

2017 Legislative Session Summary-May 2017

The 2017 legislative regular session adjourned midnight May 22, 2017, but due to unresolved budget bills the Governor called a special session which adjourned on May 27th. Governor Mark Dayton signed on May 30th, the Higher Education Omnibus Bill, SF943 Chapter 89, which Legislators passed with a very partisan vote during the regular session. The bill contains several new provisions and programs for the students and higher education institutions of Minnesota.

The bill appropriates \$3.8 billion general fund dollars to higher education for the 2018-2019 biennium. \$516.5 million is appropriated to the Office of Higher Education, \$1.45 billion is appropriated to Minnesota State, \$1.31 billion to the University of Minnesota, and \$2.7 million to the Mayo Clinic. Total new spending of \$210 million, only 66% of the Governor's proposed spending increase.

The Higher Education Omnibus bill includes the following:

Tuition Relief

- \$91 million to MN State's Campus Support (Governor' s request was \$125 million)
 - 2 Year State Colleges - 2017-2018 academic year tuition rates cannot increase by more than 1%. 2018-2019 academic year tuition rates are frozen
 - 4 Year State Universities - no language first year, freeze at new rate second year
 - Note loophole Minnesota State colleges and universities are permitted to increase differential tuition charges to cover costs of programs facing increases due to unforeseen and extraordinary circumstances in both FY2018 and FY2019.
- \$28 million to U of M Core Mission (Governor's request was \$68.2 million)
 - The bill requests a tuition freeze at the University of Minnesota over the biennium, but due to the university's constitutional autonomy, the state cannot require it to adhere to legislative requests.

Minnesota State

MN State has been appropriated \$106 million additional over the biennium

- Campus Support - \$91 million (Governor's request was \$125 million)
- ISRS Next Generation - \$8 million (Governor's request was \$25 million)
- Workforce Development Scholarships - \$1 million
- Supplemental aid to non-metro colleges - \$6 million
- **Carve Out:** HealthForce MN (through Winona State University) received \$100,000 in the first-year only to develop educational materials that increase awareness of career opportunities available in the field of senior care.

University of Minnesota

The UMN has been appropriated \$54.6 million additional over the biennium

- Core Mission - \$28 million (Governor's request was \$68.2 million)
- Minnesota Discovery, Research, and InnoVation Economy- \$8 million (at Governor's request)
- Health Training Restoration- \$14 million (at Governor's request)
- Natural Resources Research Institute- \$4 million (at Governor's request)
- Students w/ Intellectual & Dev. Disabilities Program- \$50,000
- Morris Campus Scholarship Assistance- \$1 million
- Bell Museum base adjustment- (-\$376,000)

Continued Special appropriations, as follows:

- **Agricultural and extension service** at \$42.9 million per year for a number of specified purposes described in the bill, with a required report to the legislature on the status and outcomes of research funded by this appropriation.
- **Health sciences** at \$9.2 million per year.
 - Of this appropriation, \$346,000 per year is to support up to 12 resident physicians at the St. Cloud Hospital family practice residency program. The remainder of the appropriation is for the rural physician associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.
- **Institute of Technology** at \$1.1 million per year for the Geological Survey and the talented youth mathematics program.
- **System Special at \$6.2 million per year for general research**, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.
 - Of this amount, \$1 million per year is for the Natural Resources Research Institute to invest in applied research for economic development.
- **University of Minnesota and Mayo Foundation Partnership** at approximately \$8 million per year.
 - Of this amount, \$7.5 million per year is for direct and indirect expenses associated with the collaborative research partnership between the University and the Mayo Foundation on biotechnology and medical genomics. \$500,000 per year is to award competitive grants to conduct research in to the prevention, treatment causes, and cures of Alzheimer's disease and other dementias.
- **The Academic Health Center** is estimated to receive funding of \$22.25 million each year from the dedication of a portion of cigarette taxes.

Office of Higher Education:

The Office has been appropriated an additional \$49.070 million over base.

Additional funding for existing programs at the Office includes:

- \$36.15 million for State Grant (Governor recommended \$62 million)
 - Reduces the Assigned Family Responsibility (AFR) by 10%
 - Sets Living and Miscellaneous Expense Allowance at 101% of Federal Poverty Level
- \$20,000 for Child Care Grants
- \$50,000 Summer Academic Enrichment Grants
- \$5M for Spinal Cord Injury and Traumatic Brain Injury Research
- \$750,000 Large Animal Veterinarian Loan Forgiveness Program
- \$1 million for Grants to Teacher Candidates (Formerly named the Student Teaching Grants)

The bill includes base funding, but no additional money for several programs administered through the Office, including:

OHE Administered Programs

- Statewide Longitudinal Education Data System
- Intervention for College Attendance Program
- Student Parent Information
- Safety Officer's Survivors
- Interstate Tuition Reciprocity
- Get Ready!

