

Minnesota State Colleges and Universities 2012 Legislative Session Summary

Session Overview

When the 2012 legislative session convened January 24 lawmakers were facing a forecasted surplus of \$876 million for the remainder of the current biennium. The improvement in the state's short-term financial outlook was partially attributed to better than average employment and wage growth (compared to the national average) and better than anticipated revenues, combined with lower spending in fiscal year 2011.

With the revised forecast released February 2012, the trend continued with a \$323 million surplus. State law directed the first \$5 million of the surplus to go towards building back the budget reserves to \$653 million. The remaining \$318 million was committed to begin paying back the K-12 education shift passed last legislative session. The February forecast did however show a projected deficit of \$1.1 billion for the 2014-2015 biennium.

Given the surprise budget outlook, and not needing to once again balance the budget this year, legislative leaders set an early adjournment date of April 30, almost a month earlier than the constitutionally mandated date of May 21, 2012.

In the days leading up to April 30, the most pressing issues legislative leaders and Gov. Dayton were dealing with were a bonding bill, a tax bill and the Viking's stadium. April 30 came and went without a final agreement on these issues.

Republican leaders moved forward with a tax bill directed toward tax relief and aid for Minnesota businesses. Both bodies passed the conference committee report and sent the tax bill to the governor. Almost immediately upon receipt Gov. Dayton vetoed the bill citing that the bill would reduce the state's budget reserve for the current biennium and increase the projected \$1.1 billion deficit for next biennium by another \$145 million. Republican leaders said the tax bill would have created thousands of new jobs and said House and Senate conferees who negotiated the bill made a number of changes to accommodate Dayton's concerns with the bill.

In the last days of session, the tax bill was revived and final legislative approval was given by both bodies May 9, 2012 for a scaled-down version of the original bill. The new bill has an impact of \$46 million over the current biennium, which is to be paid for by a \$27.9 million transfer from the budget reserve, with the remaining \$18.4 million expected to be paid for by cost savings from other bills already passed this session. The bill is awaiting Gov. Dayton's action.

As for the stadium, late in the session Republican legislative leaders unveiled an alternative plan to fund a Vikings stadium that would include funding in the bonding bill, calling for an open-air, "roof-ready" stadium. Republican leaders said the plan would help eliminate concerns regarding the expansion of gambling to pay for the stadium. Democrats and Gov. Dayton did not support it. Republican leaders pulled the plan and allowed for a vote on the original stadium bills that had made their way through the committee process.

An agreement was reached on the stadium bill in conference committee the night of May 9, and the House passed the bill overnight by a vote of 71-60 sending it to the Senate who passed it the afternoon of May 10 by a vote of 36-30. The final agreement increases the Vikings contribution by \$50 million, bringing the Vikings share of the cost to \$477 million for a \$975 million stadium.

The third issue – bonding – received life in the final days of session when Republican leaders brought forward a \$496 million bonding bill that included a reduced amount of \$44 million for the State Capitol restoration project. With the large drop in proposed funding for the State Capitol, and the exclusion of local civic center projects, there was room in the bill for other projects.

The final bill includes \$132 million (\$94.7 million in state funding) for the Minnesota State Colleges and Universities system, of which \$20 million is for HEAPR, higher education asset preservation and replacement. The Legislature passed the bonding bill and sent it to Gov. Dayton.

With all three remaining issues finalized, the House adjourned sine die early morning of Thursday, May 10, and the Senate adjourned later that afternoon.

Higher Education Omnibus Bill

The House and Senate higher education committees put together a bill that passed both bodies April 27, 2012. The higher education omnibus bill, while not large, includes provisions important to the Minnesota State Colleges and Universities system. One of those is the continuing operations language that will allow colleges and universities access to their cash in order to continue serving students if a government shutdown were to happen again.

The bill also includes an increase in the revenue fund authority from \$300 million to \$405 million. This language will allow campuses the opportunity to evaluate and plan, in consultation with students, for the future of revenue generating facilities including, but not limited to: dorms, student unions, dining facilities, and parking.

The bill adds categories of students to the types of students who are not required, under current law, to have a statement of immunization on file with a college or university as a prerequisite to enrolling. The new language specifically excludes students attending only extension, online, or evening or weekend adult accelerated programs.

The textbook language in the bill includes the establishment of a work group to study methods that result in lower textbook costs for students. There is also language that requires the Minnesota State Colleges and Universities institutions to publish course schedules and course material lists on the institution's Web site.

