

CONFERENCE COMMITTEE REPORT ON H. F. No. 2251

A bill for an act

relating to state government finance; providing federal stimulus oversight funding for certain state agencies; establishing a fiscal stabilization account; appropriating money.

May 18, 2009

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 2251 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2251 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. SUMMARY OF APPROPRIATIONS.

The amount shown in this section summarizes direct appropriations, by fund, made in this act.

2009

General \$ **1,084,000**

Sec. 2. APPROPRIATIONS.

The sums shown in the column marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund. The figure "2009" used in this act means that the appropriations listed under it are available for the fiscal year ending June 30, 2009.

| | | | |
|------|--|--------------------------------------|-----------------------|
| 2.1 | | <u>APPROPRIATIONS</u> | |
| 2.2 | | <u>Available for the Year</u> | |
| 2.3 | | <u>Ending June 30</u> | |
| 2.4 | | | <u>2009</u> |
| 2.5 | Sec. 3. <u>FINANCE</u> | <u>\$</u> | <u>700,000</u> |
| 2.6 | <u>Federal Stimulus Money Reporting and</u> | | |
| 2.7 | <u>Oversight</u> | | |
| 2.8 | <u>This appropriation is to provide for staff,</u> | | |
| 2.9 | <u>computers, professional and technical</u> | | |
| 2.10 | <u>services, and other operating expenses</u> | | |
| 2.11 | <u>necessary to comply with the reporting,</u> | | |
| 2.12 | <u>monitoring, and financial control and</u> | | |
| 2.13 | <u>transparency requirements of the American</u> | | |
| 2.14 | <u>Recovery and Reinvestment Act (ARRA)</u> | | |
| 2.15 | <u>of 2009. This appropriation may be used to</u> | | |
| 2.16 | <u>cover costs incurred by other state agencies</u> | | |
| 2.17 | <u>and financial partners working in cooperation</u> | | |
| 2.18 | <u>with the commissioner of finance to comply</u> | | |
| 2.19 | <u>with the ARRA transparency requirements,</u> | | |
| 2.20 | <u>including local units of government,</u> | | |
| 2.21 | <u>higher education institutions, and nonprofit</u> | | |
| 2.22 | <u>organizations. This appropriation must not</u> | | |
| 2.23 | <u>be used to support the costs of administering</u> | | |
| 2.24 | <u>specific programs funded by the ARRA. This</u> | | |
| 2.25 | <u>is a onetime appropriation and is available</u> | | |
| 2.26 | <u>until June 30, 2011.</u> | | |
| 2.27 | Sec. 4. <u>STATE AUDITOR</u> | <u>\$</u> | <u>384,000</u> |
| 2.28 | <u>Federal Stimulus Money Reporting and</u> | | |
| 2.29 | <u>Oversight</u> | | |
| 2.30 | <u>This appropriation is to provide temporary</u> | | |
| 2.31 | <u>funding for staff, computers, and other</u> | | |
| 2.32 | <u>operating expenses necessary to conduct</u> | | |
| 2.33 | <u>special investigations and other oversight</u> | | |
| 2.34 | <u>related to ensuring compliance with the</u> | | |

3.1 reporting, monitoring, and financial control
3.2 and transparency requirements of the
3.3 American Recovery and Reinvestment
3.4 Act (ARRA) of 2009. This is a onetime
3.5 appropriation and is available until June 30,
3.6 2011.

3.7 **Sec. 5. LOCAL SHARE PAYMENT MODIFICATION REQUIRED FOR ARRA**
3.8 **COMPLIANCE.**

3.9 Effective retroactively from October 1, 2008, through June 30, 2009, the state shall
3.10 reduce Hennepin County's monthly contribution to the nonfederal share of medical
3.11 assistance costs to the percentage required on September 1, 2008, to meet federal
3.12 requirements for enhanced federal match under the American Reinvestment and Recovery
3.13 Act of 2009. Notwithstanding the requirements of Minnesota Statutes 2008, section
3.14 256B.19, subdivision 1c, paragraph (d), for the period beginning October 1, 2008, to
3.15 June 30, 2009, Hennepin County's monthly payment under that provision is reduced to
3.16 \$434,688.

3.17 **Sec. 6. CAPITATION PAYMENTS.**

3.18 Effective retroactively from October 1, 2008, through December 31, 2010,
3.19 and notwithstanding the requirements of Minnesota Statutes 2008, section 256B.19,
3.20 subdivision 1c, paragraph (c), the commissioner of human services shall increase
3.21 capitation payments made to the Metropolitan Health Plan under Minnesota Statutes 2008,
3.22 section 256B.69, by \$6,800,000. The increased amount includes federal matching funds.

