

Senator Clark introduced-

S.F. No. 2909: Referred to the Committee on Finance.

1.1 A bill for an act
 1.2 relating to capital improvements; authorizing the issuance of state bonds;
 1.3 appropriating money for capital improvements to the National Hockey Center
 1.4 at St. Cloud State University.

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

1.6 Section 1. ST. CLOUD STATE UNIVERSITY; NATIONAL HOCKEY CENTER.

1.7 Subdivision 1. Appropriation. \$8,000,000 is appropriated from the bond proceeds
 1.8 fund to the Board of Trustees of the Minnesota State Colleges and Universities to
 1.9 predesign, design, construct, furnish, and equip the renovation of the National Hockey
 1.10 Center.

1.11 Subd. 2. Bond sale. To provide the money appropriated in this act from the bond
 1.12 proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an
 1.13 amount up to \$8,000,000 in the manner, upon the terms, and with the effect prescribed by
 1.14 Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution,
 1.15 article XI, sections 4 to 7.

1.16 Sec. 2. EFFECTIVE DATE.

1.17 Section 1 is effective the day following final enactment.

ST. CLOUD STATE UNIVERSITY

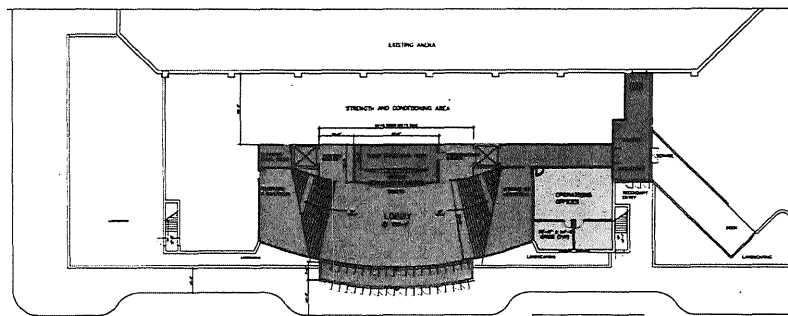
A tradition of excellence and opportunity

SCSU National Hockey Center Addition

March 28, 2006



National Hockey Center First Floor Entry Level

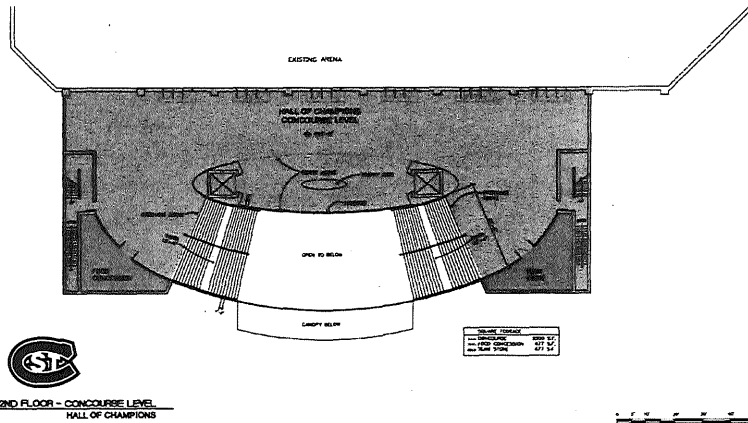


ST FLOOR - ENTRY LEVEL

ST. CLOUD STATE UNIVERSITY
A tradition of excellence and opportunity

ST. CLOUD STATE UNIVERSITY
A tradition of excellence and opportunity

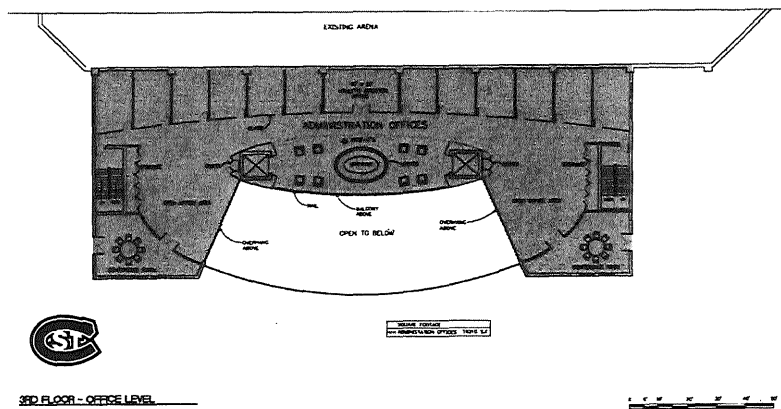
National Hockey Center Second Floor Concourse Level



2ND FLOOR - CONCOURSE LEVEL
 HALL OF CHAMPIONS

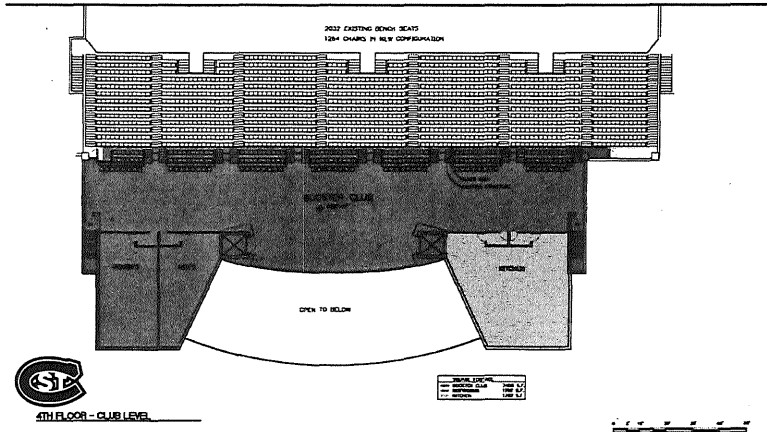
ST. CLOUD STATE UNIVERSITY
A tradition of excellence and opportunity

National Hockey Center Third Floor Office Level



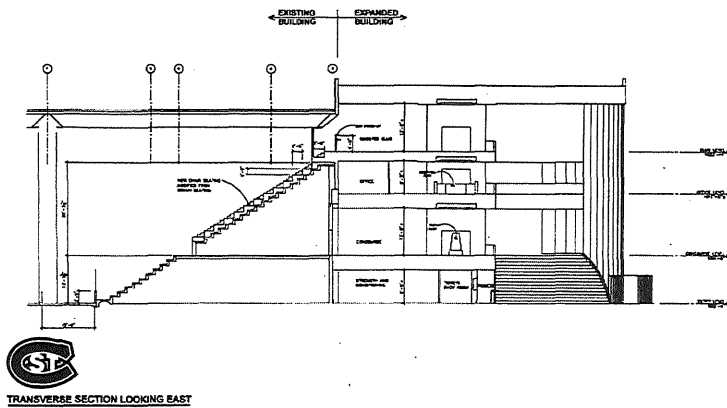
3RD FLOOR - OFFICE LEVEL

National Hockey Center Fourth Floor Club Level



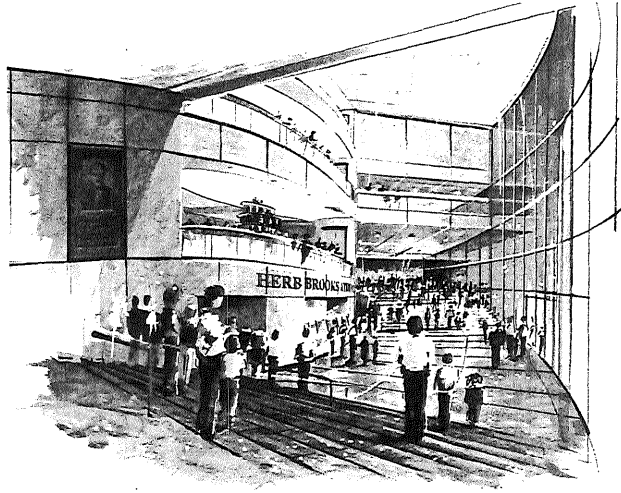
ST. CLOUD STATE UNIVERSITY
A tradition of excellence and opportunity

National Hockey Center Traverse Section Looking East



ST. CLOUD STATE UNIVERSITY
A tradition of excellence and opportunity

Herb Brooks Atrium



ST. CLOUD STATE UNIVERSITY
A tradition of excellence and opportunity

1 A bill for an act

2 relating to a University of Minnesota football
3 stadium; providing a process for state support of a
4 football stadium at the University of Minnesota;
5 appropriating money; amending Minnesota Statutes 2004,
6 sections 297A.71, by adding a subdivision; 340A.404,
7 subdivision 4a; proposing coding for new law in
8 Minnesota Statutes, chapter 473.

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

10 Section 1. [PURPOSE; FINDINGS.]

11 The legislature finds that construction of a new football
12 stadium by the Board of Regents of the University of Minnesota
13 on the University's east bank campus in the city of Minneapolis
14 serves statewide public purposes. The legislature finds that
15 the public purposes served include, but are not limited to,
16 providing an on-campus outdoor intercollegiate football stadium
17 as a part of the public amenities for Minnesota's citizens,
18 enhancing the enjoyment of its citizens, and enhancing the
19 University experience for students, alumni, faculty, staff, and
20 other supporters of the University. The legislature finds that
21 the University intends to join together with its students,
22 alumni, faculty, staff, and other supporters to raise funds to
23 build a stadium to return college football to the University
24 campus. Further, the legislature finds that construction of a
25 University of Minnesota football stadium should be supported by
26 the state and that the support should not detract from or be a
27 substitute for other operating and capital support by the state

1 for the University; however, state financial support for the
2 stadium should be conditioned upon the University providing for
3 payment of a significant portion of the stadium's cost from
4 nonstate general revenue fund sources. The purpose of this act
5 is to provide a firm 40 percent level of funding for a new
6 University football stadium to be constructed and owned by the
7 Regents of the University of Minnesota.

8 Sec. 2. [DEFINITIONS.]

9 Subdivision 1. [APPLICABILITY.] The definitions in this
10 section apply to sections 2 to 7.

11 Subd. 2. [COMMISSIONER.] "Commissioner" means the
12 commissioner of finance.

13 Subd. 3. [STADIUM.] "Stadium" means an athletic stadium
14 suitable for intercollegiate National Collegiate Athletic
15 Association (NCAA) Division I football games and related
16 infrastructure improvements constructed on the University of
17 Minnesota's east bank campus in the city of Minneapolis.

18 Subd. 4. [BOARD.] "Board" means the regents of the
19 University of Minnesota.

20 Subd. 5. [COMMISSION.] "Commission" means the Metropolitan
21 Sports Facilities Commission.

22 Sec. 3. [ACTIVITIES; CONTRACTS.]

23 The legislature recognizes that the board has all powers
24 necessary or convenient for designing, constructing, equipping,
25 improving, controlling, operating, and maintaining the stadium
26 and may enter into contracts that are in its judgment in the
27 best interests of the public for those purposes.

28 Notwithstanding contrary law, the board may adopt the fair and
29 competitive design and construction procurement procedures in
30 connection with the stadium that it considers to be in the
31 public interest. The board must ensure to the greatest extent
32 practicable, that materials derived from American made steel are
33 used in the construction of the stadium. Minnesota Statutes,
34 sections 16B.33 and 16B.335, do not apply to the stadium.

35 Sec. 4. [ENVIRONMENTAL REVIEW.]

36 The legislature requests that the board complete an

1 environmental review of the stadium project and perform the
2 duties of the responsible governmental unit as prescribed in the
3 Minnesota Environmental Policy Act, Minnesota Statutes, chapter
4 116D, and the rules adopted under that chapter. The legislature
5 ratifies the Environmental Quality Board's designation of the
6 board as responsible governmental unit.

