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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **1605**

03/09/2015 Authored by Nornes and Pelowski

The bill was read for the first time and referred to the Committee on Higher Education Policy and Finance

1.1 A bill for an act
1.2 relating to capital investment; appropriating money for capital improvements and
1.3 betterments at Minnesota State Colleges and Universities facilities statewide;
1.4 authorizing the sale and issuance of state bonds.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. **MINNESOTA STATE COLLEGES**
1.7 **AND UNIVERSITIES**

1.8 **Subdivision 1. Total Appropriation** § **198,454,000**

1.9 To the Board of Trustees of the Minnesota
1.10 State Colleges and Universities for the
1.11 purposes specified in this section.

1.12 **Subd. 2. Higher Education Asset Preservation**
1.13 **and Replacement (HEAPR)** **72,500,000**

1.14 To be spent in accordance with Minnesota
1.15 Statutes, section 135A.046.

1.16 **Subd. 3. Anoka Technical College** **2,114,000**

1.17 To design, renovate, furnish, and equip the
1.18 automotive and manufacturing technology
1.19 training spaces.

1.20 **Subd. 4. Bemidji State University** **18,100,000**

1.21 To complete design and construct, furnish,
1.22 and equip the replacement of Hagg Sauer
1.23 Hall.

2.1	<u>Subd. 5. Century College, White Bear Lake</u>	<u>1,325,000</u>
2.2	<u>To design, renovate, furnish, and equip</u>	
2.3	<u>existing tiered classrooms to create more</u>	
2.4	<u>flexible and efficient space.</u>	
2.5	<u>Subd. 6. Dakota County Technical College</u>	<u>7,733,000</u>
2.6	<u>To complete design, renovate, furnish,</u>	
2.7	<u>and equip classroom and lab space for</u>	
2.8	<u>transportation and emerging technologies</u>	
2.9	<u>programs.</u>	
2.10	<u>Subd. 7. Minnesota West Community and</u>	
2.11	<u>Technical College; Canby and Jackson</u>	
2.12	<u>Campuses</u>	<u>3,267,000</u>
2.13	<u>(a) To design and install a geothermal HVAC</u>	
2.14	<u>system, and remove and replace associated</u>	
2.15	<u>mechanical systems, on the Canby campus.</u>	
2.16	<u>(b) To design and consolidate the powerline</u>	
2.17	<u>training program spaces by demolishing</u>	
2.18	<u>Building "B" and the current off-campus</u>	
2.19	<u>powerline training space, and construct</u>	
2.20	<u>and equip a new indoor powerline training</u>	
2.21	<u>addition and exterior truck port on the</u>	
2.22	<u>Jackson main campus.</u>	
2.23	<u>Subd. 8. Minnesota State Community and</u>	
2.24	<u>Technical College; Fergus Falls and Wadena</u>	
2.25	<u>Campuses</u>	<u>2,373,000</u>
2.26	<u>(a) To design the renovation of and to</u>	
2.27	<u>renovate, furnish, and equip existing library</u>	
2.28	<u>space to create a student services center at</u>	
2.29	<u>the Wadena campus.</u>	
2.30	<u>(b) To design the renovation of and to</u>	
2.31	<u>renovate, furnish, and equip existing space</u>	
2.32	<u>to create a center for student and workforce</u>	
2.33	<u>success at the Fergus Falls campus.</u>	
2.34	<u>Subd. 9. Northeast Higher Education District,</u>	
2.35	<u>Hibbing</u>	<u>10,000,000</u>

3.1	<u>To complete the design, remove obsolete and</u>	
3.2	<u>underutilized space, and construct, renovate,</u>	
3.3	<u>furnish, and equip efficient and flexible</u>	
3.4	<u>academic and student service space at the</u>	
3.5	<u>Hibbing campus.</u>	
3.6	<u>Subd. 10. Northland Community and Technical</u>	
3.7	<u>College; East Grand Forks</u>	<u>826,000</u>
3.8	<u>To design, renovate, furnish, and equip</u>	
3.9	<u>science and radiological technology</u>	
3.10	<u>laboratories on the East Grand Forks campus.</u>	
3.11	<u>Subd. 11. Rochester Community and Technical</u>	
3.12	<u>College</u>	<u>11,585,000</u>
3.13	<u>To complete the design, remove obsolete and</u>	
3.14	<u>underutilized space, and construct, renovate,</u>	
3.15	<u>furnish, and equip efficient and flexible</u>	
3.16	<u>academic and student service space.</u>	
3.17	<u>Subd. 12. St. Paul College</u>	<u>18,829,000</u>
3.18	<u>To complete the design of and construct,</u>	
3.19	<u>furnish, and equip the Health and Science</u>	
3.20	<u>Alliance Center addition, and to renovate,</u>	
3.21	<u>furnish, and equip existing health and West</u>	
3.22	<u>Tower spaces.</u>	
3.23	<u>Subd. 13. St. Cloud State University</u>	<u>18,572,000</u>
3.24	<u>To complete design of and to renovate,</u>	
3.25	<u>furnish, and equip Eastman Hall to relocate</u>	
3.26	<u>student health services and academic</u>	
3.27	<u>programs into the renovated Eastman Hall.</u>	
3.28	<u>Subd. 14. South Central College; North</u>	
3.29	<u>Mankato</u>	<u>8,600,000</u>
3.30	<u>To design, renovate, renew, furnish, and</u>	
3.31	<u>equip laboratory, classroom, and office</u>	
3.32	<u>space for health care, STEM, computer, and</u>	
3.33	<u>agribusiness programs.</u>	
3.34	<u>Subd. 15. Winona State University</u>	<u>22,630,000</u>