The textbook language also makes the notification to the campus bookstore of selected course material mandatory for MnSCU academic departments or instructors, and requires the notice of selection to be provided to the bookstore and students 45 days, instead of 30 days, before the start of the term in which the selected material will be used. The bookstore is also required to make reasonable efforts to notify students at least 30 days, instead of 15 days, prior to the start of the term of the most recent copyright date of the

printed course material and the copyright date of the most recent prior edition of the course material, if that prior edition is acceptable for class use.

Also in the bill is the Permanent University Fund which provides for up to \$25 million to be credited to an endowment for the costs of operating a mining, metallurgical, or related engineering degree program offered through the University of Minnesota at Mesabi Range Community and Technical College and for scholarships for students to attend the mining, metallurgical or related engineering program. The maximum scholarship cannot exceed \$6,500 per academic year for a maximum of four academic years.

Language regarding the Teacher Performance Assessment (TPA) student fee, a classroom-based, content-specific assessment that captures teacher candidates' performance in planning and delivering instruction primarily taken during the student teaching phase of a student's education, was included in the bill and requires the Minnesota Board of Teaching to report to the K-12 and higher education legislative committees by January 5, 2013 with recommendations for eliminating lower priority tests or assessments required of teacher education students to offset the additional fees charged to students for the TPA. Currently the student is not bearing any cost for completing the TPA because the assessment is in its pilot phase.

The governor signed the bill on Wednesday, May 2, 2012. The final bill is available at: www.revisor.mn.gov/laws/?id=270&year=2012&type=0.

Bonding Bill

The Minnesota State Colleges and Universities (MnSCU) requested \$278 million (\$222 million in state funding) in higher education asset and preservation and bonding projects for the 2012 legislative session. Chancellor Steven Rosenstone and Associate Vice Chancellor for Facilities Brian Yolitz presented the request to the Senate and House higher education committees and capital investment committees explaining to members that the system's request covers two main areas; asset preservation projects to protect the campus facilities keeping them safe, efficient, dry, warm and code compliant; and projects to provide the necessary facilities for graduates to learn the skills required to meet business and industry's current and future needs. The request can be found at: <http://www.mnscu.edu/media/publications/pdf/bonding2012book.pdf>.

In mid-January, Gov. Mark Dayton released his bonding recommendation totaling \$775 million, of which \$112 million was recommended for MnSCU. The Legislature introduced legislation in the area of \$500 million for bonding, but the two bodies structured their bills differently.

The House worked with two bonding bills; a statewide infrastructure bill that funded \$280 million in projects, of which \$56 million was earmarked for MnSCU. The second bonding bill included \$221 million for State Capitol restoration. The State Capitol bill failed by one vote on the House floor, so House members added the \$221 million restoration project in the statewide infrastructure bill and reduced other projects, including the amount set for MnSCU. Instead of \$56 million for the system, the House bill scaled the system funding to \$30 million for HEAPR only.

In the Senate, members worked with just one bonding bill totaling \$496 million, of which \$127 million was slated for MnSCU - \$32 million in HEAPR and the remaining \$95 million in projects. The Senate included \$25 million for the State Capitol restoration project in the same bill.

Neither body took up their bonding bill on the floor in order to send it to conference committee to iron out the differences between the House and Senate. However, in the final days of session, the Republican leadership brought forward a \$496 million bill that included \$44 million for the State Capitol restoration project. With the large drop in proposed funding for the State Capitol restoration, and the exclusion of local civic center projects, there was room in the bill for other projects.

The House passed the \$496 million bonding bill May 7, and sent it to the Senate for final passage. The Senate passed the bill, but also amended it, so the bill had to be sent back to the House. On May 8 the House concurred with the Senate bonding bill, passed it and sent it to Gov. Dayton.

The final bill includes \$132 million (\$94.7 million in state funding) for the Minnesota State Colleges and Universities system, of which \$20 million is for HEAPR, higher education asset preservation and replacement.

The individual projects include:

- \$13.389 million for the Minneapolis Community and Technical College workforce program renovation;
- \$13.851 million for Ridgewater College, Willmar technical instruction lab renovation;
- \$4.606 million for Minnesota West Community and Technical College, Worthington renovation and addition;
- \$13.315 million for South Central College, Faribault classroom renovation and addition;
- \$0.980 million for Anoka Ramsey Community College, Coon Rapids bioscience and allied health addition;
- \$26.292 million for North Hennepin Community College bioscience and health careers center addition;
- \$0.500 million for Southwest Minnesota State University science lab renovation;
- \$1.5 million for Saint Paul College health and science center design;
- \$5 million for Century College academic partners classroom design and construction;
- \$7.230 million for Dakota County Technical College transportation and emerging technical lab renovation;
- \$8.746 million for Rochester Community and Technical College workforce center;
- \$2.5 million for the system wide STEM renovation;
- \$2.065 million for Minnesota State University, Mankato clinical science building design;
- \$3.303 million for Bemidji State University business building addition/renovation design and demolition;

- \$4.549 million for Northeast Higher Education District Itasca Community College demolition, renovation and addition;
- \$4 million for St. Cloud Technical and Community College medium heavy truck and auto body addition and renovation; and
- \$0.300 million for Northland Community and Technical College aviation maintenance facility expansion.