7 Sec. 5. [CONDITIONS FOR PAYMENT TO THE UNIVERSITY.]

8 Before the commissioner may make the first payment to the
9 board authorized in this section the commissioner must certify
10 that the board has received at least \$141,000,000 in pledges,
11 gifts, sponsorships and other nonstate general fund revenue
12 support for the construction of the stadium. On July 1 of each
13 year after certification by the commissioner, but no earlier
14 than July 1, 2007, and for so long thereafter as any bonds
15 issued by the board for the construction of the stadium are
16 outstanding, the state must transfer to the board \$7,000,000 to
17 reimburse the board for its stadium costs, provided that bonds
18 issued to pay the state's share of such costs shall not exceed
19 \$94,000,000. \$7,000,000 is appropriated annually from the
20 general fund for the purpose of this section. Except to the
21 extent of the annual appropriation described in this section,
22 the state is not required to pay any part of the cost of
23 designing or constructing the stadium. The board must also
24 certify to the commissioner that a provision for affordable
25 access for University students to the University sporting events
26 held at the football stadium has been made.

27 Sec. 6. [NO FULL FAITH AND CREDIT.]

28 Any bonds or other obligations issued by the board under
29 this act are not public debt of the state, and the full faith
30 and credit and taxing powers of the state are not pledged for
31 their payment, or of any payments that the state agrees to make
32 under this act.

33 Sec. 7. Minnesota Statutes 2004, section 297A.71, is
34 amended by adding a subdivision to read:

35 Subd. 33. [CONSTRUCTION MATERIALS; UNIVERSITY OF MINNESOTA
36 FOOTBALL STADIUM.] Materials, supplies, or equipment used or

1 consumed in connection with the construction, equipping, or
2 improvement of a football stadium constructed for use by the
3 University of Minnesota are exempt. This subdivision expires
4 one year after substantial completion of the football stadium.

5 Sec. 8. Minnesota Statutes 2004, section 340A.404,
6 subdivision 4a, is amended to read:

7 Subd. 4a. [STATE-OWNED RECREATION; ENTERTAINMENT
8 FACILITIES.] Notwithstanding any other law, local ordinance, or
9 charter provision, the commissioner may issue on-sale
10 intoxicating liquor licenses:

11 (1) to the state agency administratively responsible for,
12 or to an entity holding a concession or facility management
13 contract with such agency for beverage sales at, the premises of
14 any Giants Ridge Recreation Area building or recreational
15 improvement area owned by the state in the town of White, St.
16 Louis County;

17 (2) to the state agency administratively responsible for,
18 or to an entity holding a concession or facility management
19 contract with such agency for beverage sales at, the premises of
20 any Ironworld Discovery Center building or facility owned by the
21 state at Chisholm; and

22 (3) to the Board of Regents of the University of Minnesota
23 for events at Northrop Auditorium and spectator suites and clubs
24 in any intercollegiate football stadium constructed by the
25 University on its Minneapolis campus.

26 The commissioner shall charge a fee for licenses issued
27 under this subdivision in an amount comparable to the fee for
28 comparable licenses issued in surrounding cities.

29 Sec. 9. [473.5955] [TERMINATION OF LEASE.]

30 The lease between the Regents of the University of
31 Minnesota and the commission dated May 19, 1982, that requires
32 the University of Minnesota football team to play its home
33 football games at the Hubert H. Humphrey Metrodome until July 1,
34 2012, may be terminated by the board effective on or after the
35 date designated by the board as the date of completion of the
36 stadium on the University of Minnesota's east bank campus in the

1 city of Minneapolis.

2 Sec. 10. [EFFECTIVE DATE.]

3 Sections 1 to 9 are effective the day following final
4 enactment.

1.1 Senator moves to amend S.F. No. 237 as follows:

1.2 Page 2, line 5, delete "40" and insert "50"

1.3 Page 2, after line 21, insert:

1.4 "Subd. 6. **University land.** "University land" means approximately 2,840 acres
1.5 owned by the University of Minnesota and lying within the area legally described as
1.6 approximately the Southerly 3/4 of the Southwest 1/4 of Section 1 (comprising 120 acres),
1.7 approximately the Southeast 1/4 of Section 2 (comprising 160 acres), the East 1/2 of
1.8 Section 10, Section 11, the West 1/2 of Section 12, Section 13 and Section 14, all in Twp.
1.9 114 North, Range 19 West, Dakota County, Minnesota.

1.10 Subd. 7. **Permitted university uses.** "Permitted university uses" means university
1.11 educational, research, outreach, scientific, and agricultural uses, including, undiminished,
1.12 all of the present uses of the university land, all of the present uses of university real
1.13 property that adjoins the university land, all similar uses made of comparable property by
1.14 other land grant universities, any uses related to the uses described in this subdivision,
1.15 and the making of improvements incidental to those uses.

1.16 Subd. 8. **Other permitted uses.** "Other permitted uses" means agricultural, outdoor
1.17 recreational and open space management uses, and the making of improvements incidental
1.18 to those uses, provided the improvements have been agreed to in writing by the university
1.19 and the commissioner of natural resources.

1.20 Subd. 9. **Prohibited uses.** "Prohibited uses" means use of the university land for
1.21 residential, commercial, or industrial uses, unless those uses are permitted by this act,
1.22 or are presently being conducted under existing university leases, easements, or use
1.23 agreements, or are utility uses within defined corridors."

1.24 Page 3, line 10, delete "\$141,000,000" and insert "\$124,000,000"

1.25 Page 3, line 16, delete "\$7,000,000" and insert "up to \$9,400,000"

1.26 Page 3, line 19, delete "\$94,000,000" and insert "\$124,000,000" and delete "\$7,000,000"
1.27 and insert "Up to \$9,400,000"

1.28 Page 3, line 20, after the period, insert "The board must certify to the commissioner
1.29 the amount of the annual payments of principal and interest required to service bonds
1.30 issued by the university for the construction of the stadium, and the actual amount of the
1.31 state's annual payment to the university shall equal the amount required to service the
1.32 bonds representing the state's share of such costs."

1.33 Page 3, after line 26, insert:

1.34 "Sec. 6. **LAND PROTECTION AND TRANSFER.**

2.1 Subdivision 1. Land protection. The obligation of the state of Minnesota to make
2.2 the payments required under section 5 is expressly conditioned upon the university's
2.3 covenant to limit in perpetuity, subject to subdivision 3, the use of the university land to
2.4 the permitted university uses and the other permitted uses and its agreement not to use the
2.5 university land for any of the prohibited uses. A declaration imposing those restrictions
2.6 and granting to the Department of Natural Resources the right to enforce the same, which
2.7 has been executed by the university and filed in the office of the Dakota County recorder
2.8 shall satisfy this condition. In furtherance of the purposes of this subdivision, the university
2.9 and the Department of Natural Resources shall promptly endeavor to enter into a joint
2.10 powers agreement under Minnesota Statutes, section 471.59, or a conservation easement
2.11 held by a qualified conservation organization or by a conservation easement holder as
2.12 described in applicable Minnesota law embodying the restrictions, which agreement or
2.13 easement shall provide for cooperative oversight of the use of the university land. Nothing
2.14 in this subdivision or in any declaration, agreement, or easement made or entered into
2.15 pursuant to this subdivision shall impair the rights of third parties under presently existing
2.16 leases, easements, or use agreements. Except as limited in any declaration, agreement or
2.17 conservation easement made, entered into, or granted as provided in this subdivision, the
2.18 rights of the university with respect to the university land are not affected by this section.

2.19 Subd. 2. Land transfer. No later than the date on which the state of Minnesota
2.20 makes the last of the payments required under section 5, the Board of Regents of the
2.21 University of Minnesota shall offer to convey the university land to the state of Minnesota
2.22 in its "as is" condition by quit claim for the sum of \$1. Upon agreement of the university
2.23 and the state, all or part of the university land may be transferred to another governmental
2.24 unit of the state. Any conveyance shall be subject to the perpetual right of the university
2.25 to use the university land for the permitted university uses and to the rights of third
2.26 parties under presently existing leases, easements, and use agreements. The instruments
2.27 of transfer shall otherwise limit the use of the university land to the other permitted uses
2.28 and subject those uses to restrictions as may be provided in any agreement between the
2.29 university and the state or any conservation easement granted pursuant to subdivision
2.30 1, as applicable. The University of Minnesota shall have the right to enforce those
2.31 limitations and restrictions. The quit claim deed shall provide that the state will assume
2.32 full responsibility for, and will indemnify, defend, and hold the university harmless
2.33 with respect to any environmental contamination or pollution resulting from hazardous
2.34 substances, pollutants, or contaminants that were discharged, disposed of, deposited, or
2.35 otherwise came to be located on or adjacent to the university land prior to August 1, 1947.

3.1 Subd. 3. Termination of use restrictions. In the event the state of Minnesota
3.2 fails to make any payment required by section 5, the restrictions in this section on
3.3 the university's use of the university land, any declaration, agreement, or conservation
3.4 easement containing those restrictions, and the university's obligation to offer the
3.5 university land to the state of Minnesota shall be null and void."

3.6 Page 5, line 3, delete "9" and insert "10"

3.7 Renumber the sections in sequence and correct the internal references

3.8 Amend the title accordingly

1.1 Senator moves to amend the SCS0237A-1 amendment to S.F. No.
237 as follows:

1.3 Page 2, line 3, delete "to limit" and before "the" insert "limiting"

1.4 Page 2, line 4, delete "its agreement not to" and insert "proscribing the" and after "
1.5 use" insert "of"

1.6 Page 2, line 30, before the period, insert "and proscribe its use for the prohibited
1.7 purposes"

**Senate Counsel, Research,
and Fiscal Analysis**

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Senate

State of Minnesota

S.F. No. 237: Construction of a Football Stadium at the University of Minnesota

Author: Senator Geoff Michel

Prepared by: Maja Weidmann, Senate Research (651/296-4855)

Date: March 23, 2006

Section 1 specifies the purpose of the act.

Section 2 contains definitions.

Section 3 states that the University has the authority to oversee all aspects of the construction of the stadium.

Section 4 requests that the Board of Regents undertake an environmental review of the stadium project.

Section 5 conditions the commissioner of finance's release of state money for the project on the certification of receipt of a specified amount of non-state revenue to support construction of the stadium. Delineates the procedure to be followed in transferring money from the state to the University. The University also must certify to the commissioner that they have made provisions for affordable access to sporting events for students.

Section 6 states that any bonds sold by the Board of Regents under this act are not a public debt of the state.

Section 7 exempts the University of Minnesota from the payment of sales tax on materials, supplies or equipment used or consumed in the construction of the stadium

Section 8 authorizes the commissioner of public safety to issue a liquor license to the Board of Regents for events in spectator suites and clubs in any football stadium constructed on the campus.

Section 9 authorizes termination of the lease the Board of Regents has with the Metrodome.

Section 10 makes sections one to nine effective the day following final enactment.

BRINGING GOPHER FOOTBALL BACK TO CAMPUS

www.umn.edu/stadium

WHY A STADIUM?

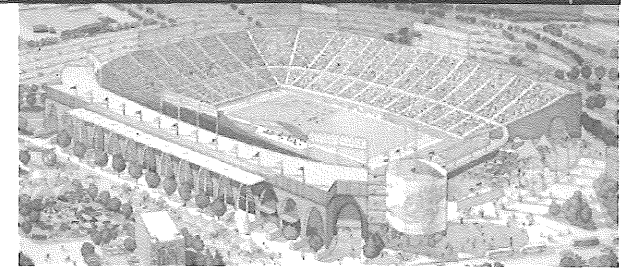
An on campus football stadium will encourage and strengthen connections to the University, build campus community for students, and be an invaluable, enduring asset for the citizens of Minnesota. Fully 50 percent of Minnesotans who connect with the University do so through athletics and cultural events. The events in a campus stadium will help connect Minnesotans with the University.

The stadium will become an important, symbolic center of campus life. The stadium will be a place for students to gather with friends, faculty, and family for all-University events, a place for the marching band to call home, and a place to participate in recreational and intramural sports.

A stadium will bring pride to the state and is a fitting addition to Minnesota's premier, land-grant university. The University of Minnesota is an invaluable asset to the state, and a new campus stadium will enhance the University's value to our citizens for generations to come.

LOCATION

The University's Huron Avenue parking complex is the proposed site for the stadium. The site, approximately 32 acres, is in close proximity to existing major athletics venues—including Williams Arena/Sports Pavilion and Mariucci Arena—and meets the University's requirement for a large East Bank location where stadium activities could be well integrated into the residential campus environment.