3.23 **Sec. 7. COUNTY CD SHARE OF MA COSTS FOR ARRA COMPLIANCE.**

3.24 Notwithstanding the provisions of Minnesota Statutes 2008, chapter 254B, for
3.25 chemical dependency services provided during the period October 1, 2008, to June
3.26 30, 2009, and reimbursed by medical assistance at the enhanced federal matching rate
3.27 provided under the American Recovery and Reinvestment Act of 2009, the county share is
3.28 30 percent of the nonfederal share.

3.29 **Sec. 8. DEER RIVER SCHOOL CLOSING.**

3.30 Independent School District No. 317, Deer River, is eligible for sparsity revenue
3.31 calculated under Minnesota Statutes, section 126C.10, subdivision 8a, for fiscal years
3.32 2010 and later if the board has adopted the required written resolution at any time prior
3.33 to the start of the 2009-2010 school year.

3.34 **Sec. 9. Laws 2009, chapter 95, article 1, section 1, is amended to read:**

4.1 Section 1. **SUMMARY OF APPROPRIATIONS.**

4.2 Subdivision 1. **Summary By Fund.** The amounts shown in this subdivision
 4.3 summarize direct appropriations, by fund, made in this article.

4.4 **SUMMARY BY FUND**

| 4.5 | | 2010 | 2011 | Total |
|------|--------------------------|--------------------------|--------------------------|-------------------------|
| 4.6 | | 1,426,422,000 | 1,532,467,000 | |
| 4.7 | General | \$ <u>1,426,639,000</u> | \$ <u>1,532,170,000</u> | \$ 2,958,889,000 |
| 4.8 | Health Care Access | 2,157,000 | 2,157,000 | 4,314,000 |
| 4.9 | Federal | 137,943,000 | 0 | 137,943,000 |
| 4.10 | State Government Special | | | |
| 4.11 | Revenue | 93,000 | 17,000 | 110,000 |
| 4.12 | | 1,566,615,000 | 1,534,641,000 | |
| 4.13 | Total | \$ <u>1,566,832,000</u> | \$ <u>1,534,344,000</u> | \$ 3,101,256,000 |

4.14 Subd. 2. **Summary By Agency - All Funds.** The amounts shown in this subdivision
 4.15 summarize direct appropriations, by agency, made in this article.

4.16 **SUMMARY BY AGENCY - ALL FUNDS**

| 4.17 | | 2010 | 2011 | Total |
|------|------------------------------|--------------------------|--------------------------|-------------------------|
| 4.18 | Minnesota Office of Higher | | | |
| 4.19 | Education | \$ 187,753,000 | \$ 187,547,000 | \$ 375,300,000 |
| 4.20 | Mayo Medical Foundation | 1,300,000 | 1,351,000 | 2,651,000 |
| 4.21 | Board of Trustees of the | | | |
| 4.22 | Minnesota State Colleges and | 677,845,000 | 666,258,000 | |
| 4.23 | Universities | <u>678,062,000</u> | <u>665,961,000</u> | 1,344,103,000 |
| 4.24 | Board of Regents of the | | | |
| 4.25 | University of Minnesota | 699,624,000 | 679,468,000 | 1,379,092,000 |
| 4.26 | Board of Dentistry | 93,000 | 17,000 | 110,000 |
| 4.27 | | 1,566,615,000 | 1,534,641,000 | |
| 4.28 | Total | \$ <u>1,566,832,000</u> | \$ <u>1,534,344,000</u> | \$ 3,101,256,000 |

4.29 Sec. 10. Laws 2009, chapter 95, article 1, section 4, is amended to read:

5.1 Sec. 4. **BOARD OF TRUSTEES OF THE**
 5.2 **MINNESOTA STATE COLLEGES AND**
 5.3 **UNIVERSITIES**

| | | | |
|-----|---|------------------------------|------------------------------|
| 5.4 | | 677,845,000 | 666,258,000 |
| 5.5 | Subdivision 1. Total Appropriation | \$ <u>678,062,000</u> | \$ <u>665,961,000</u> |

5.6 Appropriations by Fund

| | | | |
|------|---------|------------------------|------------------------|
| 5.7 | | 2010 | 2011 |
| 5.8 | | 613,952,000 | 666,258,000 |
| 5.9 | General | <u>614,169,000</u> | <u>665,961,000</u> |
| 5.10 | Federal | 63,893,000 | 0 |

