

## 2011 Legislative Session - Higher Education Summary

Higher education legislation adopted in 2011 includes:

1. Higher education appropriations (*Laws of Minnesota 2011, 1<sup>st</sup> Special Session, Chapter 5*)
2. Capital improvement appropriations (*Laws of Minnesota 2011, 1<sup>st</sup> Special Session, Chapter 12*)
3. Higher education student records and data (*Laws of Minnesota 2011, Chapter 93*)

### Overall Total for the Higher Education Appropriations Bill for the 2012-2013 Biennium

The overall total for general fund appropriations was \$1.283 billion each year for a total of \$2.566 billion for the 2012-2013 biennium. The total was a reduction of \$351 million (12%) from the forecast base for Fiscal Years 2012 and 2013.

In addition to the general fund appropriation there was an appropriation of \$4.3 million for the 2012-2013 biennium from the health care access fund to the University of Minnesota for primary care education initiatives. The \$4.3 million appropriation was the same as the amount appropriated for the 2010-2011 biennium.

### Office of Higher Education

The general fund appropriation for the Office of Higher Education (OHE) totaled \$190.8 million in Fiscal Year 2012 and \$190.6 million in 2013, for a total of \$381.4 million for the biennium. The total was an increase of \$12.3 million (3.4%) from the forecast base for Fiscal Years 2012 and 2013.

### State Grants

The State Grant Program appropriation was \$154.6 million each year for a total of \$309.2 million for the biennium, an increase of \$21 million (7.3%) from the forecast base. Approximately 97,000 students will receive a Minnesota State Grant in FY2012 averaging \$1,560. Eleven thousand more students will receive State Grants and average awards to students will be approximately \$150 larger than in Fiscal Year 2011. (In the 2010-11 biennium, there was a shortfall of more than \$43 million, which resulted in legislative reductions in program eligibility and rationing of State Grants. The shortfall occurred because of substantially increased enrollment beginning in FY 2010 and the economic recession's impact on family income and assets.)

Explanatory note: The increased appropriation (\$309 million) did not fully cover the projected demand for the biennium (\$318 million). To deal with a projected funding shortfall for this program, the Office used its authority to ration awards by increasing the student share from 46% to 46.3% and placing a 2% surcharge on the amount assigned to families in FY 2012 and plans to do so in FY 2013 if needed.

### **Safety Officers' Survivor Grants**

The appropriation was \$100,000 each year, for a total of \$200,000 for the 2012-2013 biennium, the same as the appropriation for the 2010-2011 biennium.

### **Postsecondary Child Care Grants**

The appropriation was \$6.684 million each year for a total of \$13.4 million for the biennium, the same as the appropriation for the 2010-2011 biennium. There was no reduction.

### **State Work-Study**

The appropriation was \$14.5 million each year for a total of \$29 million for the biennium, a reduction of \$884,000 (3%) from the forecast base for the 2012-2013 biennium.

Explanatory note: Approximately 11,000 students in State Work Study jobs earned an average of \$1,800 per year, of which 25% is from institutional matching funds. About 245 fewer students are expected to have State Work Study jobs as a result of the reductions.

### **American Indian Scholarships**

The appropriation was \$1.85 million each year for a total of \$3.7 million for the biennium, a reduction of \$300,000 (7.5%) from the forecast base for the 2012-2013 biennium.

Explanatory note: Approximately 600 students received the scholarships in FY 2010. The reductions are expected to result in about 75 fewer scholarships each year.

### **Achieve Scholarships**

Achieve scholarships were not funded for the 2012-2013 biennium. The appropriations bill provided no funding; however the bill did not repeal the statutory language authorizing the program. In the 2010-2011 biennium Achieve Scholarships had an appropriation of \$4.7 million.

### **Intervention for College Attendance Program Grants**

The appropriation was \$671,000 each year for a total of \$1.3 million for the 2012-2013 biennium, a reduction of 10.1 percent from the forecast base for the biennium.

**Midwest Higher Education Compact**

The appropriation was \$95,000 each year for a total of \$190,000 for the 2012-2013 biennium, the same as the appropriation for the 2010-2011 biennium.

**United Family Medicine Family Practice Residency Program**

The appropriation was \$351,000 each year for a total of \$702,000 for the 2012-2013 biennium, a reduction of 24.8 percent from the forecast base for the biennium.

**Interstate Tuition Reciprocity**

The appropriation was \$3.15 million in Fiscal Year 2012 and \$3.25 million in Fiscal Year 2013, for a total of \$6.4 million for the 2012-2013 biennium, the same as the forecast base for the biennium.

**Minnesota College Savings Plan Matching Grant Program**

The bill phased out the matching grant program in the second year of the biennium for a budgetary saving of \$350,000 in Fiscal Year 2013 and thereafter. Matching grants will be provided in FY 2012, but not in FY 2013 and thereafter.

Explanatory note: The Minnesota Colleges Savings Plan, a Qualified Tuition Program under Section 529 of the United States Internal Revenue Code, encourages individuals and families to save for postsecondary education. The Plan will continue, but the matching grants for account beneficiaries from families with incomes of \$80,000 or less per year are no longer available as of January 1, 2011.