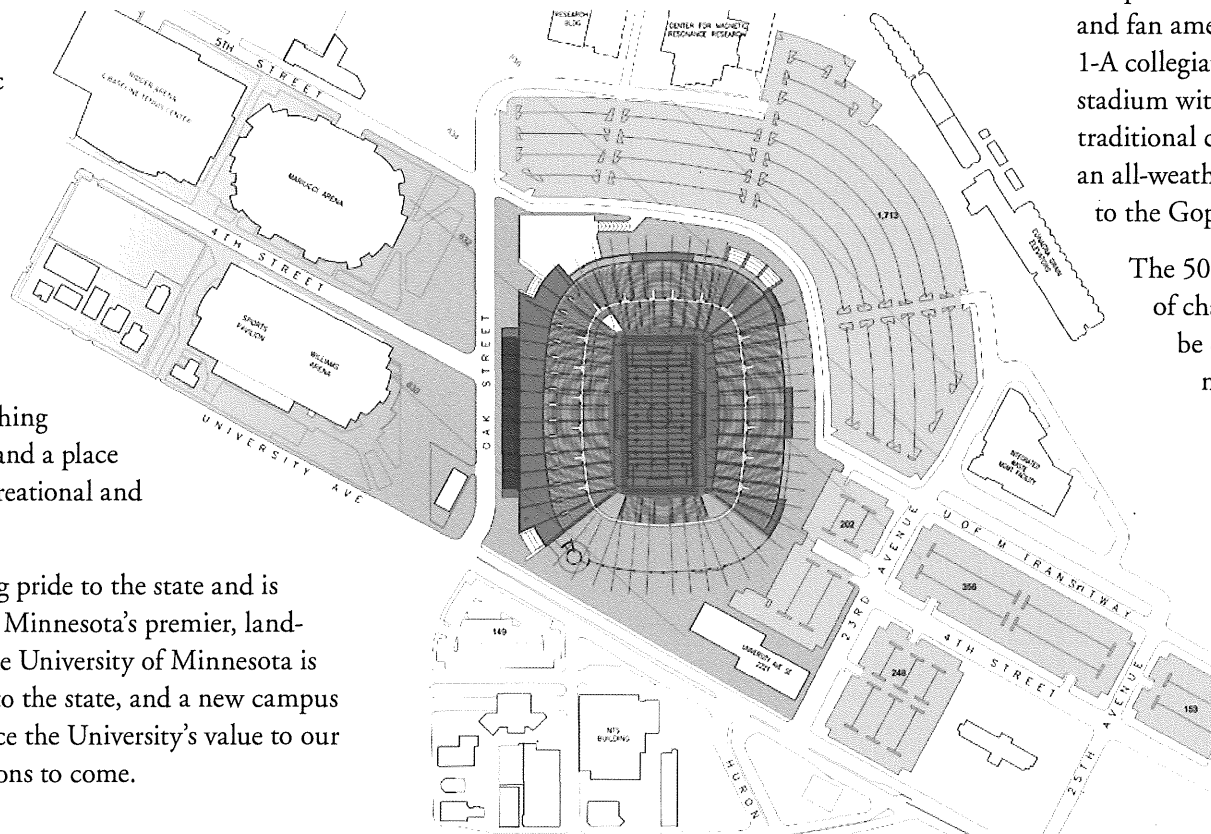


DESIGN

The proposed stadium design complements the campus environment and meets all of the revenue and fan amenity requirements of a modern Division 1-A collegiate football stadium. It will be an open-air stadium with a horseshoe-shaped bowl and have a traditional collegiate look and feel. The field will be an all-weather artificial playing surface comparable to the Gophers existing indoor practice field.

The 50,000-seat stadium will include a mix of chair-back seats and benches, and will be designed to expand to 80,000 seats if needed in the future. Proposed premium amenities will include 39 suites, 750 loge seats (outdoor, rail-enclosed, small group seating area), 300 indoor club seats, 1,250 outdoor club seats, and a 30,000 square foot indoor club.

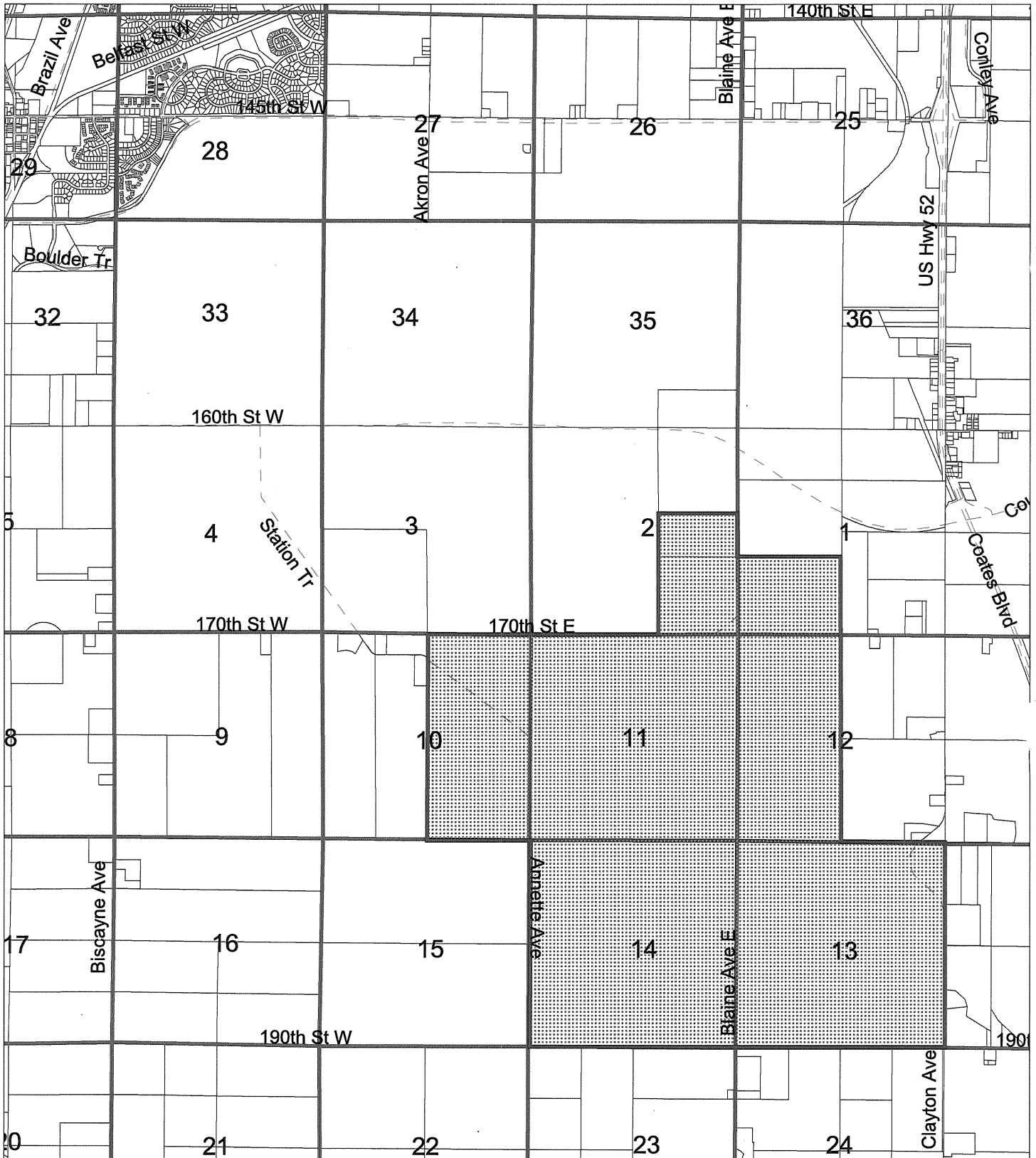
The stadium will provide a new home for the marching band, a hall of fame, and a feature to honor Minnesota veterans.



Financing Assumptions: \$248 M

	Original 60/40 <u>Partnership</u>	Revised 50/50 <u>Partnership</u>	Dollar <u>Change</u>
State Responsibility	\$ 99.2 M	\$124.0 M	\$24.8 M
<i>Annual Contribution</i>	<i>\$ 7.4 M</i>	<i>\$ 9.4 M</i>	<i>\$ 2.0 M</i>
U of M Responsibility	\$148.8 M	\$124.0 M	(\$24.8 M)
➤ Student Support	\$ 53.0 M	\$ 26.5 M	(\$26.5 M)
➤ Game Day Parking	\$ 13.0 M	\$ 13.0 M	\$ 0.0 M
➤ Sponsorships/Fundraising*	\$ 82.8 M	\$ 84.5 M	\$ 1.7 M

**Note: Represents Combined Stadium Naming/Sponsorship & Private Gift Funds*



as of 3/21/06

University of
Minnesota
Real Estate Office

Environmental
Research & Enhancement
(UMore Park)
2,840 Acres

This map is intended
to be used for planning
puposes only and
should not be used if
a survey is required.

Senator Pogemiller introduced-

S.F. No. 2460: Referred to the Committee on Finance.

1 A bill for an act
 1.2 relating to higher education; providing a process for state support of a football
 1.3 stadium at the University of Minnesota; providing funding to the Board of
 1.4 Regents of the University of Minnesota for biotechnology and medical genomics
 1.5 research and academic programs at the University of Minnesota-Rochester;
 1.6 establishing a study abroad program; appropriating money; amending Minnesota
 1.7 Statutes 2004, sections 297A.71, by adding a subdivision; 340A.404, subdivision
 1.8 4a; proposing coding for new law in Minnesota Statutes, chapters 136A; 473.

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

1.10 **ARTICLE 1**
 1.11 **UNIVERSITY OF MINNESOTA FOOTBALL STADIUM**

1.12 Section 1. **PURPOSE; FINDINGS.**

1.13 The legislature finds that construction of a new football stadium by the Board of
 1.14 Regents of the University of Minnesota on the university's east bank campus in the
 1.15 city of Minneapolis serves statewide public purposes. The legislature finds that the
 1.16 public purposes served include, but are not limited to, providing an on-campus outdoor
 1.17 intercollegiate football stadium as a public amenity for Minnesota's citizens, enhancing
 1.18 the enjoyment of its citizens, and enhancing the university experience for students,
 1.19 alumni, faculty, staff, and other supporters of the university. The legislature finds that
 1.20 the university intends to join together with its students, alumni, faculty, staff, and other
 1.21 supporters to raise funds to build a stadium to return college football to the university
 1.22 campus. Further, the legislature finds that construction of a University of Minnesota
 1.23 football stadium should be supported by the state and that the support should not detract
 1.24 from or be a substitute for other operating and capital support by the state for the
 1.25 university; however, state financial support for the stadium should be conditioned upon

2.1 the university providing for payment of a significant portion of the stadium's cost from
 2.2 nonstate general revenue fund sources. The purpose of this act is to provide a firm 40
 2.3 percent level of funding for a new university football stadium to be constructed and owned
 2.4 by the Board of Regents of the University of Minnesota.

2.5 Sec. 2. **DEFINITIONS.**

2.6 Subdivision 1. **Applicability.** The definitions in this section apply to sections 2 to 7.

2.7 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of finance.

2.8 Subd. 3. **Stadium.** "Stadium" means an athletic stadium suitable for intercollegiate
 2.9 National Collegiate Athletic Association (NCAA) Division I football games and related
 2.10 infrastructure improvements constructed on the University of Minnesota's east bank
 2.11 campus in the city of Minneapolis.

2.12 Subd. 4. **Board.** "Board" means the Board of Regents of the University of
 2.13 Minnesota.

2.14 Subd. 5. **Commission.** "Commission" means the Metropolitan Sports Facilities
 2.15 Commission.

2.16 Sec. 3. **ACTIVITIES; CONTRACTS.**

2.17 The legislature recognizes that the board has all powers necessary or convenient for
 2.18 designing, constructing, equipping, improving, controlling, operating, and maintaining the
 2.19 stadium and may enter into contracts that are, in its judgment, in the best interests of the
 2.20 public for those purposes. Notwithstanding contrary law, the board may adopt the fair
 2.21 and competitive design and construction procurement procedures in connection with the
 2.22 stadium that it considers to be in the public interest. The total cost of the stadium must
 2.23 not exceed \$..... The board must ensure to the greatest extent practicable, that materials
 2.24 derived from American-made steel are used in the construction of the stadium. Minnesota
 2.25 Statutes, sections 16B.33 and 16B.335, do not apply to the stadium.