5.11 The amounts that may be spent for each
 5.12 purpose are specified in the following
 5.13 subdivisions.

5.14 Subd. 2. **American Recovery and Reinvestment**
 5.15 **Act of 2009**

| | |
|------------|---|
| 63,893,000 | 0 |
|------------|---|

5.16 (a) This appropriation is from the fiscal
 5.17 stabilization account in the federal fund and
 5.18 may be used for modernization, renovation,
 5.19 or repair of facilities that are primarily used
 5.20 for instruction, research, or student housing
 5.21 but may not be used for maintenance of
 5.22 systems, equipment, or facilities. Amounts
 5.23 in this subdivision must not be allocated
 5.24 to modernization, renovation, or repair of
 5.25 stadiums or other facilities primarily used
 5.26 for athletic contests or exhibitions or other
 5.27 events for which admission is charged to the
 5.28 general public and must not be allocated to
 5.29 any facility used for sectarian instruction or
 5.30 religious worship or in which a substantial
 5.31 portion of the functions of the facilities are
 5.32 subsumed in a religious mission. No amount

6.1 from this appropriation may be allocated to
 6.2 increase endowment funds.

6.3 (b) Appropriations under this subdivision
 6.4 must be used as a bridge for budget
 6.5 reductions in the biennium ending June 30,
 6.6 2013. These appropriations may be used
 6.7 for, but are not limited to the following
 6.8 purposes: education and general expenses;
 6.9 to retain faculty and staff jobs; to provide
 6.10 severance and for early retirement incentives;
 6.11 to mitigate the rising costs of attendance
 6.12 through minimizing tuition increases; and
 6.13 for the support of student employment
 6.14 opportunities.

6.15 (c) The legislature intends that the
 6.16 tuition increase for a Minnesota resident
 6.17 undergraduate student in the Minnesota State
 6.18 Colleges and Universities, must not exceed
 6.19 five percent per year for the biennium ending
 6.20 June 30, 2011. Federal stimulus money
 6.21 under this subdivision must be used to buy
 6.22 down the tuition increase in fiscal year 2010
 6.23 to no more than three percent ~~per year~~ for a
 6.24 net increase of ~~six~~ eight percent.

6.25 (d) An additional \$15,273,000 is appropriated
 6.26 in fiscal year 2009 from the fiscal stabilization
 6.27 account in the federal fund.

6.28 **Subd. 3. Central Office and Shared Services**

| | | |
|------------------|------------|------------|
| 6.29 Unit | 47,328,000 | 47,328,000 |
|------------------|------------|------------|

| | | |
|---|------------------------|------------------------|
| 6.30 For the Office of the Chancellor and the 6.31 Shared Services Division. | 561,824,000 | 614,130,000 |
|---|------------------------|------------------------|

| | | |
|---|--------------------|--------------------|
| 6.33 Subd. 4. Operations and Maintenance | <u>562,041,000</u> | <u>613,833,000</u> |
|---|--------------------|--------------------|

6.34 (a) It is the intention of the legislature to
 6.35 increase the amount of funding distributed

7.1 to colleges and universities through the
7.2 allocation model to provide direct support of
7.3 instruction and related functions necessary
7.4 to protect the core mission of educating
7.5 students.

7.6 (b) The Board of Trustees shall submit
7.7 expenditure reduction plans by March 15,
7.8 2010, to the committees of the legislature
7.9 with responsibility for higher education
7.10 finance to achieve the 2012-2013 base
7.11 established in this section at the central
7.12 office and at each institution. The plan
7.13 submitted by the board must be based on
7.14 plans developed at each institution detailing
7.15 reductions to achieve lower base allocations
7.16 at that institution. Each plan must focus on
7.17 protecting direct instruction.

7.18 (c) For the biennium ending June 30,
7.19 2011, expenditures under this subdivision
7.20 must not exceed \$40,000,000 for
7.21 technology initiatives, including technology
7.22 infrastructure improvements.

7.23 ~~(d) \$40,000 each year is for the Cook~~
7.24 ~~County Higher Education Board to provide~~
7.25 ~~educational programs and academic support~~
7.26 ~~services.~~

7.27 ~~(e)~~ \$1,000,000 each year is for the Northeast
7.28 Minnesota Higher Education District and
7.29 high schools in its area. Students from area
7.30 high schools may also access the facilities
7.31 and faculty of the Northeast Minnesota
7.32 Higher Education District for state-of-the-art
7.33 technical education opportunities, including
7.34 MnSCU's 2+2 Pathways initiative.

8.1 ~~(f)~~ (e) \$225,000 each year is to enhance
 8.2 eFolio Minnesota and for a center to
 8.3 provide on-site and Internet-based support
 8.4 and technical assistance to users of the
 8.5 state's eFolio Minnesota system to promote
 8.6 workforce and economic development and
 8.7 to enable access to workforce information
 8.8 generated through the eFolio Minnesota
 8.9 system.

