Chancellor and the  
5.2 Shared Services Division.

5.3 **Subd. 3. Operations and Maintenance** 533,676,000 560,676,000

5.4 This appropriation includes \$25,500,000 in  
5.5 fiscal year 2014 and \$52,500,000 in fiscal  
5.6 year 2015 for student tuition relief. The  
5.7 Board of Trustees may not set the tuition  
5.8 rate in any degree-granting program for the  
5.9 2013-2014 and 2014-2015 academic years at  
5.10 a rate greater than the 2012-2013 academic  
5.11 year rate. The student tuition relief may not  
5.12 be offset by increases in mandatory fees,  
5.13 charges, or other assessments to the student  
5.14 that would result in an estimated cost of  
5.15 attendance directly attributable to the board,  
5.16 institution, or program in which the student  
5.17 is enrolled at an amount greater than that  
5.18 estimate for the 2012-2013 academic year.

5.19 **Subd. 4. Learning Network of Minnesota** 4,115,000 4,115,000

5.20 **Sec. 5. BOARD OF REGENTS OF THE**  
5.21 **UNIVERSITY OF MINNESOTA**

5.22 **Subdivision 1. Total Appropriation** **\$ 570,826,000** **\$ 585,026,000**

5.23 Appropriations by Fund

5.24		<u>2014</u>	<u>2015</u>
5.25	<u>General</u>	<u>568,669,000</u>	<u>582,869,000</u>
5.26	<u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>

5.27 The amounts that may be spent for each  
5.28 purpose are specified in the following  
5.29 subdivisions.

5.30 **Subd. 2. Operations and Maintenance** 507,081,000 521,281,000

5.31 This appropriation includes funding for  
5.32 operation and maintenance of the system.

6.1 This appropriation includes \$14,200,000 in  
 6.2 fiscal year 2014 and \$28,400,000 in fiscal  
 6.3 year 2015 for tuition relief for resident  
 6.4 undergraduate students. Notwithstanding  
 6.5 section 137.025, subdivision 1, the  
 6.6 commissioner of management and budget  
 6.7 may not distribute any appropriation  
 6.8 provided under this subdivision until  
 6.9 the Board of Regents certifies to the  
 6.10 commissioner that it has established resident  
 6.11 tuition rates for courses in all baccalaureate  
 6.12 programs at a rate no greater than the rate  
 6.13 charged for the 2012-2013 academic year,  
 6.14 and that the student tuition relief is not offset  
 6.15 by increases in mandatory fees, charges, or  
 6.16 other assessments to the student that would  
 6.17 result in an estimated costs of attendance  
 6.18 directly attributable to the board, institution,  
 6.19 or program in which the student is enrolled  
 6.20 at an amount greater than that estimate for  
 6.21 the 2012-2013 academic year.

6.22 The Board of Regents of the University  
 6.23 of Minnesota must transfer \$645,000 in  
 6.24 fiscal year 2014 and \$645,000 in fiscal year  
 6.25 2015 from the appropriations made to it for  
 6.26 operations and maintenance to the Hennepin  
 6.27 County Medical Center for graduate family  
 6.28 medicine education programs at Hennepin  
 6.29 County Medical Center.

6.30 \$9,000,000 in fiscal year 2014 and \$9,000,000  
 6.31 in fiscal year 2015 are for the Minnesota  
 6.32 Discovery, Research, and InnoVation  
 6.33 Economy (MnDRIVE) funding program.

6.34	<u>Subd. 3. <b>Primary Care Education Initiatives</b></u>	<u>2,157,000</u>	<u>2,157,000</u>
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7.1 This appropriation is from the health care  
7.2 access fund.

