

Subject Capital investment higher education projects

Authors Pelowski

Analyst Nathan Hopkins

Date March 13, 2024

Summary

In its capital investment bonding bills, the legislature typically includes a requirement for the University of Minnesota (UMN) and the Minnesota State Colleges and Universities (MnState) systems requiring them to pay one-third of the cost of their funded projects. In the last bonding bill, for example, the following provision was in the appropriation for UMN:

Except for the appropriations for HEAPR, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

And, for MnState:

. . . the Board of Trustees shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section. After each sale of general obligation bonds, the commissioner of management and budget shall notify the board of the amounts assessed for each year for the life of the bonds.

[2023 Minn. Laws Ch. 72, § 2, subd. 4; § 3, subd. 16.](#)

This bill would create a new statute stating that it is the policy of the legislature to fund the full cost of capital projects for public postsecondary systems, and that neither system shall be obligated to pay debt service on state bond sales to finance their capital projects.