

Higher Education Omnibus Appropriations Summary

Overall Total

Increase of \$250 million for the biennium (10%)

Office of Higher Ed

OHE Total of \$70.461 million increase (18%) for OHE for the biennium

- **State Grant** - increase of \$46.672 million (15%) for the biennium
 - About 9,000 additional students will receive State Grants, and the average increase for current recipients is \$181
 - **Increases student ability to pick the institution that meets their needs**
 - 4-year tuition maximum of \$13,000 for students in 4-year programs, compared to the current \$10,488 maximum. There is no change in the \$5,808 tuition maximum for 2-year programs (Art. 3, Sec. 3)
 - **Independent Students** - Assigned Family Responsibility is 50% of the student contribution for independent students without children (currently it is 68%) (Art. 3, Sec. 1)
 - **Living and Miscellaneous Expense allowance of \$7,900** (Art. 3, Sec. 3)
 - **Part-time students at MnSCU** - \$23.18 million for pro-rating the assigned family responsibility by the percent of full-time for which a student is enrolled. It applies to students enrolled at MnSCU institutions for less than 15 credits in a term. (Art. 3, Sec. 4)
 - **Assigned Student Responsibility of 50%** (reduces State Grant spending). Students of all incomes are expected to pay 50% of their price of attendance. The current student share is 46%. (Art. 3, Sec. 2)
- **Tuition Reciprocity** increase- \$15.535 million for the obligation to North Dakota
 - The amount is about \$5 million short of projected payments to ND, so MN will have to negotiate with ND or MN students attending in ND may have to pay a tuition surcharge.
- **American Indian Scholarships** - \$2.5 million increase (68%) for the biennium. The increase is projected to provide scholarships to 390 additional students. Currently the program serves about 600 students each year.
- **Statewide Longitudinal Education Data System (SLEDS)** - \$1.764 million for the biennium. This is a new item for state funding – it was previously funded by federal stimulus grant funds. The bill establishes SLEDS in statute to provide data on student outcomes and the effectiveness of education and workforce programs. It also authorizes DEED to release employment data to OHE so student outcomes in the workforce can be analyzed. (Art. 2, Sec. 1, 2, and 24)
- **Minitex/MnLink** - \$600,000 increase (4%) for the biennium for interlibrary loans and access to online databases.
- **Summer Transition Grants** Competitive Grant Program- \$200,000 for the biennium. The language changes the grants to a competitive grant program for colleges, effective summer 2014. The program provides financial assistance to students attending high school-to-college summer

programs to develop the skills to be ready for college-level coursework. The old language that made it a subset of MN State Grants is repealed. (Art. 2, Sec 4 and 30)

- **Teach for America** - \$1.5 million for the biennium. New item. Appropriation is to be used to support Teach for America activities in MN in recruiting and training teachers, supporting alumni and administering the Teach for America program. Language says the state funds are expected to leverage additional nonstate funds of \$2.1 million in FY 14 and \$3.4 million in nonstate funds in FY 15. The appropriation for FY 15 is not available until the appropriation for FY 14 is matched with \$2.1 million in nonstate funds. (Art. 1, Sec. 3, Subd. 19). The Governor line-item vetoed this item.
- **Tribal College Supplemental Grants** - \$300,000 for the biennium. New item. OHE becomes the fiscal agent for grants to tribal colleges to support the education of their students who are not members of Federally Recognized American Indian tribes. (Art 2, Sec. 11).

MnSCU

MnSCU total of \$102.328 million increase (9%) for the biennium

- **Tuition freeze** for undergrads - \$78 million for the biennium
 - \$25.5 million is for FY 14 and \$52.5 million is for FY 15.
 - If the appropriations are insufficient to meet obligations in labor or program contracts, the Trustees shall fund those obligations through reductions in central administration and campus administration. The reductions are not to come from any program or service that directly impacts students.
- **Faculty retention** - \$17 million for the biennium. This is a one-time appropriation.
 - MnSCU must report on the number of positions retained, by campus, the criteria used to determine which positions qualify for the funds, the allocation of the funds among central administration, campus administration, faculty, academic support and student services staff.
- **Leveraged equipment** - \$7.278 million in FY 15 for equipment for instructional purposes for programs that would produce graduates with skills for which there is a high employer need within the state. Equipment acquisition may be made under this appropriation only if matched contributions from nonstate sources. MnSCU must report on each donor and the nature of the donation.
- **Performance funding** - 5% of the funds for FY 15 are available when MnSCU meets 3 of the 5 goals:
 - Graduates or degrees increase of 4%
 - Persistence increase of 1%
 - Related employment of graduates increase of 4%
 - Use of open source textbooks to reduce instructional costs to students by 1%
 - Reallocate \$22 million within MnSCU
 - Art. 1, Sec. 4, Subd. 3
- **Mental health summit** - \$50,000 in one-time funds. MnSCU is to convene a summit of postsecondary institutions, mental health professionals, special ed representatives, and advocates increasing the number and improving the training of mental health practitioners. (Art. 2, Sec. 28)

