

S.F. No. 3510 as passed off the Senate Floor (UEH3872-1) – Higher Education Omnibus Bill (with reference to the Revisor side by side pages)

Author: Senator David J. Tomassoni

Prepared by: Joan White, Senate Counsel (651/296-3814)

Date: May 9, 2022

Article 1: Appropriations

Contains appropriations to the Office of Higher Education, Minnesota State Colleges and Universities, and the University of Minnesota for the 2023 fiscal year. Details for these appropriations are in the spreadsheet prepared by Hannah Grunewald, Fiscal Analyst.

Article 2 Higher Education Policy

Section 1. (124D.351) establishes the skills path program in the education chapter of law, which is a program done in coordination with the commissioner of higher education under **Section 4**. The program provides secondary students with a pathway from high school to careers in skilled work and trades. The commissioner of higher education is required to develop an application for which eligible institutions may use to apply for grants. **(Revisor side by side page (R) 24-25)**

Section 2. (136A.103) expands the state institution eligibility requirements for state student aid to include institutions that meet the new criteria in this section, and meet all requirements imposed on private institutions, except for being physically located in the state. This section is effective July 1, 2023. **(R 35-36)**

Section 3. (136A.1213) is a new section of law establishing a grant program for students pursuing law enforcement. The annual grant is \$3000, with a lifetime limit depending on the education the student is pursuing. Eligible students must be enrolled in a law enforcement program as defined in the peace officer chapter of law. **(R 36-37)**

Section 4. (136A.247) requires the commissioner of higher education to award grants up to \$50,000 to up to ten secondary schools annually for the skills path program under **Section 1**. This section specifies grant uses, and what must be included in the grant application. **(R 40-41)**

Section 5. (136F.02, subdivision 1) adds requirements for the governor’s consideration in making appointments to the board of trustees of Minnesota State Colleges and Universities. **(R 41)**

Section 6. (136F.302, subdivision 1) requires a college or university to determine whether an individual’s performance on a standardized test exempts the individual from a developmental course and inform the individual if a developmental course is required. **(R 43)**

Section 7. (136F.302, subdivision 2) prohibits a college or university from determining if an individual is placed in a developmental, noncredit course based solely on the testing process. The college or university is allowed to use the multiple measures listed in this section to make a holistic determination to place an individual in a developmental course. The term “remedial” is changed to “developmental” throughout this section of law. **(R 43-44)**

Section 8. (136F.38, subdivision 2) amends the workforce development scholarships to include programs of study in law enforcement and specifies that the annual scholarship award for law enforcement students is \$5,000. **(R 44)**

Section 9. (136F.38, subdivision 3) expands the programs of study under the workforce development scholarship program to include construction and law enforcement. **(R 44-45)**

Section 10. (136F.38, subdivision 4) caps the lifetime limit for students in law enforcement at \$15,000. For all other programs of study under this section, the annual scholarship award is \$2,500 with a lifetime limit of \$7,500. **(R 46)**

Section 11. (137.022, subdivision 4) modifies the Permanent University Fund (PUF), by doubling the amount credited to the mineral research account for the Natural Resources Research Institute. This bill also modifies the PUF fund for a mining related degree program and related scholarships, by allowing more than one program to receive funding to support workforce development and collaboration benefiting regional academics, industry, and natural resources in the Iron Range. The bill also increases the maximum scholarship for students attending the programs from \$6,500 to 75% of current in-state tuition rates per academic year and clarifies that the scholarships are for Minnesota students. **(R 47)**

Section 12. requires the Owatonna Learn to Earn Coalition to provide a report by February 1, 2026, to the commissioner of the Office of Higher Education and the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on activities funded in article 1, section 2, subdivisions 4 and 5, which provides a variety of grants to Owatonna Learn to Earn in an effort to grow and retain a talented workforce in the Owatonna and Steele county region. **(R 55)**

Section 13. requests that the Board of Regents of the University of Minnesota establish a commission to conduct a comprehensive review and evaluation of the role of intercollegiate athletics at the University of Minnesota. If the commission is established, the duties must include, but are not limited to, determining the value of athletics and the preservation of intercollegiate sports opportunities for students and exploring reasonable financing models for nonrevenue sports. If the commission is established, it is requested that the research and findings of the commission be provided to the members of the legislative committees with jurisdiction over higher education issues. Article 1, section 2, subdivision 3 states that as a condition of receiving the University of Minnesota supplemental funding, the commission must be established. **(R 55)**