7.3 Subd. 4. **Special Appropriations**

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

7.5 For the Agricultural Experiment Station and  
7.6 the Minnesota Extension Service:

7.7 (1) the agricultural experiment stations  
7.8 and Minnesota Extension Service must  
7.9 convene agricultural advisory groups to  
7.10 focus research, education, and extension  
7.11 activities on producer needs and implement  
7.12 an outreach strategy that more effectively  
7.13 and rapidly transfers research results and best  
7.14 practices to producers throughout the state;

7.15 (2) this appropriation includes funding for  
7.16 research and outreach on the production of  
7.17 renewable energy from Minnesota biomass  
7.18 resources, including agronomic crops, plant  
7.19 and animal wastes, and native plants or trees.

7.20 The following areas should be prioritized and  
7.21 carried out in consultation with Minnesota  
7.22 producers, renewable energy, and bioenergy  
7.23 organizations:

7.24 (i) biofuel and other energy production from  
7.25 perennial crops, small grains, row crops,  
7.26 and forestry products in conjunction with  
7.27 the Natural Resources Research Institute  
7.28 (NRRI);

7.29 (ii) alternative bioenergy crops and cropping  
7.30 systems; and

7.31 (iii) biofuel coproducts used for livestock  
7.32 feed;

8.1 (3) this appropriation includes funding  
8.2 for the College of Food, Agricultural, and  
8.3 Natural Resources Sciences to establish and  
8.4 provide leadership for organic agronomic,  
8.5 horticultural, livestock, and food systems  
8.6 research, education, and outreach and for  
8.7 the purchase of state-of-the-art laboratory,  
8.8 planting, tilling, harvesting, and processing  
8.9 equipment necessary for this project;

8.10 (4) this appropriation includes funding  
8.11 for research efforts that demonstrate a  
8.12 renewed emphasis on the needs of the state's  
8.13 agriculture community. The following  
8.14 areas should be prioritized and carried  
8.15 out in consultation with Minnesota farm  
8.16 organizations:

8.17 (i) vegetable crop research with priority for  
8.18 extending the Minnesota vegetable growing  
8.19 season;

8.20 (ii) fertilizer and soil fertility research and  
8.21 development;

8.22 (iii) soil, groundwater, and surface water  
8.23 conservation practices and contaminant  
8.24 reduction research;

8.25 (iv) discovering and developing plant  
8.26 varieties that use nutrients more efficiently;

8.27 (v) breeding and development of turf seed  
8.28 and other biomass resources in all three  
8.29 Minnesota biomes;

8.30 (vi) development of new disease-resistant  
8.31 and pest-resistant varieties of turf and  
8.32 agronomic crops;

8.33 (vii) utilizing plant and livestock cells to treat  
8.34 and cure human diseases;

- 9.1 (viii) the development of dairy coproducts;
- 9.2 (ix) a rapid agricultural response fund for
- 9.3 current or emerging animal, plant, and insect
- 9.4 problems affecting production or food safety;
- 9.5 (x) crop pest and animal disease research;
- 9.6 (xi) developing animal agriculture that is
- 9.7 capable of sustainably feeding the world;
- 9.8 (xii) consumer food safety education and
- 9.9 outreach;
- 9.10 (xiii) programs to meet the research and
- 9.11 outreach needs of organic livestock and crop
- 9.12 farmers; and
- 9.13 (xiv) alternative bioenergy crops and
- 9.14 cropping systems; and growing, harvesting,
- 9.15 and transporting biomass plant material; and
- 9.16 (5) by February 1, 2015, the Board of
- 9.17 Regents must submit a report to the
- 9.18 legislative committees with responsibility
- 9.19 for agriculture and higher education finance
- 9.20 on the status and outcomes of research and
- 9.21 initiatives funded in this section.