2.26 Sec. 4. **ENVIRONMENTAL REVIEW.**

2.27 The legislature requests that the board complete an environmental review of the
 2.28 stadium project and perform the duties of the responsible governmental unit as prescribed
 2.29 in the Minnesota Environmental Policy Act, Minnesota Statutes, chapter 116D, and the
 2.30 rules adopted under that chapter. The legislature ratifies the Environmental Quality
 2.31 Board's designation of the board as a responsible governmental unit.

2.32 Sec. 5. **CONDITIONS FOR PAYMENT TO THE UNIVERSITY.**

3.1 Subdivision 1. Nonstate revenues required. Before the commissioner may make
 3 the first payment to the board authorized in this section, the commissioner must certify that
 3.3 the board has received at least \$..... in pledges, gifts, sponsorships, and other nonstate
 3.4 general fund revenue support for the construction of the stadium.

3.5 Subd. 2. Prohibited funding sources. No part of the money required to be obtained
 3.6 by the board under subdivision 1 may be derived from:

3.7 (1) increased fees or charges imposed on students attending the University of
 3.8 Minnesota; or

3.9 (2) money paid by any nonpublic entity as consideration for the right to determine
 3.10 the name of the stadium.

3.11 Subd. 3. Annual state payments; appropriation. On July 1 of each year after
 3.12 certification by the commissioner, but no earlier than July 1, 2007, and for so long
 3.13 thereafter as any bonds issued by the board for the construction of the stadium are
 3.14 outstanding, the state must transfer to the board \$..... to reimburse the board for its
 3.15 stadium costs, provided that bonds issued to pay the state's share of such costs shall
 3.16 not exceed \$.....

3.17 \$..... is appropriated annually from the general fund for the purpose of this section.
 3.18 Except to the extent of the annual appropriation described in this section, the state is not
 3.19 required to pay any part of the cost of designing or constructing the stadium.

3.20 Subd. 4. Affordable student access. Before the first payment is made under
 3.21 subdivision 3, the board must certify to the commissioner that a provision for affordable
 3.22 access for university students to the university sporting events held at the football stadium
 3.23 has been made.

3.24 **Sec. 6. NO FULL FAITH AND CREDIT.**

3.25 Any bonds or other obligations issued by the board under this act are not public debt
 3.26 of the state, and the full faith and credit and the taxing powers of the state are not pledged
 3.27 for their payment, or of any payments that the state agrees to make under this act.

3.28 **Sec. 7. Minnesota Statutes 2004, section 297A.71, is amended by adding a subdivision**
 3.29 **to read:**

3.30 **Subd. 37. Construction materials; University of Minnesota football stadium.**
Materials, supplies, or equipment used or consumed in connection with the construction,
equipping, or improvement of a football stadium constructed for use by the University
 3.33 of Minnesota are exempt. This subdivision expires one year after substantial completion
 3.34 of the football stadium.

4.1 Sec. 8. Minnesota Statutes 2004, section 340A.404, subdivision 4a, is amended to read:

4.2 Subd. 4a. **State-owned recreation; entertainment facilities.** Notwithstanding any
4.3 other law, local ordinance, or charter provision, the commissioner may issue on-sale
4.4 intoxicating liquor licenses:

4.5 (1) to the state agency administratively responsible for, or to an entity holding a
4.6 concession or facility management contract with such agency for beverage sales at, the
4.7 premises of any Giants Ridge Recreation Area building or recreational improvement area
4.8 owned by the state in the town of White, St. Louis County;

4.9 (2) to the state agency administratively responsible for, or to an entity holding a
4.10 concession or facility management contract with such agency for beverage sales at, the
4.11 premises of any Ironworld Discovery Center building or facility owned by the state at
4.12 Chisholm; and

4.13 (3) to the Board of Regents of the University of Minnesota for events at Northrop
4.14 Auditorium and spectator suites and clubs in any intercollegiate football stadium
4.15 constructed by the university on its Minneapolis campus.

4.16 The commissioner shall charge a fee for licenses issued under this subdivision in an
4.17 amount comparable to the fee for comparable licenses issued in surrounding cities.

4.18 Sec. 9. **[473.5955] TERMINATION OF LEASE.**

4.19 The lease between the Board of Regents of the University of Minnesota and the
4.20 commission dated May 19, 1982, that requires the University of Minnesota football team
4.21 to play its home football games at the Hubert H. Humphrey Metrodome until July 1, 2012,
4.22 may be terminated by the board effective on or after the date designated by the board as
4.23 the date of completion of the stadium on the University of Minnesota's east bank campus
4.24 in the city of Minneapolis.

4.25 Sec. 10. **EFFECTIVE DATE.**

4.26 Sections 1 to 9 are effective the day following final enactment.

4.27 ARTICLE 2

4.28 STUDY ABROAD GRANTS

4.29 Section 1. **[136A.89] GRANTS FOR STUDY ABROAD.**

4.30 Subdivision 1. Definition; eligible institution. For the purposes of this section, an
4.31 "eligible institution" is an accredited public or private not-for-profit higher education
4.32 institution located in Minnesota that awards primarily four-year academic degrees.

5.1 Subd. 2. Grants. The Office of Higher Education may provide grants to Minnesota
 5 resident students enrolled at eligible institutions to study abroad for at least one semester
 5.3 and not more than one year. Grants must be awarded to eligible students who apply for
 5.4 the grant. The number of grants an institution may apply for is limited to the number
 5.5 of foreign students enrolled on a full-time basis in a four-year degree program at the
 5.6 institution in the previous year. Grants may be awarded only for study-abroad destinations
 5.7 that are directly related to the country of citizenship of a foreign student enrolled at the
 5.8 institution. An institution, on behalf of the student, must request payment of the grant
 5.9 from the Office of Higher Education. The maximum grant amount is \$10,000 per student.
 5.10 Grants may be awarded only to the extent appropriations are available.

5.11 Subd. 3. Eligibility. A student is eligible for a study-abroad grant if the student is a
 5.12 Minnesota resident and enrolled in a four-year degree program at an eligible institution.
 5.13 Students in graduate or postgraduate degree programs are eligible for a study-abroad grant.
 5.14 To be eligible for a study-abroad grant, a student must demonstrate proficiency in the
 5.15 foreign language spoken in the country in which the study-abroad experience will occur
 5.16 or have successfully completed at least four semesters of foreign language study in the
 5.17 language spoken in the country in which the study-abroad experience will occur. A foreign
 5.18 language is a language other than English and which is not the student's primary language.

5.19 Subd. 4. Use of grant. A grant under this section may only be used to support study
 5.20 abroad in a program that is approved by the student's school. The grant may be used to
 5.21 support study only in countries where English is not the primary language, except that a
 5.22 student may receive a grant to study in developing countries as defined by the World Bank.

5.23 Subd. 5. Reporting. Participating institutions must provide to the Office of Higher
 5.24 Education the following information each year:

- 5.25 (1) aggregate data on the number of international students enrolled at the institution;
- 5.26 (2) the number of its foreign students by country of citizenship;
- 5.27 (3) the students' level of academic progress; and
- 5.28 (4) the students' enrollment status.

5.29 Institutions must also provide aggregate data on students participating in a
 5.30 study-abroad program supported by a grant under this section, including the countries in
 5.31 which the study is taking place, academic status, and the number of successful completions
 5.32 of the study-abroad program.

5.33 Sec. 2. APPROPRIATION.

5.34 \$..... is appropriated from the general fund in each fiscal year that the state makes a
 5.35 transfer to reimburse the Board of Regents of the University of Minnesota under article

6.1 1, section 5, subdivision 3, to the Office of Higher Education for study-abroad grants
6.2 under section 1.

6.3 **Sec. 3. EFFECTIVE DATE.**

6.4 Section 1 is effective for study-abroad enrollment beginning in the fall 2007
6.5 semester or its equivalent and thereafter.

6.6 **ARTICLE 3**

6.7 **UNIVERSITY OF MINNESOTA-ROCHESTER**

6.8 **Section 1. APPROPRIATIONS.**

6.9 (a) \$19,000,000 in fiscal year 2006, \$18,000,000 in fiscal year 2007, and \$18,000,000
6.10 in fiscal year 2008 are appropriated from the general fund to the Board of Regents of the
6.11 University of Minnesota to fund a joint partnership with the University of Minnesota
6.12 and the Mayo Foundation for research in biotechnology and medical genomics. This
6.13 appropriation funds operating cost of the partnership on a reimbursement basis, including
6.14 salaries, and indirect operating costs at the federally negotiated rate of each institution, but
6.15 does not include reimbursement for capital cost.

6.16 (b) \$5,000,000 in fiscal year 2006 is appropriated to the Board of Regents of the
6.17 University of Minnesota for academic programs at the University of Minnesota-Rochester.

- 1.1 Senator moves to amend S.F. No. 2460 as follows:
- 1.2 Page 3, line 6, delete the colon
- 1.3 Page 3, line 7, delete "(1)"
- 1.4 Page 3, line 8, delete "; or" and insert a period
- 1.5 Page 3, delete lines 9 and 10

1.1 Senator moves to amend S.F. No. 2460 as follows:

1.2 Page 3, after line 27, insert:

1.3 "Sec. 7. MITIGATION FUND.

1.4 The board shall organize an advisory group made up of representatives of the
1.5 surrounding residential and business areas to develop proposals to mitigate the impact
1.6 of the construction and operation of the stadium. \$..... is appropriated to the board to
1.7 be used, upon advice of the advisory group, to mitigate the direct effects of construction
1.8 of the stadium. This appropriation remains available until expended. For purposes
1.9 of this section, "mitigation" includes, but is not limited to, provision or protection of
1.10 parking facilities and amenities, neighborhood landscaping and beautification projects and
1.11 financial grants for neighborhood and business-developed programs intended to mitigate
1.12 adverse impacts cause by the operation of the stadium."

1.13 Renumber the sections in sequence and correct the internal references

1.14 Amend the title accordingly

1.1 Senator moves to amend S.F. No. 2460 as follows:

Page 2, line 2, delete "40" and insert "50"

1.3 Page 2, after line 15, insert:

1.4 "Subd. 6. **University land.** "University land" means approximately 2,840 acres
1.5 owned by the University of Minnesota and lying within the area legally described as
1.6 approximately the Southerly 3/4 of the Southwest 1/4 of Section 1 (comprising 120 acres),
1.7 approximately the Southeast 1/4 of Section 2 (comprising 160 acres), the East 1/2 of
1.8 Section 10, Section 11, the West 1/2 of Section 12, Section 13 and Section 14, all in Twp.
1.9 114 North, Range 19 West, Dakota County, Minnesota.

1.10 Subd. 7. **Permitted university uses.** "Permitted university uses" means university
1.11 educational, research, outreach, scientific, and agricultural uses, including, undiminished,
1.12 all of the present uses of the university land, all of the present uses of university real
1.13 property that adjoins the university land, all similar uses made of comparable property by
1.14 other land grant universities, any uses related to the uses described in this subdivision,
1.15 and the making of improvements incidental to those uses.

1.16 Subd. 8. **Other permitted uses.** "Other permitted uses" means agricultural, outdoor
1.17 recreational and open space management uses, and the making of improvements incidental
1.18 to those uses, provided the improvements have been agreed to in writing by the university
1.19 and the commissioner of natural resources.

1.20 Subd. 9. **Prohibited uses.** "Prohibited uses" means use of the university land for
1.21 residential, commercial, or industrial uses, unless those uses are permitted by this act,
1.22 or are presently being conducted under existing university leases, easements, or use
3 agreements, or are utility uses within defined corridors."