The final bill is available at:

www.revisor.mn.gov/bin/bldbill.php?bill=ueh1752.1.html&session=ls87

Institution and Project	Request	Final Bill
HEAPR	\$110.000	\$20.000
Minneapolis C&TC workforce program renovation	\$13.389	\$13.389
Ridgewater College, Willmar technical instruction lab construction & renovation	\$13.851	\$13.851
Minnesota West, Worthington renovation & addition	\$4.606	\$4.606
South Central College, Faribault classroom renovation & addition	\$13.315	\$13.315
Anoka Ramsey CC, Coon Rapids bioscience & allied health addition	\$0.980	\$0.980
North Hennepin CC bioscience & health careers center addition	\$26.292	\$26.292
Southwest Minnesota State University science lab renovation	\$0.500	\$0.500
Saint Paul College health & science center design	\$1.500	\$1.500
Century College academic partners classroom design & construction	\$5.000	\$5.000
Dakota County TC transportation & emerging technical lab renovation	\$7.230	\$7.230
Rochester C&TC workforce center	\$3.146	\$8.746
System wide STEM renovation	\$5.200	\$2.500
MSU, Mankato clinical science, building design	\$2.065	\$2.065
Bemidji SU business building addition design & demolition	\$3.303	\$3.303
Metro SU science education center construction	\$31.000	
Rochester C&TC classroom renovation design	\$0.900	
Central Lakes College, Staples agriculture reconfiguration, main building design & renovation	\$3.458	
NHED Itasca CC demolition, renovation & addition	\$4.549	\$4.549
Riverland CC, Albert Lea demolition, reconfiguration & renovation	\$3.083	
System wide energy renovation & additions	\$3.700	
System wide classroom renovations	\$2.675	
MSCTC, Moorhead transportation center addition & renovation	\$5.210	
Winona State University business & classroom renovation	\$5.828	
St. Cloud T&CC medium heavy truck & auto body addition & renovation	\$4.067	\$4.000
Alexandria T&CC main building renovation	\$3.875	
Northland C&TC aviation maintenance facility expansion	\$0	\$0.300

Total	\$278.722	\$132.126
HEAPR	\$110.000	\$20.000
Projects	\$168.722	\$112.126
User Financing	\$56.241	\$37.375
General Obligation	\$222.481	\$94.751

In addition to the HEAPR funding and projects included in the bonding bill, there is also language related to the Minnesota State Colleges and Universities. The scope of two projects funded in the 2011 bonding bill were modified to align with the intended project description; the Normandale Community College Academic Partnership Center and Student Services project, and the Mesabi Range Community and Technical College Iron Range Engineering Program Facilities project.

There is also language that expands the authorized use of state bond appropriations made in the 2008 bonding bill for the National Hockey Center at St. Cloud State University to include HEAPR uses on the St. Cloud State University campus.

Other bill highlights related to the Minnesota State Colleges and Universities system

Leveraged Equipment Funding

Chapter 292, the annual forecast bill, includes funding for several items totaling \$2 million including \$210,000 for the GI Bill and \$457,000 in fiscal year 2013 for a leveraged equipment program for the Minnesota State Colleges and Universities. The equipment is to be used for instructional purposes for programs that the Board of Trustees has determined would produce graduates with skills for which there is a high employer need within the state. This one-time appropriation must be matched by cash or in-kind contributions from non-state sources.

K-12 Education Bill

Chapter 239 includes language regarding post-secondary enrollment options (PSEO). Currently, the PSEO program allows high school juniors and seniors to take post-secondary level courses while still completing high school. The bill expands PSEO to 10th grade students by permitting them to enroll in a career or technical education course at qualified postsecondary institutions.

Basic Skills Exam Bill

Chapter 122 requires teacher candidates to pass a basic skills exam in reading, writing and math prior to becoming a licensed teacher in Minnesota. Current law allows students who have completed a teacher preparation program to receive up to three one-year licenses without passing a basic skills exam.

