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Highlights of the 2007 Higher Education Appropriations Bill

The 2007 Higher Education Bill includes \$3.163 billion in funding for the two years beginning July 1, 2007. A 14.9 percent increase for the University of Minnesota and a 12.7 percent increase for the Minnesota State colleges and Universities system over the current two-year budget cycle are expected to mitigate tuition increases at public colleges and provide new dollars for strategic initiatives.

Higher Education Bill Highlights

ACHIEVE Scholarship program – A new \$10.8 million per year program administered by the Minnesota Office of Higher Education to award scholarships to low- and middle-income high school students who complete a set of college-preparatory courses. Students who successfully complete a set of courses in high school can earn \$1,200 to be used at a public or private postsecondary institution in Minnesota. The sets of course options include four years of English, three years each of science, math, and social studies and a year of foreign language; and two or more advanced courses for which they can earn college credit (including Advanced Placement, International Baccalaureate and Postsecondary Enrollment Options) Up to \$3 million of this appropriation may be used on programs to educate students on the benefits of taking rigorous courses in high school.

Minnesota GI Bill Program - \$12 million for the two-year period for a G.I. Bill for Minnesota veterans who served on active duty after September 11, 2001. The Minnesota G.I. Bill provides up to \$1,000 per academic term to veterans and the dependents of deceased and disabled veterans, while building on existing state and federal benefit programs for military personnel.

Minnesota State Grant Program: Funding for the need-based assistance program was increased to \$155 million annually to allow for changes in the program parameters to serve more low- and middle-income students.

- The **tuition maximum for students in four-year programs** is \$9,838, \$400 more than the 9,438 in law for 2007.
- The **tuition maximum for students in two-year programs** is \$6,114 in 2008 and \$5,808 in 2009. That is a reduction of five percent each year from the 2007 level.
- The **living and miscellaneous expense allowance (LME)** is \$5,900 which is \$165 less than the \$6,065 in 2007, after the two transfers from State Grant surplus funds yet higher than the \$5,350 previously in statute.
- The assessment or “tax rate” for the assigned family responsibility will be reduced by four percentage points for dependent and independent students. The effect is to increase State Grant awards for families in the \$25,000 to \$65,000 income range and for single independent students with incomes of \$15,000 to \$30,000.

Postsecondary Child Care Grants – Grants to help with child care costs for low-income students will increase to a maximum of \$2,600 per child (from \$2,300), and funding was provided to serve an additional 600 students.

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MINITEX Interlibrary Loan and Database Programs will receive an increase of \$2.5 million (13 percent) in funding for the two-year period.

Learning Network – Increase of \$1.15 million (seven percent) for the two-year period for growth in distance education, network conversion and maintaining and improving bandwidth.

Financial aid studies

-State grant – Requires the Office of Higher education to do an evaluation of the state grant program. The evaluation is to focus on the effectiveness of the program in promoting access to postsecondary education by analyzing the State Grant parameters compared to the situations faced by students for work, family circumstances, actual costs, and changing conditions. The study must examine the effects of changes on students and families by income and type of institution. The study must also consider expanding the State Grant program to cover graduate and first professional students. Due Feb. 15, 2008

-Workforce needs – Requires a study of financial aid and loan programs and how they link with workforce needs for occupations in demand. Due Feb. 15, 2008

-Postsecondary Participation and Completion – Authorizes the Office of Higher Education to use data from the enrollment and State Grant databases to analyze participation and graduation by students from different income groups.

Eligible Institutions – The definition of eligible institutions for the State Grant, Postsecondary Child Care Grant, State Work Study, Safety Officers Survivor Grant and SELF loan programs was changed. Private institutions will be required to participate in the Federal Pell Grant program by the start of the 2011-2012 aid year (July 1, 2011) if they want their students to be eligible for the state financial aid programs.

