

BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES
INFORMATION ITEM

2005 STATE LEGISLATIVE INITIATIVES

BACKGROUND

Legislators will return to St. Paul for the start of the 2005 session on January 4, 2005. There are a number of legislative initiatives for presentation to lawmakers including both policy and housekeeping measures. The most significant goal for the session is the biennial budget request from the Board of Trustees followed by the capital budget.

Biennial Budget

- **Budget Request** – Development for the budget request of a \$66.5 million increase over the system’s adjusted base budget was initiated in December 2003 and involved the Leadership Council, the Cabinet and a Biennial Budget Stakeholder Group with students and faculty. The request includes \$16 million for meeting critical needs in nursing, teacher education and agriculture and small business management. Minnesota Online would receive \$8.1 million for expansion of services to students. Traditionally underserved students would receive \$12 million for low-income and first-generation students. An innovation fund of \$5.5 million would fund development of emerging programs to serve both students and employers. An investment of \$11 million would be used to keep up with repairs to the physical plant, and \$13.9 million would be available to enhance the competitive salary position in the academic marketplace.
- **Capital Budget** – A \$274.9 million Board of Trustees request for capital improvements was presented to the Legislature in 2004 but lawmakers did not pass a bonding bill. Since that time an additional \$22.6 million has been added to the request to pay for an estimated 8.6 percent inflation rate. Each of the projects has been adjusted accordingly and the request will be presented to lawmakers in the 2005 session.

Policy Legislation

- **Financial Aid** – Legislation was introduced last session to allow the Minnesota State Colleges and Universities to manage the financial aid for students in the system. The same would be true for the University of Minnesota, the private colleges and the private career schools. Based on a number of benefits to students, Chancellor McCormick and University of Minnesota President Robert Bruininks testified in support of the legislation. The proposal would have let each system design a financial aid program to better fit the types of students they enroll. Minnesota’s current formula treats all low income students the same and the financial aid award is based on the cost of the institution they attend. The formula was designed 23 years ago and does not fit the types of students attending Minnesota State Colleges and Universities today. Lawmakers did not pass the legislation last session.

Establishing a financial aid formula for Minnesota State Colleges and Universities students would allow for annual changes to better serve the students needs. The impact of unanticipated enrollment or tuition increases would not be spread onto other systems, thereby protecting them from pro/ration of funds and limitations on programs such as child care. Each system would be responsible for management of financial aid for the students who attend institutions in the system. There would be no additional cost required to implement this change in financial aid management.

- **Applied Doctoral Degrees** – Minnesota law does not allow state universities in the Minnesota State Colleges and Universities system to offer or plan to offer doctoral degrees. The only option for students to obtain a doctoral degree is the University of Minnesota or a private college. Legislation has been introduced in the last two sessions to permit state universities to offer doctorate degrees in the applied fields of educational administration and educational psychology. Both of these “applied degrees” are needed in Minnesota and are used in school administration for school districts and colleges and universities.

The proposal would allow programs to be developed and offered in state universities. An additional appropriation will not be requested for the legislation, and any additional expenses will be covered through tuition.

There has been considerable support for the proposal, particularly in rural areas where access to doctoral programs has been limited.

Housekeeping Legislation

- **Sales Tax Exemption for Athletic and Artistic Events** – Current law requires sales tax to be collected and submitted for both athletic and artistic events at Minnesota State Colleges and Universities. The proposal would allow the same exemption that is available for University of Minnesota to apply to the Minnesota State Colleges and Universities system. Individual lawmakers have contacted the Office of the Chancellor to express support for the legislation and ask for a draft bill to be introduced.
- **Senior Citizens Tuition and Fee Clarification** – Minnesota law allows senior citizens to attend classes on a space available basis without paying tuition or fees. The language needs to be clarified and updated. Senior citizens would be required to pay for any personal property or service charges for the course.
- **Authority to Sell Surplus Land and Retain the Proceeds** - State land that is declared surplus by a college or university would be allowed to be sold and the Board would retain the proceeds. This authority was drafted into the 2004 bonding bill which did not pass this last session.
- **Student Trustee Nomination Date** – Student Associations are required to submit nominations for membership on the Board to the Governor by January 2 in the year a member’s term expires. The proposal would change the date to April 15 which is the same date the Candidate Advisory Council is required to submit nominations to the governor for non-student trustees.
- **College and University Scholarships** – Minnesota has a scholarship program funded through the purchase of college or university “logo” state license plates. The scholarships are awarded in various academic fields listed in law. The proposal would increase the number of academic fields and allows more flexibility in the amount of the scholarship.

Legislation to Support

- **Authority to Use “Design Build” Construction Processes** – General contractors and other officials in the construction industry will be supporting legislation to allow state buildings, including Minnesota State Colleges and Universities to use the “design build” process for construction. The legislation would allow, but not require, the process to be used and would increase the options for the Minnesota State Colleges and Universities.
- **Employment of Graduate Students** – Minnesota law allows undergraduate students to work any number of hours at a campus without becoming a public employee. The proposal would allow all students to work any number of hours without becoming a public employee.
- **Minnesota State Retirement System Service Credit for 2-Year Leaves of Absence** – Current law limits the amount of service credit allowed when administrators are on an approved leave of absence to one year. However, the legislatively approved Personal Plan for MnSCU Administrators allows for a 2-year leave option. This proposal would allow employees to be on leave for two years and to pay both the employee and employer’s share of the retirement payment.