

SENATE

STATE OF MINNESOTA

NINETY-FOURTH SESSION

S.F. No. 2881

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DATE	D-PG	OFFICIAL STATUS
03/24/2025	1005	Introduction and first reading Referred to Higher Education See First Special Session, SF 1

1.1

A bill for an act

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relating to higher education; modifying the allocation of mining royalty income

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within the permanent university fund; amending Minnesota Statutes 2024, section

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137.022, subdivisions 3, 4.

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

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Section 1. Minnesota Statutes 2024, section 137.022, subdivision 3, is amended to read:

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Subd. 3. **Endowed chair account.** (a) For purposes of this section, the permanent

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university fund has three accounts. The sources of the money in the endowed mineral

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research and endowed scholarship accounts are set out in paragraph (b) and subdivision 4.

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All money in the fund that is not otherwise allocated is in the endowed chair account. The

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income from the endowed chair account must be used, and capital gains allocated to that

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account may be used, to provide endowment support for professorial chairs in academic

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disciplines. The endowment support for the chairs from the income and the capital gains

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must not total more than six percent per year of the 36-month trailing average market value

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of the endowed chair account of the fund, as computed quarterly or otherwise as directed

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by the regents. The endowment support from the income and the capital gains must not

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provide more than half the sum of the endowment support for all university chairs and

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professorships endowed, with nonstate sources providing the remainder. The endowment

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support from the income and the capital gains may provide more than half the endowment

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support of an individual chair.

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(b) If any portion of the annual appropriation of the income is not used for the purposes

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specified in paragraph (a) or subdivision 4, that portion lapses and must be added to the

principal of the three accounts of the permanent university fund in proportion to the market value of each account.

Sec. 2. Minnesota Statutes 2024, section 137.022, subdivision 4, is amended to read:

Subd. 4. **Mineral research; scholarships.** (a) All income credited after July 1, 1992, to the permanent university fund from royalties for mining under state mineral leases from and after July 1, 1991, must be allocated as provided in this subdivision.

(b)(1) Beginning January 1, 2013 2026, 50 percent of the income must be allocated according to this paragraph.

~~One-half~~ (1) One-fourth of the income under this paragraph, up to ~~\$50,000,000~~ \$150,000,000, must be credited to the endowed mineral research account of the fund ~~to be allocated for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral and mineral-related research, including mineral-related environmental research, at the Natural Resources Research Institute-Duluth and Coleraine facilities.~~

~~The other one-half~~ (2) One-fourth of the income under this paragraph, up to \$25,000,000, ~~is~~ must be credited to an endowment for ~~the costs of~~ operating mining, mineral, and mineral-related, degree programs or science, technology, engineering, and mathematics (STEM) degree programs offered through the University of Minnesota at Minnesota North College and the University of Minnesota Duluth Swenson College of Science and Engineering at Duluth to support workforce development and collaborations benefiting regional academics, industry, and natural resources on the Iron Range in northeast Minnesota, and for providing scholarships for Minnesota students, prioritizing students in the Minnesota Economic Development Region 3, to attend the mining, mineral, mineral-related, or STEM degree programs. The maximum scholarship awarded to attend the degree programs funded under this paragraph cannot exceed 75 percent of current resident tuition rates per academic year and may be awarded a maximum of four academic years.

(3) One-fourth of the income under this paragraph must be credited to the Natural Resources Research Institute for general operating and research costs.

~~(2) The remainder of the income under paragraph (a)~~ (4) One-fourth of the income under this paragraph, plus the amount of any remainder of the income allocated under clause (1) after \$50,000,000 \$150,000,000 has been credited to the endowed mineral research account ~~for the Natural Resources Research Institute and the amount of any income over the \$25,000,000 for the programming in clause (1)~~ and the remainder of the income allocated under clause (2) after \$25,000,000 has been credited to an endowment for mining, mineral,

3.1 mineral-related, or STEM degree programs and scholarships, must be credited to the endowed
3.2 scholarship account of the fund for distribution annually for scholastic achievement as
3.3 provided by the Board of Regents to undergraduates enrolled at the University of Minnesota
3.4 who are resident students as defined in section 136A.101, subdivision 8.

3.5 (c) The annual distribution from the endowed scholarship account must be allocated to
3.6 the various campuses of the University of Minnesota in proportion to the number of
3.7 undergraduate resident students enrolled on each campus.

3.8 (d) The Board of Regents must report to the education committees of the legislature
3.9 biennially at the time of the submission of its budget request on the disbursement of money
3.10 from the endowed scholarship account and to the environment and natural resources
3.11 committees on the use of the mineral research account.

3.12 (e) Capital gains and losses and portfolio income of the permanent university fund must
3.13 be credited to its three accounts in proportion to the market value of each account.

3.14 (f) The endowment support from the income and capital gains of the endowed mineral
3.15 research and endowed scholarship accounts of the fund must not total more than six percent
3.16 per year of the 36-month trailing average market value of the account from which the support
3.17 is derived.