Private Institutions Regulation – Regulation of private for-profit and nonprofit colleges, universities and career schools has been changed so that all degree granting postsecondary institutions (whether they are for-profit or nonprofit) will be regulated in a similar manner under MS 136A, the private institutions registration statute. All institutions that offer diplomas and certificates, but no degrees will be regulated under MS 141, the private institutions licensing statute.

Indian Scholarship Program – The Early Childhood through 12th Grade Education Appropriations bill (*Laws of Minnesota, 2007*, Chapter 146) transfers administration of the American Indian Scholarship Program to the Office of Higher Education effective for the upcoming 2007-2008 aid year. Staff from OHE and the Department of Education will be meeting in order to provide a smooth transition process. The legislation requires OHE to contract for one staff position to be located in Bemidji, although awards may end up being disbursed by our central office in St. Paul.

Minnesota State Colleges and Universities – Increase of \$153 million, or 12.7 percent over the current biennium.

- Mitigate tuition increases – the 12.7 percent increase will enable the system to hold tuition increases to less than four percent.

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- Performance funding – One percent of the appropriation to system will be available after the trustees demonstrate to the Commissioner of the Minnesota Department of Finance that the system has achieved at least three of five goals, such as increasing enrollment in science and technology courses and centers of excellence programs, training on the use of electronic medial record technology and enrollment in online courses.
- Seven public two-year campuses will be required to charge resident tuition rates to all students.
- Textbook Rental – The Minnesota State Colleges and Universities Board of Trustees, in collaboration, with their student associations, will develop and implement pilot projects to reduce textbook costs, including textbook rental.
- The Minnesota State Colleges and Universities will be required to limit bachelor's degree programs to 120 semester credits and associate degrees to 60 credits, unless industry or professional accreditation standards require more credits.

University of Minnesota funding – Increase of \$180 million, or 14.9 percent over the current biennium.

- Mitigate tuition increases – the 14.9 percent increase will enable the university to keep tuition increases to less than five percent each year.
- Performance funding – One percent of the appropriation to the University will be available after the Regents demonstrate to the commissioner of finance that the University has achieved at least 3 of 5 goals, such as increasing grants and scholarships for low- and middle-income students, increasing research and development expenditures, increasing in the number of degrees awarded in science and technology, and enhancing research interaction and activity beneficial to business and industry.
- Banded tuition at the Crookston, Morris and Duluth campuses will enable students to take additional credits (beyond a level such as 13 credits) at no additional charge.
- The Board of Regents selection process was amended to reduce the role for the Governor and increase the Legislature's role in selecting Regents.

University of Minnesota/Mayo Clinic Bioscience Genomics partnership - \$25 million in additional funds for this ongoing biotechnology and medical genomics research collaboration. The project will receive \$8 million per year thereafter.

Textbook Pricing and Access –

-Disclosure - Requires publishers selling textbooks and course material for use in postsecondary classrooms to disclose information, beginning January 1, 2009. Information to be disclosed includes title, edition, author and ISBN number, undiscounted price, the format (bundled or unbundled), the price of components for bundled materials, a summary of revisions since the last edition, and return policies. Mass-market trade books are excluded from the disclosure requirement.

-Educational strategies- Requires public postsecondary institutions, and the Office of Higher Education (for private institutions), to develop materials based on studies of textbook costs, and inform interested parties on the strategies for reducing costs to students.

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-University of Minnesota and Private Postsecondary Institutions - Requests bookstores at the University of Minnesota and private institutions to comply with the bookstore requirements for MnSCU.

-MnSCU Bookstores; course material, acquisition - Directs instructors to attempt to provide adequate notice to a bookstore on required textbooks and bookstores to provide information to the instructors before placing orders. Bookstores must attempt to get information prior to orders including title, edition, author and ISBN number, price, format, price of alternative formats, availability, revision, and plans for revisions. Directs the board of trustees to encourage faculty to use the information to obtain the lowest cost for students.

Personal Financial Management-Public colleges and universities will provide each student with personal financial management information, including the responsible use of consumer credit. The information must be provided during initial student registration, unless the student enrolls in a course that includes instruction in similar information.