

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Committee: Advancement Committee

Date of Meeting: December 6, 2005

Agenda Item: State and Federal Updates

Proposed
Policy Change

Approvals
Required by
Policy

Other
Approvals

Monitoring

Information

Cite policy requirement, or explain why item is on the Board agenda:

Update the Board on state and federal legislative issues.

Scheduled Presenter(s):

Mary Jacquart, Director of Government Relations

Outline of Key Points/Policy Issues:

- Status Report on State Legislative Issues
- Status Report on Federal Legislative Issues

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| |
|----------------------------------|
| INFORMATION ITEM |
| State and Federal Updates |

STATE

Bonding Tours Update

Legislators have received a glimpse of what it means to meet both the current and future facility needs of our aging campuses. The condition of facilities, along with emerging program needs, were taken into account as lawmakers toured capital projects across the state. Not only did they learn about campus capital project requests, but prospective projects being requested by state agencies as well as regional and individual communities were viewed. The Minnesota House and Senate campus bonding tours are summarized below. Both the House and Senate have yet to view the metro campus capital projects, although we anticipate those tours to take place in January.

| 2005 – 2006 Legislative Bonding Tours | | | |
|--|--|---------------|---|
| HOUSE | | SENATE | |
| Date | Campuses | Date | Campuses |
| Sept. 21 | Central Lakes College-Brainerd | Sept. 7 | Southwest Minnesota State University |
| Sept. 22 | Ridgewater College-Willmar and Hutchinson | Sept. 8 | Minnesota State University, Mankato |
| Sept. 23 | Minnesota State University, Mankato | Sept. 20 | St. Cloud Technical College, St. Cloud State University |
| Oct. 3 | Anoka Ramsey Community College - Cambridge, Pine Technical College, Fond du Lac Tribal and Community College | Sept. 21 | Alexandria Technical College |
| Oct. 4 | Mesabi Range Community and Technical College, Eveleth | Oct. 3 | Fond du Lac Tribal and Community College, Lake Superior College |
| Oct. 5 | Lake Superior College | Oct. 4 | Vermillion Community College, Rainy River Community College |

| HOUSE | | SENATE | |
|--------------|---|---------------|--|
| Date | Campuses | Date | Campuses |
| Oct. 6 | Alexandria Technical College, Minnesota State Community and Technical College-Fergus Falls, Minnesota State University Moorhead, Northland Community and Technical College-East Grand Forks | Oct. 5 | Mesabi Community and Technical College, Eveleth |
| Oct. 7 | Northwest Technical College - Bemidji, Bemidji State University, St. Cloud Technical College, St. Cloud State University | Oct. 17 | Minnesota State University Moorhead |
| Oct. 13 | MSC Southeast Technical-Red Wing and Winona Winona State University, Rochester Community and Technical College, Minnesota State University, Mankato | Oct. 18 | Northland Community and Technical College – East Grand Forks and Thief River Falls |
| Oct. 14 | South Central Community and Technical College-Mankato, Southwest Minnesota State University, Minnesota West-Granite Falls | Oct. 19 | Bemidji State University, Minnesota State Community and Technical College- Detroit Lakes |
| Oct. 17 | Southwest Minnesota State University | Nov. 1 | MSC Southeast Technical- Red Wing |
| Oct. 18 | Rochester Community and Technical College | Nov. 2 | Winona State University, Riverland College - Austin |
| Oct. 19 | Winona State University, MSC Southeast Technical-Red Wing | | |
| Nov. 1 | St. Cloud State University, St. Cloud Technical College, Minnesota State Community and Technical College-Detroit Lakes | | |
| Nov. 2 | Northland Community and Technical College – East Grand Forks, Minnesota State University Moorhead | | |

| HOUSE | | SENATE | |
|--------------|---|---------------|-----------------|
| Date | Campuses | Date | Campuses |
| Nov. 3 | Minnesota State Community and Technical College – Fergus Falls | | |
| Nov. 30 | Lake Superior College | | |
| Dec. 1 | Mesabi Range Community and Technical College, Eveleth, Fond du Lac Tribal and Community College, Pine Technical College | | |

Senate Holds Hearings on the High Cost of Fuel

Senator Ellen Anderson, Chair of the Senate Jobs, Energy and Community Development Committee, held three hearings around the state in November to bring attention to the rising cost of fuel. Al Johnson, Associate Vice Chancellor for Facilities, testified that statewide Minnesota State Colleges and Universities heats about 21 million square feet of academic space, not including residence halls. From 2005 to 2006, the cost for all campus energy sources is projected to increase \$9 million, and from 2006 to 2007, it is projected to increase another \$3.3 million. With the upcoming 2006 session being a bonding year, repairs and replacements in the HEAPR program, renovations, and new energy efficient buildings are more important than ever to address these high costs.

