

Higher Education Legislation in the 2008 Minnesota Legislature – Summary

Authority for \$631.4 million in construction and renovation projects at the University of Minnesota and the Minnesota State Colleges and Universities was adopted. Of this amount, \$339.4 million of bonds will be issued by the state. An additional \$292 million will be issued by the University of Minnesota. The state will pay debt service on \$219 million, or 75 percent. In addition, an omnibus budget reduction bill passed to address a \$935 million shortfall that represented 2.7 percent of Minnesota's \$34.8 billion biennial budget. Overall reductions to higher education for the 2008-2009 biennium were \$21.8 million, which was less than one percent of the original appropriation for the biennium.

While many areas of state government were cut, State Grants to help students pay for postsecondary education were not reduced.

Data Sharing - Legislation authorizing data sharing for a student unit record data system was adopted. The Minnesota Department of Education and the Office of Higher Education will share educational data to analyze and improve instruction by having the student identifier used in K12 education follow the student into Minnesota postsecondary institutions. This limited data sharing between agencies was an initiative of the Minnesota P-16 Council.

Office of Higher Education

The Office of Higher Education received a reduction of \$1.6 million in 2009.

Minnesota State Grants - The Minnesota State Grant program maximized the savings realized as a result of the federal Pell Grant maximum award increase. The living and miscellaneous expense allowance used in calculating State Grants was increased by \$300 for the 2008-2009 academic year, from \$5,900 to \$6,200. The increase will mean \$9.4 million in increased grants to students. An additional \$1.9 million will be available on the bottom line of the State Grant appropriation for increases in enrollment and the number of students eligible for State Grants, which typically occur during economic downturns.

Enrollment Pattern Study by the Office of Higher Education – New legislation requires the Office of Higher Education to include in the ongoing study of the State Grant program an evaluation of enrollment patterns of students from low-income families.

Achieve Scholarships - There was no reduction to the Achieve Scholarship program appropriation of \$7 million in 2009 and \$10 million per year in 2010 and 2011. Achieve Scholarships will begin in the 2008-2009 aid year and will provide scholarships of \$1,200 to recent high school graduates who took a rigorous course of study in high school such as four years of English, three years of math and science and a year of a foreign language.

Minnesota GI Bill – Minnesota GI bill benefits were increased. The price of attendance used in calculating the awards was increased from 1.1 to 1.2 times the State Grant price of attendance

and the maximum benefit per year was increased from \$2,000 to \$3,000. The Office of Higher Education administers the program under an interagency agreement with the Department of Veterans Affairs.

Interstate Tuition Reciprocity – There was a \$250,000 reduction in the appropriation for tuition reciprocity with North Dakota. The remaining appropriation should be sufficient to cover the anticipated obligation.

College Savings Plan matching grants – There was a \$1.02 million reduction realized by a one-time shift in the payment date for matching grants. The date of payment of the matching grants shifted from June 30, 2009 to July 1, 2009, which shifts the payments to the 2010 fiscal year.

American Indian Scholarship program – Legislation was adopted to make statutory language match the procedures in place when the program was transferred to the Office of Higher Education in 2007. Additional authority was provided to use unspent funds (if any are available) from other financial aid programs to provide scholarships for some of the 300 students on the waiting list for Indian Scholarships.

Administrative reductions - The Office of Higher Education had an administrative reduction of \$111,000. In addition, there were one-time reductions and transfers of \$218,000 from unspent appropriations, and special revenue funds.

Spouses of veterans as Minnesota residents for State financial aid – New language defines the spouses of resident veterans as Minnesota residents for purposes of the State Grant, Postsecondary Child Care Grant, Indian Scholarship, Achieve Scholarship and State Work Study programs.

Safety Office Survivor Grant Program – New language allows survivors of safety officers who are killed in the line of duty and who are also veterans to use the benefit until age 30.

Minnesota State Colleges and Universities

Construction and Renovation - Minnesota State Colleges and Universities received authority for \$234 million in construction and renovation projects. The state will pay for 100 percent of HEAPR projects of \$55 million with the remaining projects split, with the state responsible for two-thirds and the system assuming one-third.

Operating Budget - There is a reduction of \$8.6 million in 2009 and increased spending of \$720,000 in 2009, for a net reduction of \$7.88 million for the biennium.