1.24 Page 2, line 23, delete "\$....." and insert "\$248,000,000"

1.25 Page 3, line 3, delete "\$....." and insert "\$124,000,000"

1.26 Page 3, line 14, delete "\$....." and insert "up to \$9,400,000"

1.27 Page 3, line 16, delete "\$....." and insert "\$124,000,000"

1.28 Page 3, line 17, delete everything before "is" and insert "Up to \$9,400,000" and after
1.29 the period, insert "The board must certify to the commissioner the amount of the annual
1.30 payments of principal and interest required to service bonds issued by the university for
the construction of the stadium, and the actual amount of the state's annual payment to the
2 university shall equal the amount required to service the bonds representing the state's
1.33 share of such costs."

1.34 Page 3, after line 23, insert:

2.1 "Sec. 6. **LAND PROTECTION AND TRANSFER.**

2.2 **Subdivision 1. Land protection.** The obligation of the state of Minnesota to make
2.3 the payments required under section 5 is expressly conditioned upon the university's
2.4 covenant to limit in perpetuity, subject to subdivision 3, the use of the university land to
2.5 the permitted university uses and the other permitted uses and its agreement not to use the
2.6 university land for any of the prohibited uses. A declaration imposing those restrictions
2.7 and granting to the Department of Natural Resources the right to enforce the same, which
2.8 has been executed by the university and filed in the office of the Dakota County recorder
2.9 shall satisfy this condition. In furtherance of the purposes of this subdivision, the university
2.10 and the Department of Natural Resources shall promptly endeavor to enter into a joint
2.11 powers agreement under Minnesota Statutes, section 471.59, or a conservation easement
2.12 held by a qualified conservation organization or by a conservation easement holder as
2.13 described in applicable Minnesota law embodying the restrictions, which agreement or
2.14 easement shall provide for cooperative oversight of the use of the university land. Nothing
2.15 in this subdivision or in any declaration, agreement, or easement made or entered into
2.16 pursuant to this subdivision shall impair the rights of third parties under presently existing
2.17 leases, easements, or use agreements. Except as limited in any declaration, agreement or
2.18 conservation easement made, entered into, or granted as provided in this subdivision, the
2.19 rights of the university with respect to the university land are not affected by this section.

2.20 **Subd. 2. Land transfer.** No later than the date on which the state of Minnesota
2.21 makes the last of the payments required under section 5, the Board of Regents of the
2.22 University of Minnesota shall offer to convey the university land to the state of Minnesota
2.23 in its "as is" condition by quit claim for the sum of \$1. Upon agreement of the university
2.24 and the state, all or part of the university land may be transferred to another governmental
2.25 unit of the state. Any conveyance shall be subject to the perpetual right of the university
2.26 to use the university land for the permitted university uses and to the rights of third
2.27 parties under presently existing leases, easements, and use agreements. The instruments
2.28 of transfer shall otherwise limit the use of the university land to the other permitted uses
2.29 and subject those uses to restrictions as may be provided in any agreement between the
2.30 university and the state or any conservation easement granted pursuant to subdivision
2.31 1, as applicable. The University of Minnesota shall have the right to enforce those
2.32 limitations and restrictions. The quit claim deed shall provide that the state will assume
2.33 full responsibility for, and will indemnify, defend, and hold the university harmless
2.34 with respect to any environmental contamination or pollution resulting from hazardous
2.35 substances, pollutants, or contaminants that were discharged, disposed of, deposited, or
2.36 otherwise came to be located on or adjacent to the university land prior to August 1, 1947.

3.1 Subd. 3. Termination of use restrictions. In the event the state of Minnesota
3.2 fails to make any payment required by section 5, the restrictions in this section on
3.3 the university's use of the university land, any declaration, agreement, or conservation
3.4 easement containing those restrictions, and the university's obligation to offer the
3.5 university land to the state of Minnesota shall be null and void."

3.6 Page 4, line 26, delete "9" and insert "10"

3.7 Renumber the sections in sequence and correct the internal references

3.8 Amend the title accordingly

1.1 Senator moves to amend the SCS2460A-4 to S.F. No. 2460 as follows:

1.2 Page 2, line 4, delete "to limit" and before "the" insert "limiting"

1.3 Page 2, line 5, delete "its agreement not to" and insert "proscribing the" and after "
1.4 use" insert "of"

1.5 Page 2, line 31, before the period, insert "and proscribe its use for the prohibited
1.6 purposes"

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
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JO ANNE ZOFF SELLNER
DIRECTOR

Senate

State of Minnesota

S.F. No. 2460: Construction of a Football Stadium at the University of Minnesota, Study Abroad Grants, University of Minnesota-Rochester

Author: Senator Larry Pogemiller

Prepared by: Maja Weidmann, Senate Research (651/296-4855)

Date: March 24, 2006

ARTICLE 1

Section 1 specifies the purpose of the article.

Section 2 contains definitions.

Section 3 states that the University has the authority to oversee all aspects of the construction of the stadium.

Section 4 requests that the Board of Regents undertake an environmental review of the stadium project.

Section 5, subdivision 1 conditions the commissioner of finance's release of state money for the project on the certification of receipt of a specified amount of non-state revenue to support construction of the stadium.

Subdivision 2 specifies that no part of the money required to be obtained by the board under subdivision 1 can come from (1) increased student fees or (2) money paid by a nonpublic entity for the right to determine the name of the stadium.

Subdivision 3 delineates the procedure to be followed in transferring money from the state to the University.

Subdivision 4 conditions the transfer of money from the state to the University on receipt of certification to the commissioner of finance that the University has made provisions for the affordable access to sporting events for students.

Section 6 states that any bonds sold by the Board of Regents under this article are not a public debt of the state.

Section 7 exempts the University of Minnesota from the payment of sales tax on materials, supplies or equipment used or consumed in the construction of the stadium.

Section 8 authorizes the commissioner of public safety to issue a liquor license to the Board of Regents for events in spectator suites and clubs in any football stadium constructed on the campus.

Section 9 authorizes termination of the lease the Board of Regents has with the Metrodome.

Section 10 makes sections one to nine effective the day following final enactment.

ARTICLE 2

Section 1, subdivision 1 makes accredited public and private not-for-profit higher education institutions in Minnesota that award primarily four-year academic degrees eligible to participate in the program.

Subdivision 2 directs the Office of Higher Education to award grants to students to study abroad. Delineates conditions of the grant. The maximum grant amount is \$10,000 per student.

Subdivision 3 delineates the criteria a student must meet to be eligible to receive a grant.

Subdivision 4 specifies what the grant can be used for.

Subdivision 5 directs participating institutions to provide information to the Office of Higher Education about the program participants.

Section 2 appropriates money.

Section 3 states that section 1 is effective for study abroad enrollment beginning in the fall 2007 semester or its equivalent.

ARTICLE 3

Section 1 appropriates money for (1) the University of Minnesota and Mayo Foundation Partnership, and (2) academic programs at the University of Minnesota-Rochester site.

**Minnesota Student Association
Resolution #####**

Created: March 2, 2006

Authors: President Cox and Representative Baldwin

Concerning: Minnesota Student Association lobbying on behalf of an on-campus stadium bill introduced by Senator Pogemiller.

Whereas, Senator Larry Pogemiller has introduced a bill to the Minnesota State Senate that would fund an on-campus U of M stadium (SF 2460); and

Whereas, This bill includes sufficient funding to construct an on-campus stadium without the need for student fees or private naming of the stadium; and

Whereas, This bill requires the University to refrain from increasing student fees or tuition or selling the naming right of the stadium to pay for an on-campus stadium; and

Whereas, This bill is already co-authored by members of both parties in the Senate, including Sen. Michel; therefore be it

RESOLVED That the Minnesota Student Association will lobby the state legislature to support SF 2460 and any House companion bill.

Senators Skoe, Pappas, Ruud, Pogemiller and Larson introduced-
S.F. No. 3074: Referred to the Committee on Finance.

1. A bill for an act
2. relating to higher education; modifying the student share for the state grant
3. program; appropriating money; amending Minnesota Statutes 2004, section
4. 136A.121, subdivision 5.

5. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6. Section 1. Minnesota Statutes 2004, section 136A.121, subdivision 5, is amended to
7. read:

8. Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of
9. responsibility for covering the recognized cost of attendance by the applicant, the
10. applicant's family, and the government. The amount of a financial stipend must not
11. exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after
12. deducting the following:

- 13. (1) the assigned student responsibility of at least ~~46~~ 45 percent of the cost of
- 14. attending the institution of the applicant's choosing;
- 15. (2) the assigned family responsibility as defined in section 136A.101; and
- 16. (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

17. The minimum financial stipend is \$100 per academic year.

18. Sec. 2. **APPROPRIATION; STATE GRANT PROGRAM.**

19. \$7,000,000 is appropriated from the general fund to the Office of Higher Education
20. for fiscal year 2007 for the purposes of the state grant program under section 1. This
21. appropriation is in addition to appropriations under Laws 2005, chapter 107, article 1,
22. section 2, subdivision 2, and is added to the base appropriation beginning in fiscal year
23. 2008.

Fiscal Note – 2005-06 Session

Bill #: S3074-0 **Complete Date:** 03/24/06

Chief Author: SKOE, ROD

Title: MODIFY HIGHER ED STUDENT GRANT PROG

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Office of Higher Education

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		0	7,200	7,200	7,200
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		0	7,200	7,200	7,200
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund		0	7,200	7,200	7,200
Total Cost <Savings> to the State		0	7,200	7,200	7,200

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalent					
-- No Impact --					
Total FTE					

Bill Description

This bill would reduce the Assigned Student Responsibility Percentage in the state grant program one point from 46 percent to 45 percent and appropriate funds to cover the resulting additional grant awards.

Assumptions

The following tuition and fee changes between Fiscal Years 2006 and 2007 were used in the projection.

- MnSCU Two-Year Colleges: 6.6%
- MnSCU Four-Year Universities: 7.5%
- University of Minnesota: 6.5%
- Private Non-Profit Institutions: 6.0%
- Private For-Profit Institutions: 5.0%

These are the same assumptions used in the projections report issued by the Office of Higher Education on February 15, 2006.

Expenditure and/or Revenue Formula

The analysis assumes the parameters for the state grant program in current law.

Long-Term Fiscal Considerations

The fiscal analysis holds the appropriation constant for fiscal years 2008 and 2009 at \$7.2 million. This is done because the program receives a fixed appropriation and is not adjusted for enrollment changes for the planning period. If enrollment and tuition grows in these two years, additional pressure will be placed on the appropriation.

Local Government Costs

None

References/Sources

FN Coord Signature: MARK MISUKANIS
Date: 03/23/06 Phone: 642-0518

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN
Date: 03/24/06 Phone: 296-7316



2006 Legislative Proposal Minnesota Private College Council Summary & Rationale

SUMMARY

The Minnesota Private College Council (MPCC) requests that the legislature increase funding for the State Grant Program in 2006. Specifically, we are asking that student eligibility for aid be increased by enacting a one percent reduction in a State Grant formula element called the "Student Share."

The cost of this proposal is approximately \$7 million in FY 2007, and will help low- and middle-income students at all of the state's colleges and universities to qualify for more aid.

RATIONALE

- The combined result of federal and state changes made to aid programs last year is that many middle income students received cuts in their State Grant awards. The U.S. Department of Education cut many students' Pell and State Grants by changing the way that student need is determined. Also, no new money was appropriated for the State Grant Program last year.
- All students who previously qualified for federally-subsidized loans will be affected by the recent action of Congress to cut nearly \$13 billion out of federal student loan programs. This change has the potential to double borrowing costs for students.
- The President's 2007 budget proposes to eliminate the federal Perkins Loan Program, the LEAP financial aid program, and there is discussion about reducing the number of students who can qualify for Pell Grants. The initiatives being proposed also would reduce student qualification for State Grants. These changes could take effect as early as this fall.
- In the previous biennium, student eligibility for State Grants was reduced as a means of controlling spending increases in the program. Between the 2004 and 2005 school years, 5.2 percent fewer MPCC students received State Grants, with a 5.6 percent reduction of funds committed to our students. Total state spending on aid awards to MPCC students is now less than what our students received in 1997.
- The need to improve the State Grant Program for students at all institutions is urgent. Both the U of M and MnSCU have recently announced major initiatives to provide their students with more financial aid. Private non-profit colleges have always done their best to fill the gap between available student aid and the cost of attendance for our low- and middle-income students. Recent federal and state actions are making our work more difficult.

