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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE NO. **3769**

April 13, 2010

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to capital investment; authorizing spending to acquire and better
1.3 public land and buildings and other improvements of a capital nature with
1.4 certain conditions; authorizing the sale of state bonds; modifying previous
1.5 appropriations; appropriating money.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. CAPITAL IMPROVEMENT APPROPRIATIONS.

1.8 The sums shown in the column under "Appropriations" are appropriated from the
1.9 bond proceeds fund, or another named fund, to the state agencies or officials indicated,
1.10 to be spent for public purposes. Appropriations of bond proceeds must be spent as
1.11 authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire
1.12 and better public land and buildings and other public improvements of a capital nature, or
1.13 as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j),
1.14 or article XIV. Unless otherwise specified, money appropriated in this act for a capital
1.15 program or project may be used to pay state agency staff costs that are attributed directly
1.16 to the capital program or project in accordance with accounting policies adopted by the
1.17 commissioner of management and budget. Unless otherwise specified, the appropriations
1.18 in this act are available until the project is completed or abandoned subject to Minnesota
1.19 Statutes, section 16A.642.

1.20 SUMMARY

1.21	<u>Minnesota State Colleges and Universities</u>	<u>133,751,000</u>
1.22	<u>Education</u>	<u>2,000,000</u>
1.23	<u>Board of Water and Soil Resources</u>	<u>25,000,000</u>
1.24	<u>Human Services</u>	<u>2,000,000</u>
1.25	<u>Housing Finance Agency</u>	<u>10,000,000</u>
1.26	<u>TOTAL</u>	<u>\$ 172,751,000</u>

2.1	<u>Bond Proceeds Fund (General Fund Debt Service)</u>	124,659,000
2.2	<u>Bond Proceeds Fund (User Financed Debt Service)</u>	48,092,000
2.3		<u>APPROPRIATIONS</u>
2.4	<u>Sec. 2. MINNESOTA STATE COLLEGES</u>	
2.5	<u>AND UNIVERSITIES</u>	
2.6	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 133,751,000</u>
2.7	<u>To the Board of Trustees of the Minnesota</u>	
2.8	<u>State Colleges and Universities for the</u>	
2.9	<u>purposes specified in this section.</u>	
2.10	<u>Subd. 2. Anoka Ramsey Community College,</u>	
2.11	<u>Coon Rapids</u>	
2.12	<u>(a) Fine Arts Building Renovation</u>	<u>5,357,000</u>
2.13	<u>To complete design and to renovate, furnish,</u>	
2.14	<u>and equip the Fine Arts classroom and lab</u>	
2.15	<u>building.</u>	
2.16	<u>(b) Bioscience and Allied Health Addition</u>	<u>400,000</u>
2.17	<u>To complete design of a Bioscience and</u>	
2.18	<u>Allied Health addition and renovation to</u>	
2.19	<u>support Science Technology and Math</u>	
2.20	<u>(STEM) and nursing program initiatives.</u>	
2.21	<u>Subd. 3. Dakota County Technical College</u>	
2.22	<u>Transportation and Emerging Technologies</u>	
2.23	<u>Lab</u>	<u>300,000</u>
2.24	<u>To complete design of the transportation</u>	
2.25	<u>and emerging technologies classrooms,</u>	
2.26	<u>laboratories, and related spaces.</u>	
2.27	<u>Subd. 4. Hennepin Technical College, Eden</u>	
2.28	<u>Prairie, Brooklyn Park</u>	
2.29	<u>Learning Resource and Student Services</u>	
2.30	<u>Renovation</u>	<u>10,566,000</u>
2.31	<u>To renovate, furnish, and equip existing</u>	
2.32	<u>space at the Brooklyn Park and Eden</u>	
2.33	<u>Prairie campuses for a Library and Learning</u>	