FEDERAL

Pending System Earmarks

At the time of this writing, four system earmarks have been identified and are pending in the FY2006 federal budget for a total of \$2.5M. All earmarks remain pulled from the Labor, Health and Human Services and Education Appropriations bill.

| Institution | Project | Award |
|---|---|---|
| Minneapolis Community and Technical College and Metropolitan State University | Cyber Security and Forensics Training | \$ 200,000 Science, State, Justice and Commerce |
| Minnesota State University, Mankato and Minnesota West Community and Technical College | Minnesota Center for Renewable Energy | \$ 500,000 Energy and Water |
| Pine Technical College | Virtual Reality Simulator System and Training Program | \$ 1,500,000 Defense (<i>working on specific designation language</i>) |
| Winona State University | National Child Protection Training Center | \$300,000 Science, State, Justice and Commerce (Byrne Grants) |

Commission on Higher Education

U.S. Department of Education Secretary Margaret Spellings has established a commission on higher education. The commission's charge is to "develop a comprehensive national strategy for postsecondary education." The panel will focus on rising enrollments, declining affordability and colleges' role in America's global competitiveness. Minnesota State Colleges and Universities has been invited to Washington D.C. for a meeting on December 12 with the Director, Assistant Director and Government Relations staff for the Commission. John Asmussen, Executive Director of Internal Audit and Craig Schoenecker, System Director for Research, will join Mary Jacquart, Director of Government Relations, for this meeting where they will discuss issues the Commission is studying including the system's accountability framework, data system and other related topics.

Budget Reconciliation Bill Heads to Conference Committee

The House and Senate passed significantly different budget reconciliation bills and will meet in conference committee for compromise. The Senate bill cuts \$15 billion from the student loan programs, but uses more than half of the savings to create two grant programs for students from low-income families. The House bill aims to lower the national budget deficit by \$50 billion through cuts to entitlement programs, including financial aid. The Education and the Workforce Committee's contribution was nearly one-third of that total with a cut of \$14.3 billion from the financial aid program. The House bill also makes it more costly for student loan borrowers to refinance their student loans. Under the legislation, students who chose to refinance their loans using a fixed rate would be charged one percentage point more than that charged to borrowers who chose the variable rate. Also, borrowers who want to consolidate their loans would have to pay an origination fee equal to once

percent of their outstanding loan debt.

Labor, HHS, Education Bill Unexpectedly Defeated in the House

For the first time since 1995, the final version of a spending bill was defeated on the House floor when the Labor, HHS, Education Appropriations conference committee report was unexpectedly voted down. Nearly \$1 billion worth of earmarks were cut from the bill, which may have contributed to the defeat. The bill will now go back to conference committee. A bill with more-palatable numbers may be brought to vote in December. Another possibility is for the bill to be combined in an omnibus bill with other appropriations bills not yet passed. A continuing resolution to provide financing for programs covered in the bill at 2005 levels through December 17 was passed.

Perkins Career and Technical Education Act Reauthorization on Hold

Despite best efforts by the House and Senate, it is very unlikely that the Perkins Act will be reauthorized this year. In an effort to move the bill forward, Gov. Tim Pawlenty, who chairs the National Governors Association's (NGA) Committee on Education, Early Childhood and Workforce, along with Gov. Kathleen Sebelius of Kansas, wrote a letter to the Senate and House committee leadership on behalf of NGA asking to include the following provisions in the bill: uphold unspent funds provision; support the flexible basic state grant allocation, oppose two percent cap on state administration funding; provide states with the option to combine tech prep funding with basic state grants; and preserve Section 118, Occupational and Employment Information.