Last update: February 27, 2006 – 5:58 PM

Editorial: Reduce need for high student loans

Despite the income gains a degree brings, college debts hurt.

Susan Heegaard, the director of Minnesota's Office of Higher Education, is a smart state administrator who knows how to put a soothing face on bad news. She did as much last week -- in reacting to word that the share of Minnesota college students using education loans had jumped from 41 to 49 percent in four years. Full-time undergraduate students in Minnesota now borrow an average of \$6,600 per year -- an amount above the national average.

"I'm concerned but not alarmed," Heegaard said. She pointed to the group of students with the biggest increase in borrowing -- those from families with annual incomes of more than \$90,000. Those students may simply have decided that it was smart to borrow when the interest rates on Stafford student loans dropped to 2.82 percent. "People are savvy borrowers," she said.

But even families with higher-than-average incomes are struggling with the hikes in public college and university tuition since 2000. At the University of Minnesota, for example, the tab for undergrads has grown 77 percent in five years.

The new study from Heegaard's office seems to acknowledge as much when it notes that borrowing is up by students at both two- and four-year public colleges, while fairly static at the state's private four-year colleges.

What's so bad about graduating from college \$25,000 in debt, given the big financial payoff a college degree brings? One recent study pegged the lifetime earnings gap between holders of a high school diploma and a baccalaureate degree at \$2.2 million, and growing.

That gap is growing, however, not because college degrees are worth more but because high school diplomas are worth much less than they once were. As many recent B.A.s can attest, the need to repay five-figure college loans is a substantial burden at the start of a career. It affects decisions about graduate school. It steers grads away from public service careers that pay lower salaries. It delays their ability to become homeowners. It adds to the income squeeze they experience when they have children.

Most distressing are signs that the need to shoulder so much debt is deterring some promising students from going to college, or causing them to lower their educational ambitions. A 2002 national study estimated that 168,000 college-qualified American students didn't enroll, and another 410,000 chose a two-year rather than a four-year school, solely because of cost. Minnesotans can't say, "Not here." A new book that describes debt's chilling effect on college dreams illustrates it with the story of a young woman from St. Paul.

In that book, "Strapped: Why America's 20- and 30-Somethings Can't Get Ahead," author Tamara Draut traces rising college debt loads directly to the federal government's retreat from student financial aid. "Government no longer helps you pay for college," she writes. "It helps you go into debt for college." Rightfully, a remedy should come from Congress.

But Minnesota should not wait for Washington to wise up about college debt. It should adjust its own State Grant Program and College Savings Program with an eye toward reducing the need for so much student borrowing. The College Savings Program, with its state match for low-income families, needs much more publicity. **The grant program's assumption that Minnesota students ought to be able to pay for 46 percent of their college costs with their own earnings is out of date.** To her credit, Heegaard says those changes are among the possible recommendations to the Legislature that her office is weighing.



March 9, 2006

The Honorable Tim Pawlenty
Governor of Minnesota
130 State Capitol
St. Paul, MN 55155

Dear Governor Pawlenty:

As leaders of two of this state's largest high technology companies, we are writing to request your leadership in the area of need-based financial aid for the low- and middle-income citizens of the state who wish to attend college.

Both of our companies owe their founding and growth to the work of this state's public and private colleges and their graduates. Our businesses and those of many others located in Minnesota have benefited from a sizable number of well-prepared college graduates.

As we embark on the 21st century, we know that our home state's businesses must continue to have a sufficient supply of well-prepared college graduates at all levels of education – from associate's degrees through post-doctoral researchers. We must be able to replace the baby boomers that will retire within the next decade and also fill the new positions that will be created as Minnesota's businesses grow in the future.

Through our companies' relationship with Minnesota Private College Council, we know that the numbers of high school graduates who are available to become college students will decline, with the result being fewer college graduates available when Minnesota's businesses will need more.

The best opportunity our home state has of filling the shortfall of available college students lies among students who would be the first in their families to attend college. We hope you will act this session to increase need-based financial aid for students who will not be able to afford higher education without a direct investment in their futures.

Over the history of our companies, through our corporate philanthropy, we have given many millions of dollars for both the improvement of academic excellence at public and private colleges and universities, and the improvement of access to these institutions. We make these commitments of dollars both in appreciation of what we have received and as an investment in our companies' own futures. We hope the State of Minnesota will also make an investment in our state's future educated workforce.

We understand you must make many difficult fiscal choices in the state budget, but we also trust you will recognize that, like so many other important efforts you currently champion, this proposal will also fuel the economic engine of the State of Minnesota.

Sincerely,

Warren R. Staley
Chairman and CEO
Cargill, Incorporated
15615 McGinty Road West
Wayzata, MN 55391

Arthur D. Collins, Jr.
Chairman and CEO
Medtronic, Inc.
710 Medtronic Parkway NE
Minneapolis, MN 55432



State Grant Program

Decreasing the Student Share by One Percent

Senate Higher Education Budget Division
Senate File 3074 (Skoe)
March 28, 2006



MINNESOTA'S PRIVATE COLLEGES

Estimated Federal and State Financial Aid* for Full-Time Minnesota Students 2006 - 2007 School Year

	MnSCU 2-Yr <u>Average</u>		Private 2-Yr		State <u>Universities</u>		Univ. of <u>Minnesota</u>		<u>MPCC 4-year</u>	
2005-06 Average Tuition & Fees**	\$3,957		\$10,092		\$5,521		\$8,914		\$22,782	
2006-07 Average Tuition & Fees***	\$4,214		\$10,092		\$5,946		\$9,583		\$24,149	
Tuition Change from 2005-06	+6.5%	+257	+0.0%	+0	+7.7%	+425	+7.5%	+669	+6.0%	+1,367

Parent AGI \$20,000

****MPC Proposed Pell & SG 06-07	\$5,425	399	\$6,647	212	\$6,378	508	\$8,298	595	\$8,298	437
Portion of tuition increase covered by aid		155%		N/A		119%		89%		32%

Parent AGI \$40,000

****MPC Proposed Pell & SG 06-07	\$3,575	399	\$4,797	212	\$4,528	508	\$6,448	595	\$6,448	437
Portion of tuition increase covered by aid		155%		N/A		119%		89%		32%

Parent AGI \$60,000

****MPC Proposed Pell & SG 06-07	\$0	0	\$644	212	\$375	375	\$2,295	595	\$2,295	437
Portion of tuition increase covered by aid		0%		N/A		88%		89%		32%

*For family of four with one dependent student in college. Does not include federal tax credits, federal or state subsidized loans, federal or state work study, or state postsecondary child care assistance.

**Tuition and fees figures per the Minnesota Office of Higher Education (OHE)

***Estimates per OHE State Grant Projections

****Includes 1% Student Share Reduction, plus one-time LME increase of \$300, as anticipated by the OHE State Grant Spending report, 2/15/05

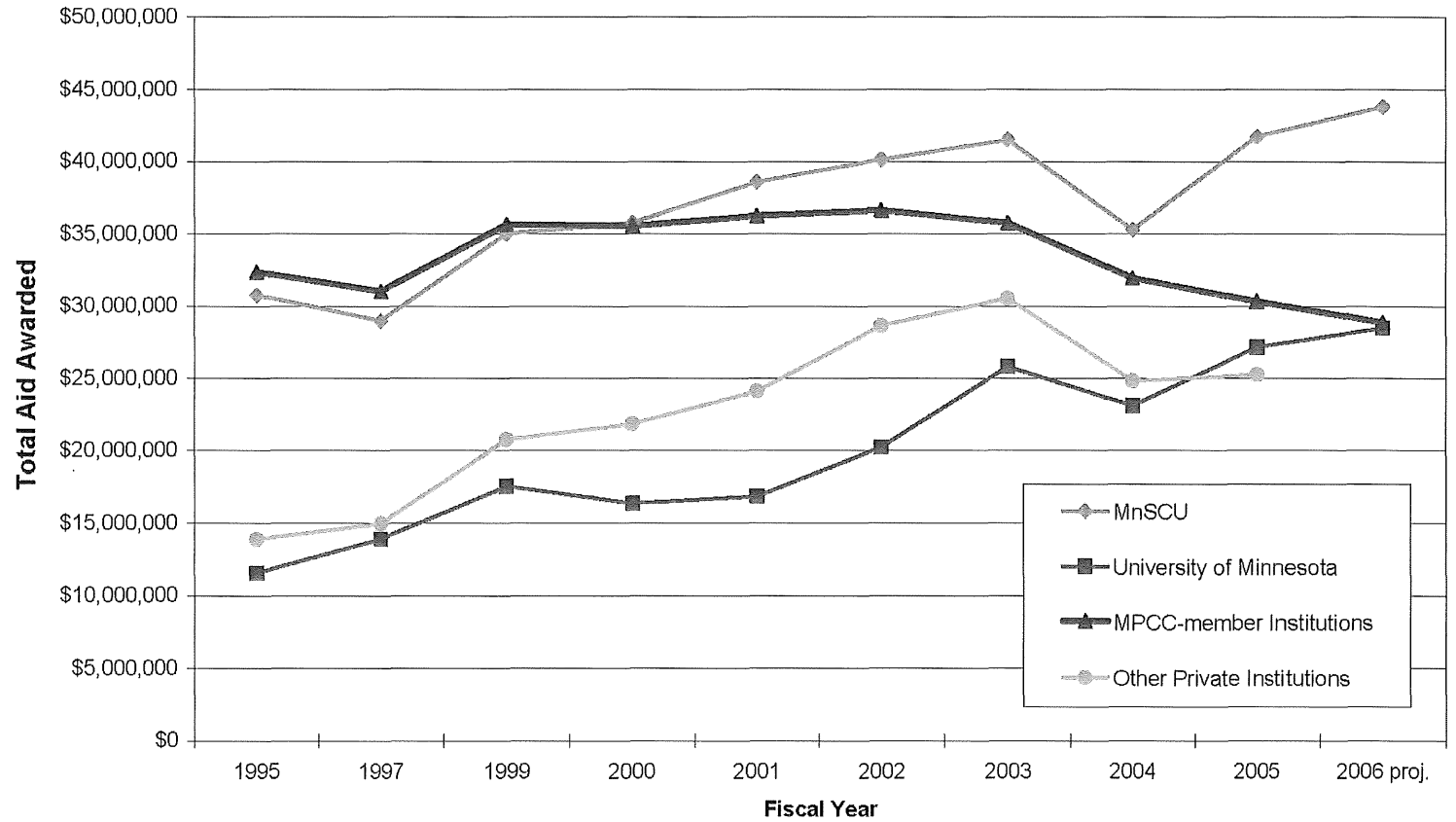
Analysis: Minnesota Private College Council