- 3.1 Resource Center and student services with an
 3.2 addition and new entrances at both campuses.
- 3.3 **Subd. 5. Minneapolis Community and**
 3.4 **Technical College**
- 3.5 **Workforce Program Renovation** 12,990,000
- 3.6 To complete design and to renovate, furnish,
 3.7 and equip instructional space, support space,
 3.8 and infrastructure for workforce programs.
- 3.9 **Subd. 6. Minnesota State University, Mankato**
- 3.10 **Clinical Science Building Design** 1,908,000
- 3.11 To design for construction a Clinical Science
 3.12 Building.
- 3.13 **Subd. 7. Minnesota State University, Moorhead**
- 3.14 **Livingston Lord Library and Information**
 3.15 **Technology Renovation** 14,901,000
- 3.16 To complete design and to renovate, furnish,
 3.17 and equip Livingston Lord Library.
- 3.18 **Subd. 8. Minnesota West Community and**
 3.19 **Technical College, Canby**
- 3.20 **Wind Turbine Training Facility** 200,000
- 3.21 For preliminary engineering and design of a
 3.22 commercial scale wind turbine for the wind
 3.23 energy technology program.
- 3.24 **Subd. 9. NHED Mesabi Range Community**
 3.25 **and Technical College, Virginia**
- 3.26 **Iron Range Engineering Program Facilities** 3,000,000
- 3.27 To predesign, design, construct, furnish,
 3.28 and equip an addition to and renovation
 3.29 of existing space for laboratories, flexible
 3.30 classrooms, and office space for the
 3.31 engineering program on the Virginia campus.
- 3.32 **Subd. 10. North Hennepin Community College**
- 3.33 **Bioscience and Health Careers Center Addition** 600,000

4.1 To complete design of a new building
 4.2 for Bioscience and Health Careers Center
 4.3 laboratory and classroom space.

4.4 **Subd. 11. Ridgewater Community Technical**
 4.5 **College, Willmar**

4.6 **Technical Instruction Renovation** 14,300,000

4.7 To design, renovate, furnish, and equip
 4.8 classroom and existing instructional lab space
 4.9 and construct an addition for circulation; and
 4.10 to demolish obsolete space.

4.11 **Subd. 12. Rochester Community Technical**
 4.12 **College**

4.13 **Workforce Center Colocation** 8,500,000

4.14 To complete the design and to construct,
 4.15 furnish, and equip an addition to the
 4.16 Heintz Center at Rochester Community
 4.17 and Technical College and to renovate the
 4.18 heating, ventilating, and air conditioning
 4.19 systems. The addition will house the
 4.20 Rochester Area Work Force Center. The
 4.21 board of trustees must consult with the
 4.22 commissioner of employment and economic
 4.23 development on the design of the renovations
 4.24 and addition. The board must enter into a
 4.25 lease agreement with the commissioner of
 4.26 employment and economic development
 4.27 for use of the work force center. The lease
 4.28 agreement must provide that lease payments
 4.29 made by the commissioner will pay for the
 4.30 college's reasonable costs in support of the
 4.31 work force center.

4.32 This appropriation is in addition to the
 4.33 appropriation in Laws 2008, chapter 179,
 4.34 section 3, subdivision 23.

4.35 **Subd. 13. South Central College, Faribault** 13,360,000

5.1 **Classroom Renovation and Addition**

5.2 To complete design and to construct, furnish,
5.3 and equip an addition, and to renovate space
5.4 for classrooms, a learning resource center,
5.5 related spaces, and laboratories.

5.6 **Subd. 14. Southwest Minnesota State**
5.7 **University**

5.8 **Science Lab Renovation** 200,000

5.9 To complete design of the Science and Math
5.10 Building renovation.

5.11 **Subd. 15. St. Cloud State University**

5.12 **Integrated Science and Engineering** 42,334,000
5.13 **Laboratory Facility**

5.14 To complete design and to construct,
5.15 furnish, and equip Integrated Science and
5.16 Engineering Laboratory Facility.

5.17 **Subd. 16. Science, Technology, Engineering,** 4,835,000
5.18 **and Math Initiatives**

5.19 To design, renovate, furnish, and equip
5.20 science laboratories and classrooms at
5.21 the following campuses: Bemidji State
5.22 University; Century College; Minnesota
5.23 State Community and Technical College,
5.24 Moorhead; Minnesota State University,
5.25 Moorhead; Northeast Higher Education
5.26 District, Hibbing College, Itasca Community
5.27 College, and Mesabi Range Eveleth;
5.28 Northwest Technical College; South Central
5.29 College, North Mankato.

5.30 Campuses may use internal and nonstate
5.31 money to increase the size of the projects.

5.32 **Subd. 17. Debt Service**

5.33 (a) Except as provided in paragraph (b), the
5.34 board shall pay the debt service on one-third

6.1 of the principal amount of state bonds sold to
6.2 finance projects authorized by this section.