Language was adopted which said the overall reduction of \$7.6 million was to include a \$5 million reduction in technology spending; a reduction of \$1 million from central reserves and \$1.6 million in reductions from the Office of the Chancellor.

Tuition –The language specified that \$9 million must be reallocated to keep tuition increases for 2009 to no more than 2% at the colleges and 3% at the universities.

Funding of instructional cost – New language states the intent of the legislature to move toward the goal currently in statute of funding two-thirds of instructional costs for public postsecondary education and tuition funding one-third of instructional costs over the next 8 years.

Funding to offset reduced tuition revenue from the elimination of nonresident tuition. Legislation specified that the board “shall allocate funding” from the appropriation in 2007 to campuses that lost tuition revenue due to the elimination of nonresident undergraduate tuition at specified campuses.

Power of You - The “Power of You” program will receive \$600,000 in a one-time appropriation to MnSCU for 2008-2009 for scholarships to lower-middle income students who graduate from Minneapolis and St. Paul public high schools. The scholarships are to cover the difference between tuition and fees and the sum of federal Pell and Minnesota State Grant the student receives. Eligible institutions are Minneapolis Community and Technical College, Saint Paul College and Metropolitan State University.

Teachers of Diverse Backgrounds - A new program for teachers of diverse backgrounds receives \$120,000 in a one-time appropriation for grants of \$5,000 each to students in their junior and senior years of study at Winona and St. Cloud State Universities. Recipients must be majoring in education and have a demonstrated interest and knowledge of diverse cultures. Preference is to be given to students whose parents did not attend college.

Appointments to the MnSCU Board of Trustees – Legislation made changes to the governor’s appointments to the 15 member board. The language requires the 3 student members to be enrolled at least half time at a MnSCU institution when appointed. In addition, it requires one of the appointees to be a trustee representing labor. In making the labor appointment, the governor must consider, but is not bound by, recommendations submitted by the ALF-CIO.

MnSCU Colleges Authorized to Use Revenue Bonds – New language authorizes the use of revenue bonds at MnSCU colleges as well as universities.

University of Minnesota

Construction and Renovation - The University of Minnesota received authority for \$105.2 million in construction and renovation projects. The state will pay for 100 percent of HEAPR projects of \$35 million with the remaining projects split two-thirds to the state and one-third to the University. In addition the University received authority to proceed with a \$292 million biomedical science complex, in which the state will pay 75 percent of the debt service from 2010 to 2040.

Operating Budget - The appropriation was reduced \$12.3 million for the biennium.

Tuition – The language said the Regents “must not increase student tuition and fees beyond the amount currently planned for the 2008-2009 academic year”. During the session, University representatives said they planned to increase tuition by 7.5 percent for students from families with incomes of \$150,000 or more, and a smaller percentage for students from other families.

Higher Education Policy Provisions

Private data, when disclosure is permitted – Legislation revises state data practices law on postsecondary student data by incorporating additional disclosures authorized by the Federal Family Educational Rights Privacy Act (FERPA) regarding to disclosure of the results of disciplinary proceedings on a violent crime or non-forcible sex offense and disclosure of violations of laws and institutional policies on drug or alcohol use by students under age 21. The language required a waiver signed by the students for disclosure of drug and alcohol violations with notice to parents of the waiver requirements.

Health Professions Education Loan Forgiveness Program – Legislation modifies the requirements for loan forgiveness by those teaching part time in existing loan forgiveness programs. Eligible borrowers must teach 12 credit hours per term or 720 hours per year at the undergraduate level and an equivalent amount at the graduate level.

Oral Health Practitioners – Legislation establishes a new practitioner level in dentistry authorized by the Board of Dentistry no sooner than 1/1/2011. The practitioners must be supervised by a Minnesota licensed dentist, meet educational requirements, pass required tests and meet other requirements established by the board. Legislation required practitioners to be in a practice that serves low-income or uninsured persons or underserved areas. In addition, legislation established a working group to develop recommendations and proposed legislation on the education requirements and regulation of oral practitioners by 1/15/2009. Costs of the working group may be covered by grants or fees charged to Minnesota State Colleges and Universities and the University of Minnesota.