9.22 **(b) Health Sciences** 4,854,000 4,854,000

- 9.23 \$346,000 each year is to support up to 12
- 9.24 resident physicians in the St. Cloud Hospital
- 9.25 family practice residency program. The
- 9.26 program must prepare doctors to practice
- 9.27 primary care medicine in rural areas of the
- 9.28 state. The legislature intends this program
- 9.29 to improve health care in rural communities,
- 9.30 provide affordable access to appropriate
- 9.31 medical care, and manage the treatment of
- 9.32 patients in a more cost-effective manner.
- 9.33 The remainder of this appropriation is for

10.1	<u>the rural physicians associates program, the</u>		
10.2	<u>Veterinary Diagnostic Laboratory, health</u>		
10.3	<u>sciences research, dental care, and the</u>		
10.4	<u>Biomedical Engineering Center.</u>		
10.5	<b><u>(c) Institute of Technology</u></b>	<u>1,140,000</u>	<u>1,140,000</u>
10.6	<u>For the Geological Survey and the talented</u>		
10.7	<u>youth mathematics program.</u>		
10.8	<b><u>(d) System Special</u></b>	<u>5,181,000</u>	<u>5,181,000</u>
10.9	<u>For general research, industrial relations</u>		
10.10	<u>education, Natural Resources Research</u>		
10.11	<u>Institute, Center for Urban and Regional</u>		
10.12	<u>Affairs, Bell Museum of Natural History, and</u>		
10.13	<u>the Humphrey exhibit.</u>		
10.14	<u>Of this amount, \$125,000 in fiscal year 2014</u>		
10.15	<u>and \$125,000 in fiscal year 2015 are for the</u>		
10.16	<u>Labor Education Service.</u>		
10.17	<b><u>(e) University of Minnesota and Mayo</u></b>		
10.18	<b><u>Foundation Partnership</u></b>	<u>7,491,000</u>	<u>7,491,000</u>
10.19	<b><u>Subd. 5. Academic Health Center</u></b>		
10.20	<u>The appropriation for Academic Health</u>		
10.21	<u>Center funding under Minnesota Statutes,</u>		
10.22	<u>section 297F.10, is estimated to be</u>		
10.23	<u>\$22,250,000 each year.</u>		
10.24	Sec. 6. <b><u>MAYO CLINIC</u></b>		
10.25	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 1,351,000</u></b>	<b><u>\$ 1,351,000</u></b>
10.26	<u>The amounts that may be spent for the</u>		
10.27	<u>purposes are specified in the following</u>		
10.28	<u>subdivisions.</u>		
10.29	<b><u>Subd. 2. Medical School</u></b>	<u>665,000</u>	<u>665,000</u>
10.30	<b><u>Subd. 3. Family Practice and Graduate</u></b>		
10.31	<b><u>Residency Program</u></b>	<u>686,000</u>	<u>686,000</u>

11.1 **ARTICLE 2**

11.2 **HIGHER EDUCATION POLICY**

11.3 Section 1. Minnesota Statutes 2012, section 136F.40, subdivision 2, is amended to read:

11.4 Subd. 2. **Contracts.** (a) The board may enter into a contract with the chancellor,  
11.5 a vice-chancellor, or a president, containing terms and conditions of employment. The  
11.6 terms of the contract must be authorized under a plan approved under section 43A.18,  
11.7 subdivision 3a.

11.8 (b) Notwithstanding section 43A.17, subdivision 11, or other law to the contrary, a  
11.9 contract under this section may provide a liquidated salary amount or other compensation  
11.10 if a contract is terminated by the board prior to its expiration.

11.11 (c) Notwithstanding section 356.24 or other law to the contrary, a contract under  
11.12 this section may contain a deferred compensation plan made in conformance with section  
11.13 457(f) of the Internal Revenue Code.

11.14 (d) Notwithstanding any provision of the plan approved under section 43A.18,  
11.15 subdivision 3a, a contract under this section must not authorize or otherwise provide for a  
11.16 discretionary or mandatory bonus payment.

11.17 **EFFECTIVE DATE.** This section is effective the day following final enactment  
11.18 and applies to contracts entered into on or after that date.

11.19 Sec. 2. Minnesota Statutes 2012, section 137.027, is amended to read:

11.20 **137.027 APPROPRIATION; FRINGE BENEFITS.**

11.21 (a) Direct appropriations to the University of Minnesota include money to pay  
11.22 the employer's share of Social Security, state retirement, and health insurance. Money  
11.23 provided for these purposes shall be expended only for these purposes and any amounts in  
11.24 excess of the employer's share shall be returned to the state treasury.

