Overview

This bill creates a tobacco settlement fund for receipt of all settlement payments. It appropriates $350 million of the fund to the board of regents to create a health professional education endowment, under the management of the Minnesota medical foundation. Up to 5% of the value of the assets each year is available to use to support health professional education at the University of Minnesota. The endowment sunsets in 10 years and the money is returned to the state treasury.

1 **Tobacco settlement fund.** Establishes the fund and dedicates the proceeds to health professional education. Requires the commissioner to deposit tobacco settlement payments in the fund.

2 **Health professional education and medical research endowment fund.**

   **Subd. 1.** Appropriates $350 million from the tobacco settlement fund to the board of regents for the health professional education and medical research fund.

   **Subd. 2.** Establishes the fund under the control of the regents to support health professional and medical research education programs. Requires all earnings from the fund to be credited to it.

   **Subd. 3.** Directs regents to transfer the money from the fund to the Minnesota medical foundation for managing the investment. Places certain conditions on the management. Requires the return of all fund assets to the regents on July 1, 2009. Allows the regents to annually appropriate no more than 5% of the value of all assets in the fund once a year for support of professional medical education.

   **Subd. 4.** Directs the regents to appoint an advisory board of seven members, including the commissioner of health and representatives of consumers and providers, to advise the senior vice-president for health sciences in budget recommendations for using the fund.

   **Subd. 5.** Requires the board of regents to adopt an annual budget for use of the appropriation from the fund. Directs 75% of the appropriation to instructional costs of the education program and 25% for medical research. The research funds are only available if matched by nonstate
funds.

**Subd. 6.** Requires an annual report on the fund and use of the appropriation. Requires a report as part of the biennial budget that includes the annual reports, forecasted income and use of expected expenditures.

**Subd. 7.** Sunsets the endowment fund on July 1, 2009 and directs the regents to return the balance to the tobacco settlement fund.

**2 Effective Date.** Establishes the tobacco settlement fund the day after final enactment. Makes the rest of the bill effective July 1.