6.3 After each sale of general obligation bonds,
6.4 the commissioner of management and budget
6.5 shall notify the board of the amounts assessed
6.6 for each year for the life of the bonds.

6.7 (b) The board need not pay debt service
6.8 on bonds sold to finance higher education
6.9 asset preservation and replacement. Where a
6.10 nonstate match is required, the debt service is
6.11 due on a principal amount equal to one-third
6.12 of the total project cost, less the match
6.13 committed before the bonds are sold. For
6.14 the workforce center colocation project
6.15 at Rochester Community and Technical
6.16 College, the board shall pay the debt service
6.17 on \$1,079,000 of the principal amount of
6.18 state bonds sold to finance the project. The
6.19 commissioner of employment and economic
6.20 development shall pay the debt service on
6.21 \$5,262,000 of the principal amount of state
6.22 bonds sold to finance the project, in the
6.23 manner provided in Minnesota Statutes,
6.24 section 16A.643.

6.25 (c) The commissioner of management and
6.26 budget shall reduce the board's assessment
6.27 each year by one-third of the net income
6.28 from investment of general obligation bond
6.29 proceeds in proportion to the amount of
6.30 principal and interest otherwise required to
6.31 be paid by the board. The board shall pay its
6.32 resulting net assessment to the commissioner
6.33 of management and budget by December
6.34 1 each year. If the board fails to make
6.35 a payment when due, the commissioner
6.36 of management and budget shall reduce

7.1 allotments for appropriations from the
7.2 general fund otherwise available to the board
7.3 and apply the amount of the reduction to
7.4 cover the missed debt service payment. The
7.5 commissioner of management and budget
7.6 shall credit the payments received from the
7.7 board to the bond debt service account in
7.8 the state bond fund each December 1 before
7.9 money is transferred from the general fund
7.10 under Minnesota Statutes, section 16A.641,
7.11 subdivision 10.

7.12 **Subd. 18. Unspent Appropriations**

7.13 (a) Upon substantial completion of a project
7.14 authorized in this section and after written
7.15 notice to the commissioner of management
7.16 and budget, the board must use any money
7.17 remaining in the appropriation for that project
7.18 for higher education asset preservation and
7.19 replacement (HEAPR) under Minnesota
7.20 Statutes, section 135A.046. The Board
7.21 of Trustees must report by February 1 of
7.22 each even-numbered year to the chairs of
7.23 the house of representatives and senate
7.24 committees with jurisdiction over capital
7.25 investment and higher education finance, and
7.26 to the chairs of the house of representatives
7.27 Ways and Means Committee and the senate
7.28 Finance Committee, on how the remaining
7.29 money has been allocated or spent.

7.30 (b) The unspent portion of an appropriation
7.31 for a project in this section that is complete is
7.32 available for HEAPR under this subdivision,
7.33 at the same campus as the project for which
7.34 the original appropriation was made and the
7.35 debt service requirement under subdivision

8.1 27 is reduced accordingly. Minnesota
 8.2 Statutes, section 16A.642, applies from the
 8.3 date of the original appropriation to the
 8.4 unspent amount transferred.

8.5 Sec. 3. **EDUCATION** **\$ 2,000,000**

8.6 To the commissioner of education for library
 8.7 accessibility and improvement grants under
 8.8 Minnesota Statutes, section 134.45.

8.9 Sec. 4. **BOARD OF WATER AND SOIL**
 8.10 **RESOURCES** **\$ 25,000,000**

8.11 **RIM Conservation Reserve**

8.12 (a) To the Board of Water and Soil Resources
 8.13 to acquire conservation easements from
 8.14 landowners to preserve, restore, create,
 8.15 and enhance wetlands; restore and enhance
 8.16 rivers and streams, riparian lands, and
 8.17 associated uplands in order to protect soil
 8.18 and water quality; support fish and wildlife
 8.19 habitat; reduce flood damage; and provide
 8.20 other public benefits. The provisions of
 8.21 Minnesota Statutes, section 103F.515, apply
 8.22 to this appropriation, except that the board
 8.23 may establish alternative payment rates for
 8.24 easements and practices to establish restored
 8.25 native prairies, as defined in Minnesota
 8.26 Statutes, section 84.02, subdivision 7, and
 8.27 to protect uplands. Of this appropriation, up
 8.28 to ten percent may be used to implement the
 8.29 program.

