

Subject Governor's Higher Education Budget

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Overview

This is the governor's higher education budget bill, introduced in February. The bill has two articles. The first article contains appropriations for the coming biennium, fiscal years 2022 and 2023. The second article contains higher education policy provisions.

Article 1: Appropriations

This article appropriates funds to the Minnesota Office of Higher Education (OHE), the Minnesota State Colleges and Universities system (MnState), the University of the Minnesota system, and the Mayo Clinic.

Section Description – Article 1: Appropriations

1 Higher education appropriations.

Specifies that appropriations contained in the bill 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 Minnesota Office of Higher Education.

Subd. 1. Total appropriation. Appropriates \$287.9 million in FY22 and \$287.1 million in FY23 from the general fund to OHE, as described below.

Subd. 2. State grants. Appropriates \$210.5 million per year—with transfer authority between years if needed—for the state grant program under Minnesota Statutes, section 136A.121.

Subd. 3. Child care grants. Appropriates base-level funding of \$6.7 million per year for child care grants under Minnesota Statutes, section 136A.125.

Subd. 4. State work-study. Appropriates base-level funding of \$14.5 million per year for work-study grants under Minnesota Statutes, section 136A.233.

Section Description – Article 1: Appropriations

Subd. 5. Interstate tuition reciprocity. Appropriates \$8.5 million per year—with transfer authority between years if needed— to pay obligations arising from tuition reciprocity agreements under Minnesota Statutes, section 136A.08. This is \$5 million below base for the biennium.

Subd. 6. Safety officer’s survivor grants. Appropriates base-level funding of \$100,000 per year—with transfer authority between years if needed—to provide postsecondary education benefits to eligible dependent children and spouses of public safety officers killed in the line of duty pursuant to Minnesota Statutes, section 299A.45.

Subd. 7. American Indian scholarships. Appropriates base-level funding of \$3.5 million per year for the American Indian scholarship program under Minnesota Statutes, section 136A.126. Rider language for this appropriation requires that at least one person with demonstrated competence in American Indian culture and who lives in or near Bemidji be employed to assist students with the American Indian scholarship and other financial aid programs at Bemidji State University.

Subd. 8. Tribal college grants. Appropriates base-level funding of \$150,000 per year for tribal college supplemental grant assistance under Minnesota Statutes, section 136A.1796. These grants support enrollment at tribal colleges of students who are not members of a federally-recognized tribe. Existing federal grant funding is not available for educational costs associated with enrollment of these students.

Subd. 9. Intervention for college attendance program (ICAP) grants. Appropriates \$1.5 million per year for ICAP grants under Minnesota Statutes, section 136A.861. This is \$1.4 million above base for the biennium.

Subd. 10. Student-parent information. Appropriates base-level funding of \$122,000 per year to provide information on planning for postsecondary education to students and parents under Minnesota Statutes, section 136A.87.

Subd. 11. Get Ready! Appropriates base-level funding of \$180,000 per year to OHE’s Get Ready initiative, a college and career readiness program.

Subd. 12. Minnesota Education Equity Partnership. Appropriates base-level funding of \$45,000 per year for a pass-through grant to the Minnesota Education Equity Partnership, a nonprofit organization focused on education equity for student of color and American Indian students.

Subd. 13. Midwest Higher Education Compact. Appropriates base-level funding of \$115,000 per year to pay member-state fees for the Midwest Higher Education

Section Description – Article 1: Appropriations

Compact, an interstate compact established in Minnesota under Minnesota Statutes, section 135A.20.

Subd. 14. United Family Medicine residency program. Appropriates base-level funding of \$501,000 per year for a pass-through grant to the United Family Medicine residency program to support up to 21 resident physicians in family practice. The program is intended to train doctors to practice family medicine in underserved urban and rural areas of the state.

Subd. 15. MnLINK gateway and Minitex. Appropriates base-level funding of \$5.9 million per year for a pass-through grant for Minitex and MnLINK, a library network that facilitates resource sharing.

Subd. 16. Statewide Longitudinal Education Data System (SLEDS). Appropriates base-level funding of \$1.78 million per year for SLEDS, an interagency database project that matches student data from pre-kindergarten through completion of postsecondary education and into the workforce.

Subd. 17. Hennepin Healthcare. Appropriates base-level funding of \$645,000 per year for a pass-through grant to Hennepin Healthcare for graduate family medical education programs.

Subd. 18. College Possible. Appropriates base-level funding of \$500,000 per year for a pass-through grant to College Possible. College Possible is a nonprofit organization that supports programs encouraging low-income students to attend and graduate from college. The appropriation must be allocated proportionally to students from greater Minnesota and the seven-county metropolitan area, and must only be used for supporting students who plan to attend colleges and universities in Minnesota. A report is required.