U of MN - total increase of \$78.5 million (7%) for the biennium

- **Tuition freeze** for undergrads - \$42.6 million for the biennium

- \$14.2 million in FY 14 and \$28.4 million FY 15.
- **MnDRIVE** - \$35.65 million for the biennium
 - Funds research on health, food- and manufacturing-related science and technology, decrease disease, and prevent and treat environmental problems. (Art. 2, Sec. 19)
- **Performance funding** - 5% of the funds for FY 15 are available when the U of MN meets 3 of the 5 goals:
 - Graduation rates for low-income students increase 1%
 - STEM degrees increase 3%
 - Graduation rates increase 1%
 - Decrease administrative costs by \$15 million
 - Invention disclosures increase 3%
 - Art. 2, Sec. 5, Subd. 2.
- **Labor Education Service** \$250,000 for the biennium. (Art. 1, Sec. 5, Subd. 4d)

Policy Language

MnSCU and U Budget reporting. MnSCU and the U of MN must provide a 5-year history of expenditures for instruction, research, and public service; instructional expenditures per full-year equivalent student; and total revenues by funding source, including tuition. (Art. 2, Sec. 3)

Reporting of data on students to OHE. Requires reporting by institutions of data on enrollment, persistence and graduation rates for all students. Also requires provide data on job placement rates, and the salaries of graduates “as is practicable.” In addition it requires the reporting of cumulative student loan debt and debt to earnings ratios. Requires OHE to post the data, by institution, on its website. (Art. 2, Sec. 7)

Child Care Grant increase in maximum award from 2,600 to \$2,800 per child per year. (Art. 2, Sec. 9)

Massive Open Online Courses (MOOC) language for degree-granting institutions. Exempts institutions and online course platforms offering free instruction from regulation by OHE, as long as fees associated with the courses do not exceed 2% of the average undergrad tuition and fees charged at degree-granting institutions as published by the U.S. Department of Education (about \$200). (Article 2, Sections, 12, 15, and 20)

eFolio – Requires MnSCU to continue the electronic multimedia services called eFolio and GPS Lifeplan until June 30, 2015. Efolio is used as an electronic demonstration of proficiency or a resume for job seeking. (Art. 2, Sec. 17)

Institution participation in student aid programs report by OHE- The report is to be on criteria to determine whether institutions should be allowed to participate in state student aid programs. (Art 2, Sec. 26)

U of MN Reports on the capacity of the medical school, undergraduate STEM programs and administrative costs. (Art. 2, Sec. 27)

Higher Education Advisory Council (HEAC) repealer. HEAC is repealed. (Art. 2, Sec. 30)

Title of OHE agency head, change to commissioner. Changes the title from Director to Commissioner. (Art. 2, Sec. 5 and 29)

MnSCU and U of MN employee contracts and fringe benefits. Prohibits MnSCU contracts with employees from including provisions for bonuses or other performance-based incentive payments. (Art. 2, Sec. 16)

Veterans and training courses. Specifies that in recognizing courses and awarding credits, consideration must be given to skills developed in military training. Directs MnSCU and the u of MN to adopt policies recognizing and applicant's veteran's status as a positive factor in determining whether to grant admission to a graduate program. (Art. 2, Sec. 21-23)

Hennepin County Medical Center. Changes fiscal agent from U to OHE and appropriates \$1.29 million for the biennium, the same amount HCMC received when the U was the fiscal agent.

Prosperity/DREAM Act - adopted language of SF 723 (Pappas). The effective date for MN resident tuition rates and state student aid eligibility is for terms starting on or after July 1, 2013.