**MnLink Gateway and Minitex Library Resource Sharing and Technology Programs**

The appropriation was \$5.6 million each year for a total of \$11.2 million for the 2012-2013 biennium, a reduction of 7.1 percent from the forecast base for the biennium.

**Student and Parent Information**

The appropriation was \$122,000 each year for a total of \$244,000 for the 2012-2013 biennium, a reduction of 2.4 percent from the forecast base for the biennium.

**Get Ready Program**

The appropriation was \$180,000 each year for a total of \$360,000 for the 2012-2013 biennium for a portion of the state match for the federal GEAR UP grant. The appropriation was a reduction of 2.2 percent from the forecast base for the biennium.

**Minnesota Minority Education Partnership**

The appropriation was \$45,000 each year for a total of \$90,000 for the biennium, a reduction of 6.3 percent from the forecast base for the biennium.

**Agency administration**

The appropriation was \$2.494 million in FY 2012 and \$2.493 million in FY 2013 for a total of \$4.986 million for the biennium, a reduction of \$263,000 (5%) from the forecast base for the 2012-2013 biennium.

**Minnesota State Colleges and Universities (MnSCU)**

The appropriation was \$545.366 million in FY 2012 and \$545.365 million in FY 2013 for a total \$1.091 billion for the biennium, a reduction of \$170 million (13.5%) from the forecast base for the 2012-2013 biennium.

**Tuition increase limits**

The bill limited increases in tuition to 4% in FY 2013 for the 2-year community and technical colleges. For the State Universities, the bill did not have limit tuition increases.

**Performance Funding**

One percent of the appropriations for FY 2013 will be available when MnSCU demonstrates successful performance on 3 of the following 5 measures:

- 1) Increase in graduates, degrees, diplomas or certificates of at least 7% over 2009
- 2) Increase in number of students of color of at least 10% over 2010
- 3) Increase in FYE enrollment of students taking online or blended courses or the number of online and blended sections of at least 15% over 2010
- 4) Increase of persistence and completion of at least 1% for fall 2011 compared to fall 2010
- 5) Decrease in total energy consumption of at least 2% over 2009.

## **University of Minnesota**

The total general fund appropriation was \$545.344 million each year for a total of \$1.91 billion for the biennium, a reduction of \$194 million (15.1%) from the forecast base for the 2012-2013 biennium. In addition to the general fund appropriation, there was an appropriation of \$4.3 million for the 2012-2013 biennium from the health care access fund to the University of Minnesota for primary care education initiatives. The \$4.3 million appropriation is the same as the amount appropriated for the 2010-2011 biennium.

**Tuition increase limits at the University of MN were not included.**

### **Performance Funding**

One percent of the appropriations for FY 2013 will be available when the University of MN demonstrates successful performance on 3 of the following 5 measures:

- 1) Increase institutional scholarships so they total more in FY 2012 than in FY 2010, excluding federal stimulus finding.
- 2) Produce at least 13,500 total degrees on all campuses in FY 2012.
- 3) Increase the undergrad 4 and 6 year graduation rates for 2011-2012 over 2009-2010.
- 4) Increase total research and development expenditures as reported to the National Science Foundation compared to the 2010 amount.
- 5) Produce sponsored funding from business and industry in FY 2012 that is not less than FY 2010.

## **Mayo Medical Foundation**

The appropriation was \$1.35 million each year for a total of \$2.7 million for the 2012-2013 biennium, the same as the forecast base. The appropriation is for a capitation each year for each student who is a resident of Minnesota and for stipend support for family practice residents.

## Changes in Statutory Language

The following changes in statute were in Chapter 5 of *Laws of Minnesota 2011, 1<sup>st</sup> Special Session*:

**Senior Citizens Eligibility for Postsecondary Classes** – Article 2, Sec. 1. The language changed the age of eligibility for senior citizens to take free classes on a space available basis to 62.

**State Grants, Definition of tuition and fee maximums** – Article 2, Sec. 2. If no tuition and fee maximum is established in session law, the language sets the tuition and fee maximums equal to the highest tuition and fee amount charges by a public two-year institution for students in two-year programs and the highest amount charged by a public four-year institution for four-year programs.

**SELF Student Loans Technical Change** – Article 2, Sec. 3. Minnesota statutes 136A.1787 has language that defines a moral obligation for any bonds outstanding for the SELF program. Payments on outstanding loans are the source of money to repay bondholders. In the unlikely event of a shortfall in funds to pay bondholders, the moral obligation language requires the Governor to submit a request for any shortfall to the legislature in the regular or supplemental budget, whichever applies. The amendment clarifies the fiscal year for which the Governor would need to submit the request.

**MnSCU and U of MN Undergrad Tuition Guarantee Plans** – Article 2, Sec. 4 and 12. The language encourages the MnSCU trustees and Regents to offer optional plans to hold tuition constant for four years at the rate charged in the first semester. Students on active military duty are exempt from the time limit while on active duty.