Section 14. is a revisor instruction to change the term “remedial” to “developmental” when referring to courses at a postsecondary institution. (R 55)

Section 15. repeals the Candidate Advisory Council that had been tasked with assisting the governor in identifying criteria and candidates for nonstudent membership on the board of trustees for Minnesota State Colleges and Universities. (R 55)

**Article 3 - Minnesota Health and Education Facilities
Authority (R 60-71)**

This article expands the authority and scope of the Minnesota Higher Education Facilities Authority (MHEFA) by allowing the MHEFA to provide financing to health care organizations. The MHEFA is a small state agency that was established in 1971 to provide an alternative method for higher education institutions in the state to finance or refinance capital construction projects by issuing tax exempt revenue bonds. MHEFA does not receive any general fund dollars or any legislative appropriations, as the operating funds are paid from fees charged to the institutions that receive financing services

Section 1 (136A.25) changes the agency name from the Minnesota Higher Education Facilities Authority to the Minnesota *Health* and Education Facilities Authority (the MHEFA acronym is retained).

Section 2 (136A.26, subd. 1) expands the membership of the board to include one additional member, appointed by the Governor, who is a trustee, director, officer, or employee of a health care organization.

Subdivision 1b is a new subdivision adding an advisory, nonvoting member to the board who is the chief executive officer of a Minnesota nonprofit health care association.

Subdivision 2 provides that the membership terms, compensation, removal, and vacancy related to the member under subdivision 1b is governed by Minnesota Statutes, section 15.0575.

Section 3 (136A.27) amends the policy statement for the organization to include that health care organizations within the state be provided with appropriate and additional means to establish, acquire, construct, improve, and expand health care facilities in furtherance of their purpose.

Section 4 (136A.28) defines the following new terms and modifies existing terms: “affiliate,” “project,” “health care organization,” “education facility,” “health care facility,” and “participating institution.”

Sections 5 (136A.29, subd. 1) is a conforming change, incorporates “health care organization”.

Section 6 (136A.29, subd. 3) deals with state managerial plans.

Section 7 (136A.29, subd. 6) requires a project involving a health care facility to comply with all applicable requirements in state law related to construction or modifications of facilities.

Sections 8 and 9 (136A.29, subd. 9, and 136A.29, subd. 10) increases the bond limit from \$1,300,000,000 to \$4,000,000,000, and specifies amounts for education and health care facilities,

and section 9 relates to the purpose of issuing bonds for health care facilities.

Sections 10 to 13 (136A.29, subd. 14, 136A.29, subd. 19, 136A.29, subd. 20, and 136A.29, subd. 21) are technical conforming modifications.

Section 14 (136A.29, subd. 22) states that the MHEFA may charge to and apportion among institutions its administrative costs and expenses incurred in the manner as the MHEFA in its judgment deems appropriate.

Section 15 (136A.29, subd. 24) gives MHEFA the authority to determine whether an entity is an affiliate, as defined in section 4, subdivision 1a.

Sections 16 and 17 (136A.32, subd. 4, and 136A.33) are technical conforming amendments.

Section 18, 19, and 20 (136A.34, subd. 3, 136A.34, subd. 4, and 136A.36) relates to investing bond proceeds and revenues.

Sections 21 and 22 (136A.38 and 136A.41) are technical modifications.

Section 23 (136A.42) requires the MHEFA to submit an annual report to the Minnesota Historical Society and the Legislative Reference Library on the authority's activities in the previous year, including all financial activities.

Section 24 requires the Revisor of Statutes to recode the provisions of the bill in new chapter 16F.

Section 25 repeals a law allowing the MHEFA and the OHE to enter into a mutual agreement so MHEFA staff may also be members of the OHE staff.

**Article 4 - Conforming Amendments related to the
Minnesota Health and Education Facilities Authority
(R 71-74)**

Article 4 contains conforming amendments in different chapters of law.