8.30 The board may give priority to the area
 8.31 designated for relief and recovery from the
 8.32 flooding that occurred on or after August
 8.33 18, 2007, in the area of southeast Minnesota

9.1 designated under Presidential Declaration of
9.2 Major Disaster DR-1717.

9.3 At least \$2,000,000 of this amount is
9.4 available for use by the Cedar River and
9.5 Turtle Creek Watershed Districts in Freeborn,
9.6 Mower, Dodge, and Steele Counties to
9.7 restore wetlands and reduce flooding in the
9.8 Austin area.

9.9 Up to \$8,000,000 of this amount is available
9.10 for use in Minnesota counties in the Red
9.11 River Basin to restore wetlands and reduce
9.12 flooding.

9.13 Up to \$500,000 is for use in the Rum River
9.14 watershed.

9.15 Up to \$2,000,000 is for use in Area II.

9.16 \$7,500,000 is for use in the seven-county
9.17 metropolitan area.

9.18 Up to \$400,000 is for a grant to the Freeborn
9.19 County Soil and Water Conservation District
9.20 for use in the Minnesota portion of the Bear
9.21 Lake watershed.

9.22 (b) The board is authorized to enter into
9.23 new agreements and amend past agreements
9.24 with landowners as required by Minnesota
9.25 Statutes, section 103F.515, subdivision
9.26 5, to allow for restoration, including
9.27 overseeding and harvesting of native prairie
9.28 vegetation for use for energy production in
9.29 a manner that does not devalue the natural
9.30 habitat, water quality benefits, or carbon
9.31 sequestration functions of the area enrolled
9.32 in the easement. This shall occur after seed
9.33 production and minimize impacts on wildlife.

9.34 Of this appropriation, up to five percent

10.1 may be used for restoration, including
 10.2 overseeding. The board must submit to the
 10.3 legislative committees with jurisdiction over
 10.4 environment finance and capital investment
 10.5 an interim report on this program by October
 10.6 1, 2010, and a final report by February 1,
 10.7 2011.

10.8 **Sec. 5. HUMAN SERVICES** **\$ 2,000,000**

10.9 **Early Childhood Learning and Child**
 10.10 **Protection Facilities**

10.11 To the commissioner of human services for
 10.12 grants under Minnesota Statutes, section
 10.13 256E.37, to construct and rehabilitate early
 10.14 childhood learning and child protection
 10.15 facilities.

10.16 **Sec. 6. MINNESOTA HOUSING FINANCE**
 10.17 **AGENCY** **\$ 10,000,000**

10.18 To the Minnesota Housing Finance Agency
 10.19 for transfer to the housing development
 10.20 fund to finance the costs to rehabilitate, or
 10.21 to replace units lost in a fire, to preserve
 10.22 public housing under Minnesota Statutes,
 10.23 section 462A.202, subdivision 3a. For
 10.24 purposes of this section, "public housing"
 10.25 means housing for low-income persons
 10.26 and households financed by the federal
 10.27 government and owned and operated by
 10.28 the public housing authorities and agencies
 10.29 formed by cities and counties. Eligible
 10.30 public housing authorities must have a public
 10.31 housing assessment system rating of standard
 10.32 or above. Priority must be given to proposals
 10.33 that maximize federal or local resources
 10.34 to finance the capital costs. The priority
 10.35 in Minnesota Statutes, section 462A.202,

11.1 subdivision 3a, for projects to increase
11.2 the supply of affordable housing and the
11.3 restrictions of Minnesota Statutes, section
11.4 462A.202, subdivision 7, do not apply to this
11.5 appropriation.

11.6 **Sec. 7. BOND SALE AUTHORIZATION.**

11.7 To provide the money appropriated in this act from the bond proceeds fund, the
11.8 commissioner of management and budget shall sell and issue bonds of the state in an
11.9 amount up to \$172,751,000 in the manner, upon the terms, and with the effect prescribed
11.10 by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution,
11.11 article XI, sections 4 to 7.

11.12 **Sec. 8. BOND SALE AUTHORIZATIONS REDUCED.**

11.13 (a) The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision
11.14 1, is reduced by \$355,680,000.

11.15 (b) The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision
11.16 2, is reduced by \$5,780,000.

11.17 (c) The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision
11.18 4, is reduced by \$6,500,000.

11.19 **Sec. 9. EFFECTIVE DATE.**

11.20 This act is effective the day following final enactment.