**Minnesota College Savings Plan Matching Grants** – Article 2, Sections 5 through 11. The language implements the phase-out of College Savings Plan matching grants.

**Study of Graduation education in the For-Profit Sector** – Article 2, Sec. 13. The language requires the Office of Higher Education to study the for-profit graduate education sector in MN. The study must examine graduate student disciplinary processes, policies for the protection of graduate student intellectual property, policies on academic freedom of inquiry for students and administrative process to address disputes.

**Credit Transfer within MnSCU** – Article 2, Sec. 14. The language says MnSCU trustees shall report on progress made toward achieving the goals described in the system's Smart Transfer plan, including the number of students transferring among MnSCU institutions and mechanisms for effective transfer of credit in other states.

**Prohibition on Human Cloning was not included.** The proposed language would have prohibited the use of state or federal funds, for state programs, to support human cloning or for expenses incidental to human cloning. It was not included in the final appropriations bill.

### **Higher Education Student Records and Data in *Laws of Minnesota 2011*, Chapter 93.**

The language created a new section of statute, MS 136A.051. The language exempted postsecondary institutions that provide student data to the Office of Higher Education from liability related to the use, destruction, or disclosure of the data by OHE or persons given access to the data by OHE.

### **Statutory Language Repealed**

The following language was repealed in Chapter 5 of *Laws of Minnesota 2011, 1<sup>st</sup> Special Session*:

**American Made Clothing.** The language repeals MS 135A.26, the requirement for public institutions to sell American-made clothing and apparel in their bookstores to the extent possible. In addition, the language repeals MS 181.986, the requirement that public employers purchase or require employees to furnish uniform or protective accessories that are made in America.

**College Savings Plan Matching Grants.** The language repeals MS 136G.11, Subd. 1-10, the matching grant program that is part of the Minnesota College Savings plan.

**Achieve Scholarships for the High School Class of 2008.** The language repeals *Laws 2009*, Chapter 95, Article 2, Section 39. Students from the high school class of 2008 will no longer be able to use their scholarships for up to 4 years after high school graduation.

## **Higher Education Projects in the Capital Improvement (Bonding) Bill**

The \$531 million bonding bill (*Laws of Minnesota 2011, 1<sup>st</sup> Special Session*, Chapter 12), appropriated funds for 31 projects at higher education institutions. The higher education projects totaled \$220 million or 41% of the total appropriations in the bill. The total of the projects at MnSCU campuses was \$131.583 million and the total at University of MN campuses was \$88.833 million.

**Minnesota State Colleges and Universities** - total of \$131.583 million.

- Higher education asset protection and renovation - \$30 million for projects at many campuses.
- Anoka Ramsey Community College, Coon Rapids, Fine Arts Building Renovation - \$5.357 million.
- Hennepin Tech College, Brooklyn Park and Eden Prairie campuses, Learning Resource and Student Services Renovations - \$10.566 million
- Metro State Science Education Center - \$3.444 million.
- MN State University Moorhead, Livingston Lord Library and IT Renovation - \$14.901 million.
- Normandale Community College, Academic Partnership Center and Student Services, \$21.984 million.
- Northeast Higher Education District, Mesabi Range Community and Technical College, Virginia, Iron Range Engineering Program Facilities - \$3 million.

- St. Cloud State, Integrated Science and Engineering Lab Facility - \$42.334 million.
- Debt service - MnSCU is to self-finance the debt service for 1/3 of all the amounts, except for the \$30 million in higher education asset protection and renovation projects.

**University of Minnesota** - total of \$88.833 million

- Higher Education Asset Protection and Renovation - \$25 million at the campuses.
- Physics and Nanotechnology - \$51.333 million. This follows a \$4 million appropriation in the 2010 bonding bill for predesign and design of the facility (Chapter 189). An additional 1/3 is to be financed by the University from its own sources.
- Central Corridor Transitway Laboratory Mitigation - \$12.5 million. This is being matched by \$12.5 million from the Metro Council. The funds are to mitigate the cost of moving or retrofitting labs so the vibration of the Central Corridor light rail project does not cause harm to research projects.

**Where to find the legislation:**

The higher education operating appropriations bill is *Laws of Minnesota, 2011, 1<sup>st</sup> Special Session*, Chapter 5 and is available online at:

<https://www.revisor.mn.gov/laws/?id=5&doctype=Chapter&year=2011&type=1>

The spreadsheet showing the appropriations is at:

[http://www.senate.leg.state.mn.us/departments/fiscalpol/tracking/2011/HE\\_2011\\_shutdownagreementfinal2.pdf](http://www.senate.leg.state.mn.us/departments/fiscalpol/tracking/2011/HE_2011_shutdownagreementfinal2.pdf)

The capital improvement bill is *Laws of Minnesota, 2011, 1<sup>st</sup> Special Session*, Chapter 12 and is available online at: <https://www.revisor.mn.gov/laws/?id=12&doctype=Chapter&year=2011&type=1>

The higher education student records and data bill is *Laws of Minnesota 2011*, Chapter 93 and is available online at: <https://www.revisor.mn.gov/laws/?id=93&doctype=Chapter&year=2011&type=0>