Subd. 19. Summer academic enrichment program. Appropriates \$750,000 per year for summer academic enrichment grants under Minnesota Statutes, section 136A.091. This is \$1 million above base for the biennium.

Subd. 20. Dual training competency grants; OHE. Appropriates base-level funding of \$2 million per year for dual training grants under Minnesota Statutes, section 136A.246.

Subd. 21. Campus sexual assault reporting. Appropriates base-level funding of \$25,000 per year to support data collection and reporting on sexual assault under Minnesota Statutes, section 135A.15, subdivision 6.

Subd. 22. Campus sexual violence prevention and response coordinator. Appropriates base-level funding of \$150,000 per year to fund a staff position, trainings, and instructional materials. These resources are intended to provide

Section Description – Article 1: Appropriations

guidance to postsecondary institutions on the best practices for preventing and responding to campus sexual assault.

Subd. 23. Emergency assistance for postsecondary students. Appropriates \$825,000 per year for grants to Minnesota postsecondary institutions with a demonstrable homeless student population. This is \$1.3 million above base for the biennium. The grants must be used to provide assistance to students facing an emergency that would prevent them from completing their term or program. Assistance may include emergency housing, food, and transportation.

Subd. 24. Grants to teacher candidates. Appropriates \$1.25 million per year for grants to teacher candidates under Minnesota Statutes, section 136A.1275. This is \$5.4 million above base for the biennium.

Subd. 25. Teacher shortage loan forgiveness. Appropriates base-level funding of \$200,000 per year for teacher shortage loan forgiveness under Minnesota Statutes, section 136A.1791.

Subd. 26. Agricultural educators loan forgiveness program. Appropriates base-level funding of \$50,000 per year for loan forgiveness for agricultural education teachers under Minnesota Statutes, section 136A.1794.

Subd. 27. Aviation degree loan forgiveness program. Appropriates base-level funding of \$25,000 per year for loan forgiveness for eligible pilots and aircraft technicians under Minnesota Statutes, section 136A.1789.

Subd. 28. Grants for students with intellectual and developmental disabilities. Appropriates base-level funding of \$200,000 per year for grants under Minnesota Statutes, section 136A.1215 to students with intellectual disabilities who are enrolled in a comprehensive transition and postsecondary program as defined in Code of Federal Regulations, title 34, section 668.231.

Subd. 29. Loan repayment assistance program. Appropriates base-level funding of \$25,000 per year for grant to the Loan Repayment Assistance Program of Minnesota. The Loan Repayment Assistance Program of Minnesota is a nonprofit organization that works to reduce the education debt burden of public interest lawyers who represent low-income clients. The grant must be used to provide education debt relief to attorneys with full-time employment providing legal advice or representation to low-income clients or support services for similar work.

Subd. 30. Student loan debt counseling. Appropriates base-level funding of \$200,000 per year for the student loan debt counseling under Minnesota Statutes, section 136A.123.

Section Description – Article 1: Appropriations

Subd. 31. Concurrent enrollment grants. Appropriates \$340,000 per year in new funding for grants to expand concurrent enrollment opportunities. This occurs under the new statutory program created at article 2, section 1 of the bill, which would be codified at Minnesota Statutes, section 135A.102. Note, however, that this takes the place of a similar \$340,000 per year base appropriation to expand concurrent enrollment, which has previously existed within the appropriation rider language.

Subd. 32. Grants to support individuals with autism spectrum disorder. Appropriates \$1 million per year in new funding for grants to institutions and organizations that prepare students with autism for life after high school. This occurs under the new statutory program created at article 2, section 2 of the bill, which would be codified at Minnesota Statutes, section 135A. 105.

Subd. 33. Workforce stabilization grants. Appropriates \$17.5 million per year in new funding for workforce stabilization grants in response to the economic disruption caused by COVID-19. This occurs under the new statutory program created at article 2, section 5 of the bill, which would be codified at Minnesota Statutes, section 136A.1231.

Subd. 34. Direct admissions. Appropriates \$925,000 in FY22 and \$75,000 in FY23 in new funding for a direct admissions pilot program. This program is addressed in article 2, section 13 of the bill.

Subd. 35. Agency administration. Appropriates \$4.4 million in FY22 and \$4.5 million in FY23 for OHE agency administration.

Subd. 36. Balances forward. For all appropriations in this section, allows any positive balance in the first year to carry forward to the second year.

Subd. 37. Transfers. Permits transfer of funds between certain programs, with prior notice to the legislature.

3 Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 1. Total appropriation. Specifies the total appropriation for the MnState system: \$784.1 million in FY22, and \$804.4 million in FY23.