11.25 (b) Unless otherwise explicitly provided for in law, direct appropriations to the  
11.26 University of Minnesota do not include, and may not be used to pay, any mandatory or  
11.27 discretionary bonus payment provided for in an employment contract with the president  
11.28 or vice-presidents, chancellors, provosts, vice provosts, deans, or directors of individual  
11.29 programs.

11.30 Sec. 3. **[137.71] MINNESOTA DISCOVERY, RESEARCH, AND INNOVATION**  
11.31 **ECONOMY FUNDING PROGRAM.**

- 12.1 Subdivision 1. **Establishment.** (a) The Minnesota Discovery, Research, and  
12.2 InnoVation Economy (MnDRIVE) funding program is established to discover new  
12.3 knowledge through scientific research that will:
- 12.4 (1) advance the state's economy;  
12.5 (2) leverage opportunities and establish priorities in sectors of state strength and  
12.6 comparative advantage;  
12.7 (3) improve the health and wellbeing of Minnesota's citizens;  
12.8 (4) advance the capacity and competitiveness of existing and emerging food- and  
12.9 manufacturing-related science and technology industries; and  
12.10 (5) build a better Minnesota by driving progress and advancing the common good.
- 12.11 (b) The MnDRIVE funding program shall establish priorities by investing in  
12.12 scientific research that promotes:
- 12.13 (1) programs that can position Minnesota as a leader in engineering, science,  
12.14 technology, and food-related solutions;  
12.15 (2) initiatives that support the growth of targeted industry clusters and the  
12.16 competitiveness of existing Minnesota engineering, science, technology, and food  
12.17 companies in developing new products and services;  
12.18 (3) initiatives that can result in creating new Minnesota-based companies;  
12.19 (4) initiatives that can improve the quality of life of Minnesota's citizens, decrease  
12.20 the incidence of disease, and transform how we prevent, treat, and cure diseases; and  
12.21 (5) initiatives that can secure a safer environment, seek sustainable energy solutions,  
12.22 and prevent, diagnose, and treat environmental problems associated with Minnesota  
12.23 industry.
- 12.24 Subd. 2. **Funding requests.** The Board of Regents of the University of Minnesota,  
12.25 acting alone or in partnership with other public or private entities, is requested to submit  
12.26 investment proposals consistent with the goals and objectives of the MnDRIVE funding  
12.27 program as part of the Board of Regents biennial budget request to the legislature. The  
12.28 Board of Regents must give consideration to investments in existing scientific research  
12.29 programs that meet these guidelines but may require additional resources in order to  
12.30 preserve or accelerate Minnesota into a national or global leadership position. The  
12.31 governor shall submit a recommendation to the legislature regarding funding requests  
12.32 submitted by the Board of Regents.
- 12.33 Subd. 3. **Reporting.** By March 1 of each odd-numbered year, the Board of Regents  
12.34 of the University of Minnesota must provide to the chairs and ranking minority members  
12.35 of the legislative committees with primary jurisdiction over higher education policy and

13.1 finance a summary report of investments and accomplishments related to funds received  
 13.2 from the state under subdivision 2 from the prior biennium.

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

13.4 Delete the title and insert:

13.5 "A bill for an act  
 13.6 relating to education; postsecondary; establishing a budget for higher education;  
 13.7 appropriating money to the Office of Higher Education, the Board of Trustees  
 13.8 of the Minnesota State Colleges and Universities, the Board of Regents of the  
 13.9 University of Minnesota, and the Mayo Clinic; prohibiting tuition increases;  
 13.10 regulating bonus payments; establishing the Minnesota Discovery, Research, and  
 13.11 InnoVation Economy funding program; amending Minnesota Statutes 2012,  
 13.12 sections 136F.40, subdivision 2; 137.027; proposing coding for new law in  
 13.13 Minnesota Statutes, chapter 137."