

Minnesota Legislative Session Summary, End of Session, 2014

2014 Legislative Session

Minnesota does biennial budgeting and the budget for July 2013 through June 2015 was adopted in the 2013 Session, so the 2014 Session is focused on capital improvements (bonding) and some supplemental appropriations.

Capital Improvements/Bonding - The bonding bill includes many portions of state government, but funds for repair, renovation and new construction for higher education usually make up 25 to 35 percent of the total amount of the bill. Capital improvements are usually funded with 20 year state general obligation bonds. Minnesota State Colleges and Universities requested \$235 million in capital improvement funds, Governor Dayton recommended \$151 million and the Capital Improvement bill included \$159.8 million, of which \$120.7 million is from GO bonds and the rest is user financing from MnSCU. The University of Minnesota requested \$233 in capital improvement funds, Governor Dayton recommended \$119 million and the Capital Improvement bill included \$119.4 million.

Unsession – Streamlining Statutes - In addition, Governor Dayton proposed that the 2014 session be the “Unsession” with an emphasis on “eliminating unnecessary or redundant laws, rules and regulations; reducing the verbiage in those that remain; shortening timelines for developing and implementing them; and undoing anything else, which makes government nearly impossible to understand, operate, or support.”

The Higher Education Unsession bill was signed into law in late March. It adopted 27 items out of 72 proposed by the executive branch. The bill makes technical updates and streamlines the statutes on the Office of Higher Education, Minnesota State Colleges and Universities and the University of Minnesota. It repeals obsolete statutes and modernizes and clarifies terminology.

Supplemental Appropriations – The supplemental appropriations bill includes provisions for areas throughout state government. The higher education portion of the bill includes the following as the conference committee continues its work:

- **Total** - Higher education total of \$22.25 in FY 2015 and **\$24.85** each year in FY 2016 and thereafter.
- **College Possible** –\$750,000 in Fiscal Year 2015 in one-time funds to expand the program’s coaching and mentoring activities for low-income, first generation and students of color. The Office of Higher Education is the fiscal agent for the appropriation.
- **Minnesota State Colleges and Universities (MnSCU) faculty/staff compensation** –\$17 million (2.5%) for FY 2015 for compensation for faculty and staff. The increase will continue into each year of the 2016-17 biennium.
- **Regenerative Medicine** –\$4.5 million a year for FY and 4.35 million each year in FY 16 and thereafter for research to regenerate human cells, tissues or organs to restore or establish normal function.
- **Bell Museum** – The University is requested to sell its own bonds to fund the new Bell Museum of Natural History on the St. Paul Campus. The University’s appropriations base is increased by \$3.5

million each year from 2016 to 2041 to cover the payments on the bonds. The increase begins in the 2016-17 biennium.

Higher Education Policy:

- **State Approval Reciprocity Agreement (SARA) Authorization** – language to authorize Minnesota to participate in SARA if the Office of Higher Education determines participation is in the best interest of MN students. SARA is a process for streamlined approval of institutions offering online instruction to Minnesota students and instruction offered to online students in other states by Minnesota postsecondary institutions.
- **Student Loan Refinancing** – authorizes the Office of Higher Education to prepare a report on refinancing private student loans by Feb. 1, 2015 and to begin offering refinancing June 1, 2015. The goal of the program would be to improve the interest rates and terms of repayments for borrowers with higher-interest rate loans. The Office will use staff and resources from the existing SELF Loan program to develop the program, provide the mandated report and begin offering refinanced loans in June 2015.
- **Resident tuition for military veterans** – adopts statutory language saying veterans are entitled to the resident tuition rate at Minnesota public postsecondary institutions. The language puts current practice into statute and is part of a national initiative by the President.
- **Study Abroad Reporting on Deaths, Accidents and Crimes** - requires postsecondary institutions offering study abroad programs to provide information to the Minnesota Secretary of State's Office about accidents, illnesses and deaths. The institutions also must indicate whether the program complies with health and safety standards established by the Forum on Education Abroad, or a comparable standard setting agency. Requires the Secretary of State's Office and the Office of Higher Education to post the information on their websites. The Office of Higher Education is to submit a report to the Legislature regarding the appropriate regulation of postsecondary study abroad programs.
- **Transfer of Credit** - requires MnSCU to develop a plan to implement multi-campus articulation agreements that lead to baccalaureate degree completion upon earning the number of credits required for a degree minus 60 credits, at a state university, by a student with an associate degree from a system college.