8.10 ~~(g)~~ (f) For fiscal years 2012 and 2013 the
 8.11 base for operations and maintenance is
 8.12 \$602,759,000 each year.

| | | | |
|------|---|-----------|-----------|
| 8.13 | Subd. 5. Learning Network of Minnesota | 4,800,000 | 4,800,000 |
|------|---|-----------|-----------|

8.14 Subd. 6. **System Improvements**

8.15 To increase efficiencies and equity for
 8.16 faculty and staff, the Board of Trustees is
 8.17 encouraged to place a priority on identifying
 8.18 and implementing measures to improve
 8.19 the human resources system used by the
 8.20 Minnesota State Colleges and Universities.

8.21 One of the goals of improving the human
 8.22 resources system is to provide seamless
 8.23 information on faculty and employees to
 8.24 facilitate transfers between institutions.

8.25 Sec. 11. Laws 2009, chapter 95, article 1, section 5, subdivision 4, is amended to read:

8.26 Subd. 4. **American Recovery and Reinvestment**

| | | | |
|------|--------------------|------------|---|
| 8.27 | Act of 2009 | 74,050,000 | 0 |
|------|--------------------|------------|---|

8.28 (a) This appropriation is from the fiscal
 8.29 stabilization account in the federal fund and
 8.30 may be used for modernization, renovation,
 8.31 or repair of facilities that are primarily used
 8.32 for instruction, research, or student housing
 8.33 but may not be used for maintenance of
 8.34 systems, equipment, or facilities. Amounts

9.1 in this subdivision must not be allocated
9.2 to modernization, renovation, or repair of
9.3 stadiums or other facilities primarily used
9.4 for athletic contests or exhibitions or other
9.5 events for which admission is charged to the
9.6 general public and must not be allocated to
9.7 any facility used for sectarian instruction or
9.8 religious worship or in which a substantial
9.9 portion of the functions of the facilities are
9.10 subsumed in a religious mission. No amount
9.11 from this appropriation may be allocated to
9.12 increase endowment funds.

9.13 (b) Appropriations under this subdivision
9.14 must be used as a bridge for budget
9.15 reductions in the biennium ending June 30,
9.16 2013. These appropriations may be used
9.17 for, but are not limited to the following
9.18 purposes: education and general expenses;
9.19 to retain faculty and staff jobs; to provide
9.20 severance and for early retirement incentives;
9.21 to mitigate the rising costs of attendance
9.22 through minimizing tuition increases; and
9.23 for the support of student employment
9.24 opportunities.

9.25 (c) The legislature intends that the net
9.26 tuition increase for a Minnesota resident
9.27 undergraduate student at the University of
9.28 Minnesota must not exceed \$300 ~~per year~~
9.29 ~~for the biennium ending June 30, in fiscal~~
9.30 year 2010 and \$450 in fiscal year 2011.
9.31 Appropriations of federal stimulus money
9.32 under this subdivision must be used toward
9.33 accomplishing this goal.

10.1 (d) An additional \$15,273,000 is appropriated
10.2 in fiscal year 2009 from the stabilization
10.3 account in the federal fund.

10.4 Sec. 12. **EFFECTIVE DATE.**

10.5 This act is effective the day following final enactment."

10.6 Delete the title and insert:

10.7 "A bill for an act

10.8 relating to government finance; providing federal stimulus oversight funding for
10.9 certain state agencies; conforming Minnesota law to the requirements necessary
10.10 to receive federal stimulus money for medical assistance; modifying Hennepin
10.11 County's 2009 nonfederal share of medical assistance costs to comply with
10.12 federal requirements to receive enhanced FMAP; authorizing eligibility for
10.13 sparsity revenue for the Deer River School District; adjusting higher education
10.14 limits on tuition increases; modifying funding for the Minnesota State Colleges
10.15 and Universities; appropriating money; amending Laws 2009, chapter 95, article
10.16 1, sections 1; 4; 5, subdivision 4."

11.1 We request the adoption of this report and repassage of the bill.

11.2 House Conferees: (Signed)

11.3
11.4 Loren Solberg Lyndon Carlson

11.5
11.6 Tim Faust Kathy Brynaert

11.7
11.8 Larry Howes

11.9 Senate Conferees: (Signed)

11.10
11.11 Richard Cohen Tarryl Clark

11.12
11.13 Linda Berglin Sandra Pappas

11.14
11.15 Dennis Frederickson