Existing Pass through Dollars

- Minnesota Education Equity Partnership
- MnLINK Gateway and Minitex
- Hennepin County Medical Center
- College Possible
- MHEC

OHE new responsibilities:

The Office has been tasked with new administrative responsibilities. Several new programs and appropriations with an additional legislatively mandated report.

- Campus Sexual Violence Prevention & Response Coordinator (Governor's recommendation)
 - Provides funding for create a position within OHE that will be a statewide resource providing professional development and guidance on best practices for postsecondary institutions on campus sexual violence prevention and response.
 - Appropriation: 300,000 (at Governors request)

- Statewide Attainment Initiatives: Emergency Postsecondary Grants (Governor's recommendation at \$250,000)
 - For OHE to establish a matching grant program to for institutions to provide emergency funding to students experiencing food and housing insecurities
 - Appropriation: \$350,000 (slightly over Governors request)
- Ag Educators Loan Forgiveness
 - To provide student loan relief to "qualified" agricultural education teachers
 - Appropriation: \$100,000 (in the base)
- Pilot and Aircraft Technician Student Loan Forgiveness
 - Appropriation: \$50,000 (In the base)
- Legal Education Debt Relief Grant Funding: LRAP
 - Pass-through to Loan Repayment Assistance Program of Minnesota
 - Appropriation: \$50,000
- Students w/ Intellectual & Developmental Disabilities Grants
 - Appropriation: \$400,000
- Minnesota Life College Grants
 - Pass-through for grants to Minnesota Life College (Program for individuals on the autism spectrum) for need-base scholarships and tuition reduction
 - Appropriation: \$2 million (in base)
- Developmental Education Reporting
 - OHE must report on our website summary data on students who graduated from a Minnesota high school and are attending a public postsecondary institution as it relates to placement in supplemental or developmental education and postsecondary attainment. The information must be aggregated by school district, high school and postsecondary institution

New Policy:

- **Mandatory Student Fees Referendum** at Minnesota State and University of Minnesota and University of MN. Requirement that any student fee increase of more than 2 percent must be put to a student vote. If the University of Minnesota raises fees by more than 2 percent without a student vote approval, its appropriation base would be punitively decreased by 1 percent over the next biennium.
- The **Office of Higher Educations Policy bill** which primarily contains modernizing and providing clarity to agencies Licensing and Registration statutes and includes:
 - *Sexual assault definition.* Updates the definition of sexual assault in the state's campus sexual assault law to reflect a change in federal law. The previous definition defined sexual assault as "forcible sex offenses." This term no longer

exists in federal law. The bill defines sexual assault as “rape, sex offenses-fondling, sex offenses-incest, or sex offenses-statutory rape.”

- *Institution eligibility requirements.* Amends the eligibility requirement for state financial aid programs. Removes eligibility for so-called “short programs” that are shorter than 300 hours and are not eligible for Pell Grants. Requires institutions to maintain adequate administrative and financial standards and compliance with state statutes, rules, and administrative policies related to financial aid programs.
- *Loan forgiveness.* Permits individuals participating in the Large Animal Veterinarian Loan Forgiveness Program to provide “a confirmation of practice” form to prove that they are fulfilling their service requirement for the program. Current law requires an affidavit.
- *Credit load.* Amends the MnSCU Occupational Scholarship Program credit load requirements. Stipulates that in order to qualify for a grant, by the end of the academic year—including the summer term—a grantee must have completed the lesser of 30 program credits or the number of credits the student’s program is scheduled for.
- **Developmental Education**
 - The Office of Higher Education must make available on their website data on students who graduated from a Minnesota high school and are attending a MN public post-secondary institution on the number of students placed in supplemental or developmental education; the number who complete within one academic year and a number of other data elements.
 - Minnesota State must create a plan to reform developmental education offerings aimed at reducing the number of students placed into developmental education.
- **Information to pregnant students and student parents.** Requires all public and regionally-accredited private colleges and universities and request that the University of MN provide to student parents and pregnant students a fact sheet including the student’s legal rights and a list of resources available to the student.
- **Child care grant program changes.** Makes two changes to the Child Care Grant Program’s parameters.
 - To be eligible for the program under current law, a resident student must not have earned a degree at the level of the student’s current course of study, and must have been enrolled full-time at that level for at most eight semesters or the equivalent. The bill increases the eight semester limit to ten semesters for both undergraduate and graduate students.
 - Under current law, the maximum grant is \$2,800. The bill increases this number to \$3,000. This has the effect of increasing the award amounts for all grant recipients, as well as slightly increasing the number of students who would potentially be eligible for a grant.
- **Teacher Candidate Grants.** Expands eligibility for grants to teachers in shortage areas to teacher candidates belonging to underrepresented racial or ethnic groups.
- **Regionally accredited institutions in Minnesota.** Exempts regionally accredited degree-granting postsecondary institutions certain from OHE requirements. The requirements relate to approval of majors, minors, concentrations, specializations, areas of emphasis, curriculum or courses, locations, and fees. Requires the covered

