

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1605

DATE: March 23, 2015

Version: The delete-everything amendment, H1605DE1

Authors: Nornes

Subject: Higher Education bonding requests

Analyst: Deborah A. Dyson

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

This bill appropriates state general obligation bond proceeds for projects requested by the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU). The amounts given for the University of Minnesota are for approximately two-thirds the total costs of the projects other than for asset preservation; the University must pay for the remainder. The amounts for MnSCU are for the total project costs but MnSCU must pay to the state amounts needed each year to cover one-third of the debt service due on the bonds issued for those projects, other than for asset preservation.

Section

1 Capital improvement appropriations. States that the appropriations in this bill are from the bond proceeds fund. Includes generally applicable provisions governing spending of state general obligation bond proceeds. Includes the governor's 2014 recommended provision that money appropriated in this act not be used for asset preservation if the work can be done in a reasonable time frame using the state energy improvement financing program in Minnesota Statutes, section 16A.322, or the guaranteed energy savings program in section 16C.144.

2 University of Minnesota.

Subd. 1. Total appropriation. \$77 million.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR). \$55 million.

Subd. 3. St. Paul; Veterinary isolation laboratories renovation. \$18 million.

Section

Subd. 4. St. Paul; greenhouse replacement. \$4 million.

Subd. 5. University share. Provides that the appropriations are for approximately two-thirds of project costs, except for HEAPR.

Subd. 6. Unspent appropriations. Allows money not needed for a completed project to be used for HEAPR. Requires a report to chairs of the house and senate Capital Investment and Higher Education Finance committees.

3 Minnesota State Colleges and Universities.

Subd. 1. Total appropriation. \$198.454 million.

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR). \$72.5 million.

Subd. 3. Anoka Technical College. \$2.114 million for the automotive and manufacturing technology training space.

Subd. 4. Bemidji State University. \$18.1 million for Hagg Sauer Hall replacement.

Subd. 5. Century College, White Bear Lake. \$1.325 million for classroom renovation.

Subd. 6. Dakota County Technical College. \$7.733 million for classroom and lab space for the transportation and emerging technologies programs.

Subd. 7. Minnesota West Community and Technical College; Canby and Jackson campuses. \$3.267 million for a geothermal HVAC system on the Canby campus and consolidation of the powerline training program spaces on the Jackson campus.

Subd. 8. Minnesota State Community and Technical College; Fergus Falls and Wadena campuses. \$2.373 million to create a student services center on the Wadena campus, and a student and workforce center on the Fergus Falls campus.

Subd. 9. Northeast Higher Education District, Hibbing. \$10 million for academic and student services space.

Subd. 10. Northland Community and Technical College; East Grand Forks. \$826,000 for science and radiological technology labs.

Subd. 11. Rochester Community and Technical College. \$11.585 million for academic and student service space.

Subd. 12. St. Paul College. \$18.829 million for the Health and Science Alliance Center addition and renovation of health and West Tower spaces.

Subd. 13. St. Cloud State University. \$18.572 million for Eastman Hall renovation.

Subd. 14. South Central College; North Mankato. \$8.6 million for lab, classroom, and office spaces for health care, STEM, computer, and agribusiness programs.

Section

Subd. 15. Winona State University. \$22.63 million for Phase 2 of the education village project.

Subd. 16. Debt service. Requires MnSCU to pay one-third of the debt service on debt issued for the projects in this section other than HEAPR.

Subd. 17. Unspent appropriations. Allows money not needed for a completed project to be used for HEAPR on the same campus as the project for which the original appropriation was made. Requires a report to chairs of the house and senate Capital Investment and Higher Education Finance committees.

- 4 **Bond sale expenses.** Appropriates an unspecified amount to MMB to pay the costs of selling the bonds.
- 5 **Bond sale.** Authorizes MMB to sell state general obligation bonds to provide the money for the appropriations in this act.
- 6 **Bond sale schedule.** Sets the limit on the amount that may be transferred from the general fund to the state bond fund to pay debt service during the biennium and directs MMB to time selling the bonds so as to not exceed that amount.
- 7 **Southwest Minnesota State University, Marshall.** Amends the 2012 bond appropriation for a project that MnSCU has determined not to do and allows that money to be used for HEAPR on the same campus.
- 8 **Minneapolis Community and Technical College; sale of aviation training center.** Appropriates the net proceeds of the sale of the aviation training center at the Flying Cloud Airport to MnSCU to use for HEAPR projects at the Minneapolis Community and Technical College campus, instead of going to the state, and declares that once the sale is complete the property is no longer state bond financed property.
- 9 **Effective date.** Day after enactment.