

S.F. No. 980 – Restructuring and Renaming the Minnesota Higher Education Facilities Authority as the Minnesota Health and Education Facilities Authority

Author: Senator Carla J. Nelson

Prepared by: Joan White, Senate Counsel

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S.F. No. 980 expands the authority and scope of the Minnesota Higher Education Facilities Authority (MHEFA) by allowing the MHEFA to provide financing to health care organizations. The MHEFA is a small state agency that was established in 1971 to provide an alternative method for higher education institutions in the state to finance or refinance capital construction projects by issuing tax exempt revenue bonds. MHEFA does not receive any general fund dollars or any legislative appropriations, as the operating funds are paid from fees charged to the institutions that receive financing services. A board of ten people governs the MHEFA; eight members are appointed by the Governor, one member is a representative from the Minnesota Office of Higher Education, and one member is the President of the Minnesota Private College Council.

Provisions in the bill are under the jurisdiction of several committees, including the Health and Human Services, State Government, and Finance Committees, and possibly the Capital Investment Committee.

Article 1 - Minnesota Health and Education Facilities Authority

Section 1 (136A.25) changes the agency name to Minnesota *Health* and Education Facilities (the MHEFA acronym is retained).

Section 2 (136A.26, subd. 1) expands the membership of the board to include one additional member appointed by the Governor who is a trustee, director, officer, or employee of a health care organization.

Subdivision 1b is a new subdivision adding an advisory, nonvoting member to the board who is the chief executive officer of a Minnesota nonprofit health care association.

Subdivision 2 provides that the membership terms, compensation, removal, and vacancy related to the member under subdivision 1b is governed by Minnesota Statutes, section 15.0575.

Section 3 (136A.27) amends the policy statement for the organization to include that health care organizations within the state be provided with appropriate and additional means to establish, acquire, construct, improve, and expand health care facilities in furtherance of their purpose.

Section 4 (136A.28) defines the following new terms and modifies existing terms: “affiliate,” “project,” “health care organization,” “education facility,” “health care facility,” and “participating institution.”

Sections 5 (136A.29, subd. 1) is a conforming change, incorporates “health care organization”.

Section 6 (136A.29, subd. 3) is under the jurisdiction of state government and deals with state managerial plans.

Section 7 (136A.29, subd. 6) is under the jurisdiction of the Health and Human Services Committee, as it requires a project involving a health care facility to comply with all applicable requirements in state law related to construction or modifications of facilities.

Sections 8 and 9 (136A.29, subd. 9, and 136A.29, subd. 10) increases the bond limit from \$1,300,000,000 to \$4,000,000,000 and section 9 relates to the purpose of issuing bonds for health care facilities.

Sections 10 to 13 (136A.29, subd. 14, 136A.29, subd. 19, 136A.29, subd. 20, and 136A.29, subd. 21) are technical conforming modifications.

Section 14 (136A.29, subd. 22) states that the MHEFA may charge to and apportion among institutions its administrative costs and expenses incurred in the manner as the MHEFA in its judgment deems appropriate.

Section 15 (136A.29, subd. 24) is under the jurisdiction of Health and Human Services as it gives MHEFA the authority to determine whether an entity is an affiliate, as defined in section 4, subdivision 1a.

Sections 16 and 17 (136A.32, subd. 4, and 136A.33) are technical conforming amendments.

Section 18, 19, and 20 (136A.34, subd. 3, 136A.34, subd. 4, and 136A.36) are under the jurisdiction of the Finance Committee related to investing bond proceeds and revenues.

Sections 21 and 22 (136A.38 and 136A.41) are technical modifications.

Section 23 (136A.42) requires the MHEFA to submit an annual report to the Minnesota Historical Society and the Legislative Reference Library on the authority’s activities in the previous year, including all financial activities.

Section 24 requires the Revisor of Statutes to recode the provisions of the bill in new chapter 16F.

Section 25 repeals a law allowing the MHEFA and the OHE to enter into a mutual agreement so MHEFA staff may also be members of the OHE staff.

Article 2 - Conforming Amendments

Article 2 contains conforming amendments in different chapters of law.