

Budget Recommendations to the Governor and 2003 Legislature

The budget recommendations of the Minnesota Higher Education Services Office and Services Council focus on the priority state need to maintain financial access to and choice of post-secondary education opportunities for Minnesota residents. The recommendations are mindful of projected budget deficits but also the commitment of policymakers over several decades—even during economic downturns—to support need-based financial aid as an investment in Minnesota’s people and the state’s future.

ACCESS AND CHOICE

Purpose: To help ensure access to and choice among post-secondary education opportunities by helping Minnesota students and families keep pace with rising price increases.

Proposals: To maintain financial access to the State Grant Program by: (1) adjusting the program base to reflect increased demand for grants that has occurred in Fiscal Years 2002 and 2003 (increase of \$9.2 million each year of the 2004-2005 biennium); (2) funding grant awards that reflect anticipated increases of tuition and fees charged by Minnesota post-secondary institutions (\$10.7 million in Fiscal Year 2004 and \$23.2 million increase in Fiscal Year 2005); (3) increasing the living and miscellaneous expense component of the recognized price of attendance by 1.1 percent annually, from \$5,405 in Fiscal Year 2003 to \$5,525 in Fiscal Year 2005 (\$1.8 million in Fiscal Year 2004 and \$3.6 million in Fiscal Year 2005); and (4) increasing the tuition and fee maximums by 1.1 percent annually, from \$6,913 in Fiscal Year 2003 to \$7,066 in Fiscal Year 2005 for two-year institutions and from \$8,983 to \$9,182 for four-year institutions (\$900,000 in Fiscal Year 2004 and \$1.8 million in Fiscal Year 2005). To maintain access to Child Care Grants by funding an inflationary increase of 1.1 percent annually (\$52,000 in Fiscal Year 2004 and \$53,000 in Fiscal Year 2005).

STATE GRANT REWRITE

Purpose: To make the State Grant database more responsive to the needs of the program and its customers.

Proposal: To provide funding to enable the Services Office to use a different database platform for the State Grant Program, thus allowing program changes to be implemented more quickly, and improve reporting and querying capabilities for administrative and research needs (\$150,000 per year).

EFFECTIVE AND EFFICIENT PROGRAM AND SERVICE DELIVERY

Purpose: To maintain effective and efficient delivery of Services Office programs and services to the agency’s customers.

Proposal: To fund inflationary costs for such items as salaries, health insurance, retirement, and leases for space (\$111, 000 in Fiscal Year 2004 and \$229,000 in Fiscal Year 2005).

OTHER BUDGET ITEMS

Purpose: To maintain core agency programs and services that support the agency mission and statutory responsibilities.

Proposal: To respond to increasing demand for non-State Grant programs and services (MINITEX/MnLINK, early awareness, Learning Network, Minnesota College Savings Plan, reciprocity, State Work Study, Summer Scholarships) at base level funding.

Budget Recommendations to the Governor and 2003 Legislature – continued

**Fiscal Year 2004-2005 Biennial Budget Request of the
Minnesota Higher Education Services Office
and the
Minnesota Higher Education Services Council**

Item	FY 2004 Base	FY 2004 Change Request	FY 2005 Change Request	Biennial Change	Total Biennial Request
State Grants	120,535,000	22,570,000	37,770,000	60,340,000	301,410,000
Child Care Grants	4,743,000	52,000	53,000	105,000	9,591,000
Safety Officers' Survivors	40,000	-----	-----	-----	80,000
Summer Scholarships	200,000	-----	-----	-----	400,000
Advanced Placement/IB	75,000	-----	-----	-----	150,000
Work Study	12,444,000	-----	-----	-----	24,888,000
MN College Savings Plan	1,520,000	-----	-----	-----	3,040,000
Reciprocity	4,250,000	-----	-----	-----	8,500,000
MINITEX/MnLINK	5,131,000	-----	-----	-----	10,262,000
Learning Network	5,179,000	-----	-----	-----	10,358,000
Restoration of State Grant Rewrite	-----	150,000	150,000	300,000	300,000
Agency Administration	2,602,000	-----	-----	5,204,000	-----
• Student Parent Information	148,000	-----	-----	-----	296,000
• Get Ready! Program	217,000	-----	-----	-----	434,000
• Intervention Grants	300,000	-----	-----	-----	600,000
• Service Learning	118,000	-----	-----	-----	236,000
• Inflation Adjustment	-----	111,000	229,000	340,000	340,000
Sub Total Agency Administration	3,385,000	111,000	229,000	340,000	7,110,000
State General Fund Request	157,502,000	22,883,000	38,202,000	61,085,000	376,089,000