4.1 To complete design, renovate, remodel,
 4.2 furnish, and equip Phase 2 of the education
 4.3 village project in Wabasha Hall, Wabasha
 4.4 Recreation Center, and the Cathedral School
 4.5 to create an education village of classrooms,
 4.6 laboratories, offices, and meeting and support
 4.7 spaces enabling the College of Education
 4.8 to integrate with southeastern Minnesota
 4.9 communities and school districts to jointly
 4.10 provide an extraordinary experience for
 4.11 the preparation of teachers and school
 4.12 professionals.

4.13 Subd. 16. **Debt Service**

4.14 (a) Except as provided in paragraph (b), the
 4.15 Board of Trustees shall pay the debt service
 4.16 on one-third of the principal amount of state
 4.17 bonds sold to finance projects authorized
 4.18 by this section. After each sale of general
 4.19 obligation bonds, the commissioner of
 4.20 management and budget shall notify the
 4.21 board of the amounts assessed for each year
 4.22 for the life of the bonds.

4.23 (b) The board need not pay debt service
 4.24 on bonds sold to finance higher education
 4.25 asset preservation and replacement. Where a
 4.26 nonstate match is required, the debt service is
 4.27 due on a principal amount equal to one-third
 4.28 of the total project cost, less the match
 4.29 committed before the bonds are sold.

4.30 (c) The commissioner of management and
 4.31 budget shall reduce the board's assessment
 4.32 each year by one-third of the net income
 4.33 from investment of general obligation bond
 4.34 proceeds in proportion to the amount of
 4.35 principal and interest otherwise required to

5.1 be paid by the board. The board shall pay its
 5.2 resulting net assessment to the commissioner
 5.3 of management and budget by December
 5.4 1 of each year. If the board fails to make
 5.5 a payment when due, the commissioner
 5.6 of management and budget shall reduce
 5.7 allotments for appropriations from the
 5.8 general fund otherwise available to the board
 5.9 and apply the amount of the reduction to
 5.10 cover the missed debt service payment. The
 5.11 commissioner of management and budget
 5.12 shall credit the payments received from the
 5.13 board to the bond debt service account in
 5.14 the state bond fund each December 1 before
 5.15 money is transferred from the general fund
 5.16 under Minnesota Statutes, section 16A.641,
 5.17 subdivision 10.

5.18 **Subd. 17. Unspent Appropriations**

5.19 (a) Upon substantial completion of a
 5.20 project authorized in this section and after
 5.21 written notice to the commissioner of
 5.22 management and budget, the board must use
 5.23 any money remaining in the appropriation
 5.24 for that project for higher education
 5.25 asset preservation and replacement under
 5.26 Minnesota Statutes, section 135A.046. The
 5.27 Board of Trustees must report by February
 5.28 1 of each even-numbered year to the chairs
 5.29 of the house of representatives and senate
 5.30 committees with jurisdiction over capital
 5.31 investment and higher education finance, and
 5.32 to the chairs of the house of representatives
 5.33 Ways and Means Committee and the senate
 5.34 Finance Committee, on how the remaining
 5.35 money has been allocated or spent.

6.1 (b) The unspent portion of an appropriation
6.2 for a project in this section that is complete
6.3 is available for higher education asset
6.4 preservation and replacement under this
6.5 subdivision at the same campus as the project
6.6 for which the original appropriation was
6.7 made and the debt service requirement under
6.8 this subdivision is reduced accordingly.
6.9 Minnesota Statutes, section 16A.642, applies
6.10 from the date of the original appropriation to
6.11 the unspent amount transferred.

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

6.13 Sec. 2. **BOND SALE.**

6.14 To provide the money appropriated in section 1 from the bond proceeds fund, the
6.15 commissioner of management and budget shall sell and issue bonds of the state in an
6.16 amount up to \$198,454,000 in the manner, upon the terms, and with the effect prescribed
6.17 by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution,
6.18 article XI, sections 4 to 7.

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