Online / Digital Learning Bill

Chapter 273 requires all colleges and universities who prepare teacher preparation students to include in their teacher preparation programs the knowledge and skills teacher candidates need to deliver digital and blended learning and curriculum. Staff development of teachers must include the accommodation of delivery of digital and blended learning and curriculum and engage students with technology.

Student Transition Plan Bill

Chapter 207 strongly encourages school districts to assist students by ninth grade to explore their college and career interests and aspirations and develop a plan for a smooth and successful transition to postsecondary education or employment. The plans should, among other things, provide a comprehensive academic plan for completing a college and career-ready curriculum, help students identify personal learning styles that may affect their postsecondary education and employment choices, and help students succeed at gaining access to postsecondary education and career options.

Reorganization Bill

Chapter 220 requires the commissioner of administration to make available a master contract list of eligible contractors who can assist state agencies in using data analytics to accomplish agency reorganization in order to provide more efficient and effective services and eliminate redundancies. The commissioner is to report back to the Legislature on state agency use of eligible contractors.

Employee Gainsharing Bill

Chapter 205 increases the maximum award from up to \$1,000 per individual or \$2,500 per group of employees to \$50,000 for a onetime bonus compensation given to state employee(s) for efforts made to reduce the costs of operating state government or for ways of providing better or more efficient state services. The suggestion or project is to have resulted in cost savings to the state.

Greater Minnesota Internship Program

The tax bill passed by the House and Senate and sent to Gov. Dayton includes language regarding the Greater Minnesota Internship Program. The Office of Higher Education is to administer a grant program for eligible employers who hire interns in greater Minnesota through eligible postsecondary institutions that provide academic credit. To participate, an eligible institution must enter into a written agreement with eligible employers to provide paid internships at least 12 weeks long, determine the work experience is closely related to the student's course of study, and provide academic credit for successful completion of the internship.

A grant for an eligible employer equals 40 percent of the compensation paid to each qualifying intern, not to exceed \$1,250. An employer may receive a grant for a maximum of five interns in a fiscal year. The total amount of grants is limited to \$1 million per fiscal year.

When lawmakers return to St. Paul for the 2013 legislative session scheduled to begin January 8, 2013, aside from the changes the November election will bring, the make-up of the Legislature will look different. Twenty-six legislators have announced their retirement, including:

- Sen. Chris Gerlach, R-Apple Valley
- Sen. Geoff Michel, R-Edina
- Sen. Doug Magnus, R-Slayton
- Sen. Amy Koch, R-Buffalo
- Sen. Gen Olson, R-Minnetrista
- Sen. Keith Langseth, DFL-Glyndon
- Sen. Linda Higgins, DFL-Minneapolis

- Sen. Gretchen Hoffman, R-Vergas
- Sen. Mike Parry, R-Waseca
- Sen. Claire Robling, R-Jordan
- Sen. Mary Jo McGuire, DFL-Falcon Heights
- Sen. Michael Jungbauer, R-East Bethel
- Sen. Ken Kelash, DFL-Minneapolis
- Rep. Mark Murdock, R-Ottertail
- Rep. Mark Buesgens, R-Jordan
- Rep. Kate Knuth, DFL-New Brighton
- Rep. Mindy Greiling, DFL-Roseville
- Rep. Pat Mazorol, R-Bloomington
- Rep. John Kriesel, R-Cottage Grove
- Rep. Bill Hilty, DFL-Fond du Lac
- Rep. Nora Slawik, DFL-Maplewood
- Rep. Denise Dittrich, DFL-Champlain
- Rep. Ron Shimanski, R-Silver Lake
- Rep. Marion Green, DFL-Minneapolis
- Rep. Mike LeMieur, R-Little Falls
- Rep. Larry Hosch, DFL-St. Joseph

There are also many House members running for State Senate this fall. They include:

- Rep. Kent Eken, DFL-Twin Valley
- Rep. Bev Scalze, DFL-Little Canada
- Rep. Bobby Joe Champion, DFL-Minneapolis
- Rep. Torrey Westrom, R-Elbow Lake
- Rep. Bruce Anderson, R-Buffalo Township
- Rep. Mary Kiffmeyer, R-Big Lake
- Rep. Connie Doepke, R-Orono
- Rep. Branden Peterson, R-Andover
- Rep. Keith Downey, R-Edina
- Rep. Kurt Bills, R-Rosemount (running for U.S. Senate)

A complete summary of all 2012 session laws that affect the Minnesota State Colleges and Universities system (*2012 Mandates and Curiosities*) will be prepared and published on the system's Government Relations Web site.