17-Feb-05



MINNESOTA'S PRIVATE COLLEGES

**Minnesota State Grant
State Grants Awarded, Total Dollars by Sector
Fiscal Year 1995-2006 (projected)**

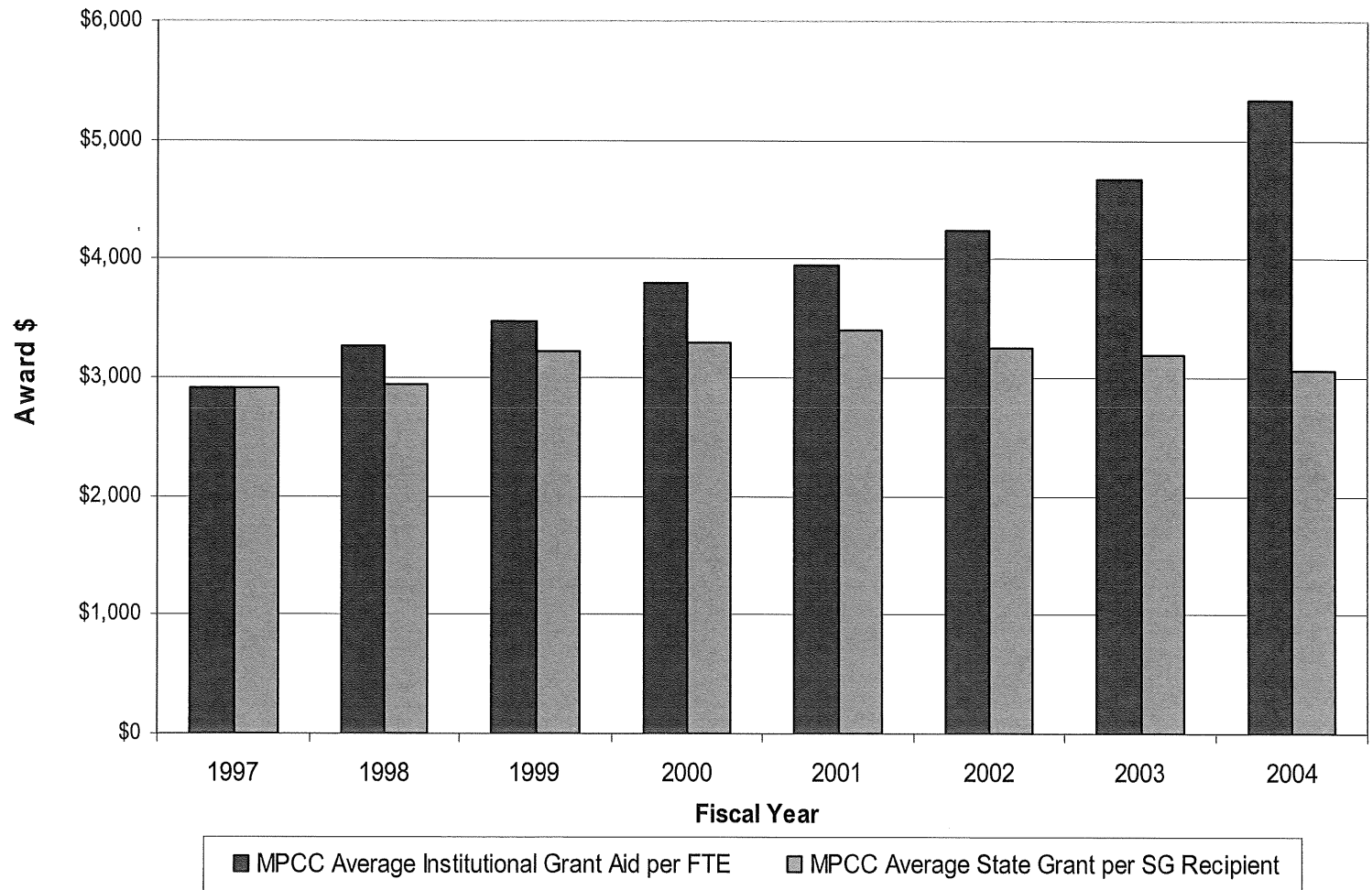


2006 projection based on Fall 2004 to Fall 2005 percent change applied to FY2005 estimate.
Source: MPCRF, based on data from the Minnesota Higher Education Services Office.



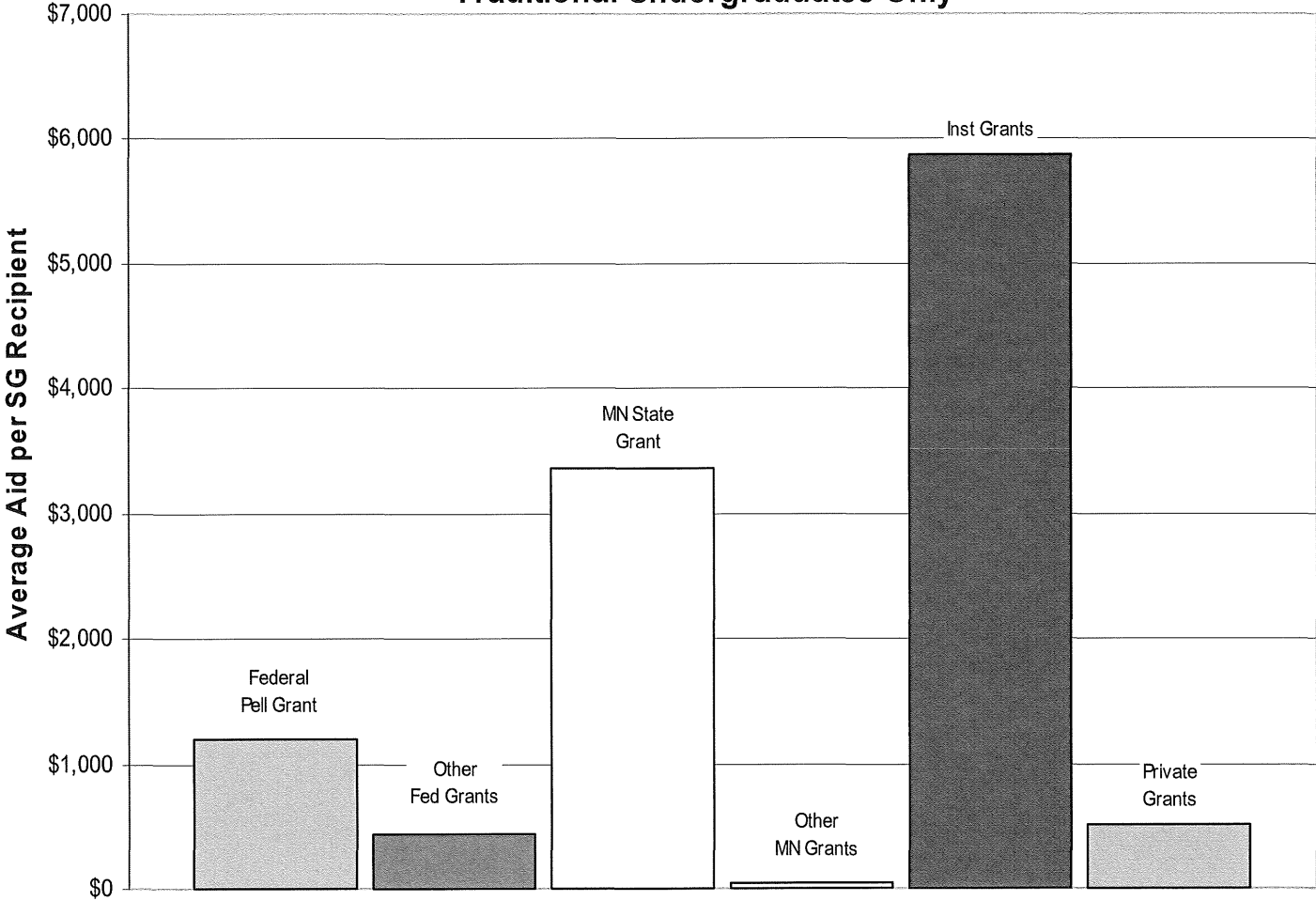
MINNESOTA'S PRIVATE COLLEGES

Minnesota's Private Colleges Average State and Institutional Grant Aid, Fiscal Year 1996 to 2004



MINNESOTA'S PRIVATE COLLEGES

**Average Grant Aid to a State Grant Recipient
at Minnesota's Private Colleges, FY 2003
Traditional Undergraduates Only**

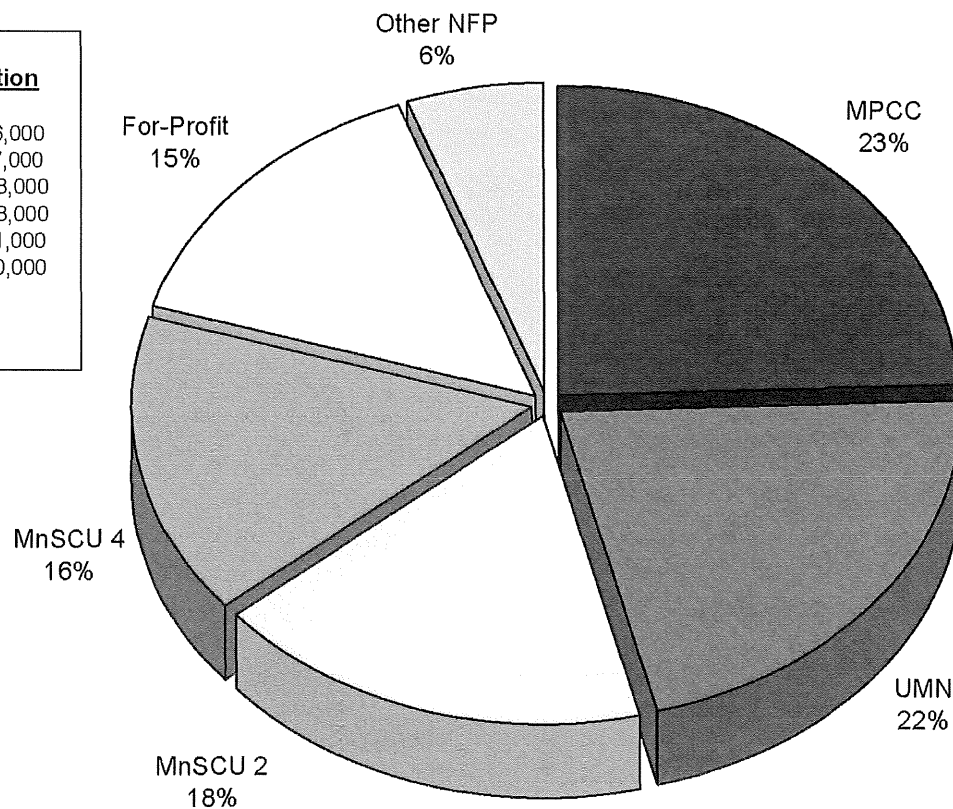


MINNESOTA'S PRIVATE COLLEGES

Estimated Sector Distribution of State Grant Funding for a 1% Student Share Reduction

Estimated Distribution

MPCC	\$1,706,000
UMN	\$1,527,000
MnSCU 2-year	\$1,238,000
MnSCU 4-year	\$1,108,000
For-Profit	\$1,031,000
Other NFP	\$ 390,000



Minnesota Private College Research Foundation, 2006



MINNESOTA'S PRIVATE COLLEGES

Last update: February 27, 2006 – 5:58 PM

Editorial: Reduce need for high student loans

Despite the income gains a degree brings, college debts hurt.

Susan Heegaard, the director of Minnesota's Office of Higher Education, is a smart state administrator who knows how to put a soothing face on bad news. She did as much last week -- in reacting to word that the share of Minnesota college students using education loans had jumped from 41 to 49 percent in four years. Full-time undergraduate students in Minnesota now borrow an average of \$6,600 per year -- an amount above the national average.

"I'm concerned but not alarmed," Heegaard said. She pointed to the group of students with the biggest increase in borrowing -- those from families with annual incomes of more than \$90,000. Those students may simply have decided that it was smart to borrow when the interest rates on Stafford student loans dropped to 2.82 percent. "People are savvy borrowers," she said.

But even families with higher-than-average incomes are struggling with the hikes in public college and university tuition since 2000. At the University of Minnesota, for example, the tab for undergrads has grown 77 percent in five years.

The new study from Heegaard's office seems to acknowledge as much when it notes that borrowing is up by students at both two- and four-year public colleges, while fairly static at the state's private four-year colleges.

What's so bad about graduating from college \$25,000 in debt, given the big financial payoff a college degree brings? One recent study pegged the lifetime earnings gap between holders of a high school diploma and a baccalaureate degree at \$2.2 million, and growing.

That gap is growing, however, not because college degrees are worth more but because high school diplomas are worth much less than they once were. As many recent B.A.s can attest, the need to repay five-figure college loans is a substantial burden at the start of a career. It affects decisions about graduate school. It steers grads away from public service careers that pay lower salaries. It delays their ability to become homeowners. It adds to the income squeeze they experience when they have children.

Most distressing are signs that the need to shoulder so much debt is deterring some promising students from going to college, or causing them to lower their educational ambitions. A 2002 national study estimated that 168,000 college-qualified American students didn't enroll, and another 410,000 chose a two-year rather than a four-year school, solely because of cost. Minnesotans can't say, "Not here." A new book that describes debt's chilling effect on college dreams illustrates it with the story of a young woman from St. Paul.

In that book, "Strapped: Why America's 20- and 30-Somethings Can't Get Ahead," author Tamara Draut traces rising college debt loads directly to the federal government's retreat from student financial aid. "Government no longer helps you pay for college," she writes. "It helps you go into debt for college." Rightfully, a remedy should come from Congress.