Subd. 2. Central office and shared services unit. Appropriates base-level funding of \$33 million per year for the system's central office.

Subd. 3. Operations and maintenance. Appropriates \$746.9 million in FY22 and \$767.2 million in FY23 for general operations and maintenance. This is \$75 million above base for the biennium. The rider paragraphs below attach various

Section Description – Article 1: Appropriations

restrictions and requirements on these funds, and specify how certain amounts must be spent.

- a) Dedicates a base-level amount of \$3 million per year to provide supplemental aid to state colleges with campuses outside of a metropolitan county. Imposes a cap of \$300,000 in supplemental aid per institution
- b) Requests MnState to help improve retention and completion for students of color.
- c) Dedicates a base-level amount of \$4 million per year to workforce development scholarships under Minnesota Statutes, section 136F.38.
- d) Dedicates a base-level amount of \$300,000 per year for transfer to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support to remote regions in northeast Minnesota.
- e) Dedicates a base-level amount of \$40,000 per year for implementing the sexual assault policies required under Minnesota Statutes, section 135A.15.
- f) Dedicates a base-level amount of \$8 million per year for upgrading the Integrated Statewide Record System.
- g) Dedicates \$1.25 million per year in new funding to support students' critical needs, including mental health, housing, and food.

Subd. 4. Learning network of Minnesota. Appropriates base-level funding of \$4.1 million per year for the Learning Network of Minnesota, a statewide telecommunications and technology network.

4 Board of Regents of the University of Minnesota.

Subd. 1. Total appropriation. Specifies the total appropriation for the university system: \$689 million in FY22, and \$704.5 million in FY23. This subdivision also breaks down the amounts appropriated from the general fund and the health care access fund.

Subd. 2. Operations and maintenance. Appropriates \$618.4 million in FY22 and \$633.9 million in FY23 for operations and maintenance. This is \$46.5 million above base for the biennium. The rider paragraphs below attach various

Section Description – Article 1: Appropriations

restrictions and requirements on these funds, and specify how certain amounts must be spent.

- a) Dedicates a base-level amount of \$15 million per year to the medical school to increase research, improve the school’s ranking, attract and retain staff and students, invest in physician training programs in rural and underserved areas, and to translate research discoveries into treatments and cures.
- b) Dedicates a base-level amount of \$7.8 million per year to health training restoration to support faculty physicians, the mobile dental clinic, and expansion of geriatric and family programs.
- c) Dedicates a base-level amount of \$4 million per year for MnDrive to advance research for cancer care research.
- d) Dedicates a base-level amount of \$500,000 per year to the Morris branch to cover the costs of tuition waivers for Native American students under Minnesota Statutes, section 137.16.
- e) Dedicates a base-level amount of \$150,000 per year to the rare disease advisory council under Minnesota Statutes, section 137.68. The base for FY24 and later is \$0. This is in keeping with the appropriation language in the council’s enacting legislation, Laws 2019, chapter 65.

Subd. 3. Primary care education initiatives. Appropriates base-level funding of \$2.1 million from the health care access fund for training primary care physicians.

Subd. 4. Special appropriations. This subdivision includes various “special appropriations” dedicated to specific purposes.

- a) **Agricultural and extension service:** Appropriates base-level funding of \$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.
- b) **Health sciences:** Appropriates base-level funding of \$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.

Section Description – Article 1: Appropriations

- c) **College of Science and Engineering:** Appropriates base-level funding of \$1.1 million per year for the geological survey and the talented youth mathematics program.
- d) **System special:** Appropriates base-level funding of \$7.1 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, \$2 million per year is for the Natural Resources Research Institute to invest in applied research for economic development.
- e) **University of Minnesota and Mayo Foundation Partnership:** Appropriates base-level funding of \$7.9 million per year. Of this amount, \$7.4 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 the prevention, treatment, causes, and cures of Alzheimer’s disease and other dementias.

Subd. 5. Academic Health Center. The Academic Health Center is estimated to receive funding of \$22.25 million each year from the dedication of a portion of cigarette taxes under Minnesota Statutes, section 297F.10.

5 Mayo Clinic.

Subd. 1. Total appropriation. Specifies the total appropriation for the Mayo Clinic: \$1.35 million in FY22, and \$1.35 million in FY23.

Subd. 2. Medical school. Appropriates base-level funding of \$665,000 per year, to pay a capitation each year for students who are residents of Minnesota. The appropriation is intended to increase the number of doctors practicing in rural areas.

Subd. 3. Family practice and graduate residency program. Appropriates base-level funding of \$686,000 per year to pay stipend support for up to 27 residents each year.

6 Cancellations.

This section cancels the specified preexisting appropriations for the current 2021 fiscal year (FY21), causing the funds to revert to the general fund.