institution to notify the commissioner annually when they perform the actions covered by the exemption. Requires a regionally accredited degree-granting postsecondary institution to notify the commissioner within 60 days of closing.

- **Private institutions; adjudication of fraud or misrepresentation.** Current law prohibits OHE from providing registration, degree approval, or name approval to a private, degree-granting postsecondary institution if there is a criminal, civil, or administrative adjudication of fraud or misrepresentation against the school.
- **Membership.** Adds two members to the existing 12-member advisory council for the Spinal Cord and Traumatic Brain Injury Research Program. The two new members must be a veteran with a traumatic brain injury and a representative of Gillette Children's Specialty Healthcare. The new board positions are created by splitting two existing council positions into two parts.
- **Fetal tissue research.** Imposes requirements on the University for Research involving fetal tissue.
- **Legislative auditor review of fetal tissue research at the University of Minnesota.** Requests the Legislative Auditor to perform a comprehensive review of fetal tissue research activities at the University.
- **Contested Case Hearings.** Permits a school or OHE to appeal a decision regarding a complaint in a contested case hearing governed by Chapter 14. Permits OHE, if it is the substantially prevailing party, to recover costs, disbursement, and reasonable attorney fees.

Other Bills:

During the 2017 special session the legislature managed to pass the remaining budget bills. Among those bills passed are the E-12 education, Taxes, and the Capital Investment bill, also known as the bonding bill, which borrows money for road, bridge, infrastructure, and building projects.

Governor Mark Dayton signed many of the bills into law on May 30th, 2107, including higher education, education, the bonding bill, and a \$650 million tax bill.

Dayton also line-item vetoed funding for the Minnesota House and Senate, an attempt, he said, to bring leaders of the Republican-controlled Legislature back to the table to remove a handful of provisions in the tax bill and education and public safety budget bills that he does not want to become law.

There is \$120 million in the **bonding bill** (HF5, Ch. 8) for the University of Minnesota, including \$20.6 million for HEAPR \$28.3 million for Duluth - Chemical Sciences and Advanced Materials Science Building, \$4.4 million for Twin Cities - Plant Growth Research Facility, \$66 million for a health sciences education facility which was a priority for Governor Dayton last year after the collapse of the 2016 bonding bill and \$20.6 million for HEAPR.

The bill includes for Minnesota State \$25 million for HEAPR and funding for these projects:

- South Central College, North Mankato -STEM and Healthcare Renovation- \$9.6 million

- Minnesota State Community and Technical College, Fergus Falls - Center for Student Success- \$978,000
- Minnesota State Community and Technical College, Wadena - Library and Student Development Renovation - \$820,000
- Northland Community and Technical College, East Grand Forks - Laboratory Renovation- \$826,000
- Hibbing Community College - Campus Rightsizing- \$11.2 million
- Winona State University - Education Village Phase II- \$25.3 million
- St. Cloud State University - Student Health and Academic Renovation- \$18.6 million

The **Education (E12) bill** (HF2, Ch. 5) contains funding for the Office of Higher Education to issue a competitive grant to Alternative Teacher Prep Programs. Providing onetime funding available in fiscal year 2018 of \$750,000. The bill appropriates an additional onetime appropriation of \$500,000 to the Teacher Shortage Loan Forgiveness program managed by the Office of Higher Education. The bill also modifies the definition of shortage are to include economic development regions where there is a shortage of teachers who reflect the racial or ethnic diversity of students in the region. This change is effective August 1, 2017.

The **Tax bill** (HF1, Ch. 1) includes a student loan payment credit, a credit for attaining Master's degree in teacher's licensure field, and a credit for contributing to a 529 college savings plan. This bill also includes the repeal of the Greater Minnesota Internship Tax Credit program.

The **State Government bill** (SF1, Ch. 4), significantly changes the MN GI Bill benefit for students in postsecondary programs. The bill eliminates the \$1,000 per term maximum for full-time attendance at a participating campus but maintains the \$3,000 annual maximum.