

**Subject** Higher Education: Governor's Supplemental Budget and Policy Bill

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## Overview

This is the governor's budget and policy bill for the 2022 session. Article 1 contains appropriation items and article 2 contains policy changes related to financial aid programs.

## Article 1: Appropriations

This article includes new and amended appropriations in fiscal year 2023 for the Office of Higher Education (OHE), the Minnesota State Colleges and Universities system (MnState), and the University of Minnesota.

### Section Description – Article 1: Appropriations

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**1 Higher education appropriations.**

Specifies that appropriations contained in the act are for fiscal years 2022 (FY22 or the first year of the biennium) and 2023 (FY23 or the second year of the biennium). Appropriations are from the general fund unless stated otherwise.

**2 Office of Higher Education.**

**Subd. 1. Total appropriation.** Appropriates a total of \$16.925 million to OHE from the general fund as described below.

**Subd. 2. Student-Parent Support Initiative.** Appropriates \$6.925 million to the new Student-Parent Support Initiative created in article 2, section 3, of the bill. Specifies a base for FY24 and FY25.

**Subd. 3. College application fee waiver grant.** Appropriates \$10 million for waiving application fees at Minnesota's public, Tribal, and private nonprofit postsecondary institutions. This is a onetime appropriation available until June 30, 2024.

**Section Description – Article 1: Appropriations**

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**3 State colleges and universities.**

**Subd. 1. Total appropriation.** Appropriates a total of \$39 million to MnState from the general fund as described below.

**Subd. 2. Operations and maintenance.** The \$39 million is for MnState’s general operations and maintenance. The rider paragraphs below discusses how a specified amount must be spent.

- a) \$15 million is for: student access and affordability; student mental health support; addressing workforce gaps; and a student basic needs resources hub.
- b) Specifies that \$39 million is added to MnState’s operations and maintenance base for FY24 and later.

**4 University of Minnesota.**

**Subd. 1. Total appropriation.** Appropriates a total of \$43 million to the university from the general fund as described below.

**Subd. 2. Operations and maintenance.** The \$43 million is for the university’s general operations and maintenance. The rider paragraphs below discusses how a specified amount must be spent.

- a) \$38 million is for student financial aid and for creating a new scholarship program for students at university campuses in greater Minnesota.
- b) \$5 million is for student support services and addressing equity gaps.
- c) Specifies that \$43 million is added to the university’s operations and maintenance base for FY24 and later.

**5 Total appropriation.**

Amends OHE’s FY23 total appropriation from the previous budget bill to reflect the \$24.8 million in increases made in sections 6 to 13 below.

**6 State grants.**

Increases the FY23 appropriation for this program by \$14.814 million. Changes to the program are contained in article 2, section 1. Specifies a base appropriation for FY24 and later.

**7 Tribal college grants.**

Increases the FY23 appropriation for this program by \$1.7 million. Changes to the program are contained in article 2, section 5. Allows OHE to use a portion of the

**Section Description – Article 1: Appropriations**

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- appropriation for administering the program. Specifies a base for FY24 and later to reflect the FY23 increase.
- 8     **Dual training competency grants.**  
Increases the FY23 appropriation for this program by \$2 million. Changes to the program are contained in article 2, section 6. Specifies an amount for transfer to the Department of Labor and Industry and specifies a base for FY24 and later to reflect the FY23 increase.
- 9     **Emergency assistance for postsecondary students.**  
Increases the FY23 appropriation for this program by \$731,000. Specifies a base for FY24 and later to reflect the FY23 increase.
- 10    **Grants to student teachers in shortage areas.**  
Increases the FY23 appropriation for this program by \$3 million. Specifies a base for FY24 and later to reflect the FY23 increase.
- 11    **Grants to underrepresented student teachers.**  
Increases the FY23 appropriation for this program by \$800,000. Specifies a base for FY24 and later to reflect the FY23 increase.
- 12    **Teacher shortage loan repayment.**  
Increases the FY23 appropriation for this program by \$700,000. Changes to the program are contained in article 2, section 4. Specifies a base for FY24 and later to reflect the FY23 increase.
- 13    **Fostering independence higher education grants.**  
Increases the FY23 appropriation for this program by \$1.055 million. Changes to the program are contained in article 2, section 2. Specifies a base for FY24 and later. Allows OHE to use a portion of the appropriation for administering the program.

## **Article 2: Financial Aid**

This article includes changes to various state financial aid programs.

## Summary

### Section Description – Article 2: Financial Aid

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**1 State grant program: awards.**

Increases the cap on state grant awards, allowing students who have not already earned a baccalaureate degree to be eligible until they have received a state grant for a total of ten semesters.

**2 Fostering independence higher education grants: foster grant amount; payment; opt-out.**

Eliminates the Education and Training Voucher (ETV) Program from the formula for calculating a grant award amount. ETV is an existing program awarding grants of up to \$5,000 per year for students who are or have been in foster care.

**3 Student-parent support initiative.**

Creates a new grant program to assist students who are parents or expectant parents.

**Subd. 1. Grants.** Specifies what kinds of institutions and organizations may be eligible for grants and what the grants may be used for. Allows postsecondary institutions to act as fiscal agents for the grants in partnership with other kinds of organizations.

**Subd. 2. Application process.** Requires OHE to develop an application process. Instructs OHE to prioritize broad geographic distribution of program funds.

**Subd. 3. Health-related supports.** Requires OHE to partner with the Department of Health to provide technical support and assistance on health or medical issues.

**Subd. 4. Report and evaluation.** Requires a biennial report to the legislature on the program.

**4 Teacher shortage loan repayment program: amount of loan repayment.**

Increases the maximum amount of loan repayment awarded from \$1,000 to \$2,000 per year.

**5 Tribal college supplemental grant assistance.**

Currently, this program provides financial assistance to Tribally controlled colleges to support the education of “nonbeneficiary students,” i.e. Minnesota residents enrolled at the Tribal colleges who are *not* members of a federally recognized Indian Tribe. This section expands the state program to provide financial assistance for both nonbeneficiary students and “beneficiary students.” It also increases the amount of

**Section Description – Article 2: Financial Aid**

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assistance from \$5,300 per full-time equivalent student to an amount equal to the highest tuition and fees charged at a public two-year institution (\$6,287 in FY22).

**6 Dual training competency grants.**

Adds transportation and child care to the list of occupations eligible for dual training competency grants.



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