But Minnesota should not wait for Washington to wise up about college debt. It should adjust its own State Grant Program and College Savings Program with an eye toward reducing the need for so much student borrowing. The College Savings Program, with its state match for low-income families, needs much more publicity. **The grant program's assumption that Minnesota students ought to be able to pay for 46 percent of their college costs with their own earnings is out of date.** To her credit, Heegaard says those changes are among the possible recommendations to the Legislature that her office is weighing.



March 9, 2006

The Honorable Tim Pawlenty
Governor of Minnesota
130 State Capitol
St. Paul, MN 55155

Dear Governor Pawlenty:

As leaders of two of this state's largest high technology companies, we are writing to request your leadership in the area of need-based financial aid for the low- and middle-income citizens of the state who wish to attend college.

Both of our companies owe their founding and growth to the work of this state's public and private colleges and their graduates. Our businesses and those of many others located in Minnesota have benefited from a sizable number of well-prepared college graduates.

As we embark on the 21st century, we know that our home state's businesses must continue to have a sufficient supply of well-prepared college graduates at all levels of education – from associate's degrees through post-doctoral researchers. We must be able to replace the baby boomers that will retire within the next decade and also fill the new positions that will be created as Minnesota's businesses grow in the future.

Through our companies' relationship with Minnesota Private College Council, we know that the numbers of high school graduates who are available to become college students will decline, with the result being fewer college graduates available when Minnesota's businesses will need more.

The best opportunity our home state has of filling the shortfall of available college students lies among students who would be the first in their families to attend college. We hope you will act this session to increase need-based financial aid for students who will not be able to afford higher education without a direct investment in their futures.

Over the history of our companies, through our corporate philanthropy, we have given many millions of dollars for both the improvement of academic excellence at public and private colleges and universities, and the improvement of access to these institutions. We make these commitments of dollars both in appreciation of what we have received and as an investment in our companies' own futures. We hope the State of Minnesota will also make an investment in our state's future educated workforce.

We understand you must make many difficult fiscal choices in the state budget, but we also trust you will recognize that, like so many other important efforts you currently champion, this proposal will also fuel the economic engine of the State of Minnesota.

Sincerely,

Warren R. Staley
Chairman and CEO
Cargill, Incorporated
15615 McGinty Road West
Wayzata, MN 55391

Arthur D. Collins, Jr.
Chairman and CEO
Medtronic, Inc.
710 Medtronic Parkway NE
Minneapolis, MN 55432

Senators Saxhaug, Bakk, Sams, Frederickson and Skoe introduced-
S.F. No. 3227: Referred to the Committee on Finance.

A bill for an act

1.2 relating to natural resources; appropriating money for a study by the University
1.3 of Minnesota Department of Forest Resources.

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

1.5 Section 1. APPROPRIATION.

1.6 \$50,000 is appropriated from the general fund to the Board of Regents for the
1.7 University of Minnesota Department of Forest Resources to gather data through interviews
1.8 and surveys and develop recommendations for an alternative sustainable forestry incentive
1.9 payment structure.

UNIVERSITY OF MINNESOTA

Twin Cities Campus

*Department of Forest Resources
College of Natural Resources*

*115 Green Hall
1530 Cleveland Avenue North
St. Paul, MN 55108-6112
Office: 612-624-3400
Fax: 612-625-5212
<http://www.cnr.umn.edu/FR/>*

March 28, 2006

Senator Tom Saxhaug
Minnesota Senate
124 Capitol
75 Rev. Dr. Martin Luther King, Jr. Blvd
St. Paul, MN 55155-1606

Dear Senator Saxhaug:

I am writing to express my understanding and support of S.F. No. 3227 directing money ultimately to the University of Minnesota Department of Forest Resources. This funding would address the need to study and develop recommendations for an alternative sustainable forestry incentive payment structure. The work itself would be conducted by Dr. Michael A. Kilgore in the Department of Forest Resources. Mike has a long history of research and experience in this area. Per a phone conversation with him this morning (he is out of town), he has a great deal of interest in conducting this study and he would have my full support in doing so.

I appreciate your leadership in addressing this important economic and environmental issue. Just call if there are questions I might help address.

Sincerely,



Alan R. Ek
Professor

Cc: T. Iverson

**FINDINGS AND RECOMMENDATIONS
FROM SUSTAINABLE FOREST INCENTIVE ACT (SFIA) WORK GROUP
January 2006**

SFIA provisions at Minn. Stat. § 290C were enacted “to encourage the state’s private forest landowners to make a long-term commitment to sustainable forest management.”

From October, 2005 through January, 2006, a Work Group, representing a broad cross section of public and private entities concerned with sustainable forestry in Minnesota, participated in a series of meetings to discuss the Minnesota’s Sustainable Forestry Incentive Act (SFIA). **[Names and affiliations of SFIA Work Group Participants are attached to this report.]**

The primary motivation for this series of meetings is the relatively low rate of participation in SFIA by family forest landowners in the face of growing development pressure on private forestland. The Work Group determined that SFIA must be changed and improved in order to ensure that the Acts’ policy objectives are met. Those objectives include: 1) ensuring a long-term supply of competitively priced wood fiber to sustain Minnesota’s forest industries and the jobs they provide; 2) increasing the level of forest management on the state’s family forests; and 3) and providing a framework within which Minnesotans can continue to enjoy public access to the state’s private forestlands.

With these policy objectives in mind, the Work Group developed the following findings and recommendations:

SFIA Work Group Findings

1. The Work Group **finds** that substantive program changes are necessary in order for the SFIA program to accomplish the public policy objectives;
 - a. Preventing conversion of forestland to development;
 - b. Promoting sustainable forest management practices on private forestland;
and
 - c. Promoting public access to private forestland.
2. The Work Group **finds** that the current SFIA payment formula does not provide a large enough payment to attract a substantial number of family forest landowners to enroll their property in the program.
3. The Work Group **finds** that program costs exceed program benefits for most family forest owners. Such costs include obtaining a stewardship plan, submitting an application, preparing and recording a covenant on the land, and annual recertification. The Work Group believes these requirements constitute a major

“barrier” to participation given the perceived low level of the incentive payment provided by the program.

4. The Work Group **finds** that there are specific aspects of program administration that can be changed to ease enrollment in the program – particularly for family forest landowners.
5. The Work Group **finds** that administration of the SFIA program would benefit from a more clearly delineated lead agency responsible for coordination and promotion of the program.
6. The Work Group **finds** that DNR and Department of Revenue roles with respect to SFIA administration need to be clarified.
7. The Work Group **finds** that information/data must be gathered to provide the framework for discussions to take place regarding the level of payment which would be necessary to substantially increase enrollment in the SFIA program.

SFIA Work Group Recommendations

SFIA Program Administration

1. The Work Group **recommends** that the Department of Natural Resources be the lead agency responsible for administering the SFIA program.
2. The Work Group **recommends** that information to prospective enrollees regarding SFIA program benefits and enrollment procedures be developed and marketed using both print and electronic media.
3. The Work Group **recommends** that an educational and promotional program be developed to market the SFIA program to family forest landowners throughout the state. It is specifically recommended that funds for developing appropriate materials be sought through a proposal to the State Forest Stewardship Committee.
4. The Work Group **recommends** that major promotional efforts associated with SFIA not be launched until such time as the program has been modified – particularly with respect to the incentive payment structure -- in order to avoid failing to meet expectations of enrollees which could permanently damage the program and compromise the state’s ability to accomplish the policy objectives of the SFIA.

SFIA Program Technical Changes

1. The Work Group **recommends** that the Department of Revenue develop recommended technical changes to Minn. Stat. § 290C that address the following:
 - a. Clarifies payment eligibility when there is a change of claimant.
 - b. Clarifies reference to the forest management guidelines with which an enrollee must comply during the period of enrollment of their land in SFIA.
 - c. Clarifies that enrollees of small tracts of forestland are afforded the same protection from liability as is currently afforded enrollees of large tracts of forestland.

SFIA Program Incentive Payment Changes

1. The Work Group **recommends** that the amount and structure of the annual SFIA incentive payment needs to be specifically explored. This includes evaluating:
 - a. A two-tiered SFIA payment structure for enrolled forestlands that provides a higher payment to landowners who provide public access to their forestland.
 - b. A multi-tiered SFIA incentive payment structure that provides a higher incentive payment for forestlands which are in areas at higher risk for development (conversion from forest cover).

Next Steps

1. The Work Group **recommends** that its findings and recommendations be presented to the Governor's office along with Commissioners Gene Merriam of the Department of Natural Resources and Matt Kramer of the Department of Employment and Economic Development. In doing so, the Work Group requests that the Governor's Task Force on Global Competitiveness of the Primary Forest Products Industries be asked to review the Work Group's report and identify needed changes needed to the SFIA program to accomplish its major public policy objectives.
2. The Work Group **recommends** that the House and Senate Policy and Finance Committees with jurisdiction over forestry matters be provided information regarding the SFIA Work Group effort. The specific recommendation would be to seek the opportunity to present testimony for the appropriate House and Senate Committees to outline the Work Group's findings and recommendations.

3. The Work Group **recommends** that a state appropriation of \$50,000 be provided to the University of Minnesota's Department of Forest Resources to undertake a data gathering process to provide the basis for determining an alternative SFIA incentive payment structure.

SFIA Work Group Participants

<p>Mike Roelofs, Legislative Director Dept. of Revenue, Mail Station 7100 600 North Robert Street St. Paul, MN 55146</p>	<p>Lynn Reed, Executive Director MN Taxpayers Association 85 E. 7th Place, Suite 250 St. Paul, MN 55101</p>
<p>Tom Baumann, Manager DNR – Forestry, Box 44 500 Lafayette Road St. Paul, MN 55155</p>	<p>Larry Wolfe, Chief Deputy Auditor Cass County Courthouse P.O. Box 3000 Walker, MN 56484</p>
<p>Dave Zumeta, Executive Director MN Forest Resources Council 2003 Upper Buford Circle St. Paul, MN 55108</p>	<p>Steve Kuha, Legislative Director Association of Assessors Cass County Courthouse P.O. Box 3000 Walker, MN 56484</p>
<p>Terry Weber, Executive Coordinator MN Forest Resources Partnership P.O. Box 144 Grand Rapids, MN 55744</p>	<p>Wayne Brandt, Executive Director Minnesota Forest Industries 903 Medical Arts Building 324 W. Superior Street Duluth, MN 55802</p>
<p>Gabe Horner, Gov't Relations Director The Nature Conservancy in MN 1101 West River Parkway, Suite 200 Minneapolis, MN 55415</p>	<p>Chris Brokl MN Association of Consulting Foresters 16194 Siskin Lane NE P.O. Box 1171 Bemidji, MN 56619-1171</p>
<p>John Curry MN Campaign for Conservation 458 Otis Avenue St. Paul, MN 55104</p>	<p>Bruce ZumBahlen, President Minnesota Forestry Association 8203 Innsdale Avenue South Cottage Grove, MN 55016</p>
<p>Mark Johnson, Executive Director MN Deer Hunters Association 460 Peterson Road Grand Rapids, MN 55744</p>	<p>Kevin Walli, Vice President Fryberger, Buchanan, Smith & Frederick, P.A. First National Bank Building 332 Minnesota Street, Suite W-1260 St. Paul, MN 55101</p>
<p>Dr. Mike Kilgore, Assistant Professor Dept. of Forest Resources – U. of MN 115 Green Hall 1530 Cleveland Avenue No. St. Paul, MN 55108</p>	<p>Tom Murn, Regional Resource Manager Potlatch Corporation 105 Arch Street Cloquet, MN 55720</p>
<p>Kathryn Fernholz Dovetail Partners, Inc. 4801 No. Highway 61, Suite 108 White Bear Lake, MN 55110</p>	<p>Rick Horton Ruffed Grouse Society P.O. Box 657 Grand Rapids, MN 55744</p>
<p>Jim Marshall, Forest Resources Manager UPM Blandin Paper Mill 115 S.W. First Street Grand Rapids, MN 55744</p>	<p>Bob Buckler Buckler Executive Counsel, Inc. P.O. Box 49984 Minneapolis, MN 55449</p>