- \$340,000 total from the following three OHE-administered programs:

Section Description – Article 1: Appropriations

- Get Ready! a college and career readiness program (\$180,000 FY21 appropriation);
 - campus sexual assault reporting required under Minnesota Statutes, section 135A.15 (\$25,000 FY21 appropriation); and
 - campus sexual violence prevention and response coordinator (\$150,000 FY21 appropriation).
- \$5 million from the FY21 appropriation to the state grant program (\$207.4 million FY21 appropriation).

Article 2: Higher Education Provisions

This article contains higher education policy provisions, including new programs and changes to existing programs.

Section Description – Article 2: Higher Education Provisions

1 Concurrent enrollment grants.

Establishes a new statutory program administered by OHE that would award matching grants to postsecondary institutions on a competitive basis in order to expand concurrent enrollment offerings.

Subd. 1. Grants. Establishes an OHE-administered competitive grant program for postsecondary institutions to expand concurrent enrollment offerings. Lists the activities eligible for grant funding.

Subd. 2. Application. Sets minimum requirements for grant applications. Requires 50 percent match from the grant recipient.

Subd. 3. Report. Requires an annual legislative report on the program.

2 Support for individuals with autism spectrum disorder.

Establishes a new statutory program administered by OHE that would award grants to institutions and organizations that prepare students with autism for life after high school.

Subd. 1. Grants. Establishes an OHE-administered competitive grant program for organizations and institutions that assist students who are on the autism spectrum achieve a college credential or train to enter the workforce. Requires grant recipients to offer certain services and develop a plan for outreach to diverse communities. Provides that grants are awarded on a one-year basis and may be renewed for a second year based on documented success.

Section Description – Article 2: Higher Education Provisions

Subd. 2. Eligible students. A program may be eligible for a grant under subdivision 1 if it provides services to “eligible students.” This subdivision sets out the criteria for eligible students, which includes Minnesota residency.

Subd. 3. Application process. Requires OHE to develop an application process.

Subd. 4. Review committee. Requires OHE to create a committee to review applications and award grants. Requires the committee to include representatives of the autism spectrum community, which may include family members of those with autism.

3 State grant program: cost of attendance.

Increases the default amount of the living and miscellaneous expense (LME) allowance from 106 percent to 110 percent of the federal poverty guidelines for a one person household in Minnesota for nine months. This is the default amount if a specific LME allowance is not provided in law.

4 State grant program: awards.

A student is not eligible to receive a state grant award if the student has already obtained a baccalaureate degree or has been enrolled as an undergraduate full-time for eight semesters or the equivalent. This section provides that noncredit developmental education courses do not count towards that eight semester limit.

5 Workforce stabilization grant.

Establishes a new statutory grant program administered by OHE that would provide financial support to students adversely impacted by economic disruptions caused by COVID-19.

Subd. 1. Administration. Requires OHE to administer the program.

Subd. 2. Definitions. Defines key terms for this section.

Subd. 3. Eligible students. Sets forth criteria for students to be eligible for a grant. Students must be undergraduates, be Minnesota residents, be enrolled in an eligible program, must meet the specified income thresholds, and/or have been economically impacted due to the COVID-19 pandemic.

Subd. 4. Eligible programs. Requires OHE, in coordination with postsecondary institutions, the Department of Labor and Industry, and the Department of Employment and Economic Development to identify “high need” programs. Provides guidance on what may constitute a high need program.

Section Description – Article 2: Higher Education Provisions

Subd. 5. Student application. Requires students to apply for a grant in the manner specified by OHE.

Subd. 6. Student grants. Specifies parameters for grant award amounts. Sets a maximum award of \$14,000 for four-year programs, and \$7,500 for less-than-four-year programs.

6 Child care grants: eligible students.

Removes the eligibility caps regarding enrollment, and instead caps eligibility for those who have received grant funds over ten semesters. Also reduces the minimum enrollment requirement for undergraduate from six credits to one credit.

7 Child care grants: amount and length of grants.

Changes the maximum annual grant award for each eligible child to equal the applicant's maximum federal Pell Grant award. Ties grant award amounts to the applicant's expected family contribution under the federal needs analysis. Provides greater detail on calculating grant award amounts based on the number of undergraduate credits in which a recipient has enrolled.

8 Indian scholarships: student eligibility.

Expands eligibility to students who are enrolled in or citizens of a federally recognized or Canadian recognized tribe, regardless of ancestry or "blood quantum."

9 Indian scholarships: award amount.

Clarifies that specified award maximums are per academic year, and awards may be given for four quarters, three semesters, or the equivalent during the course of a single fiscal year.

10 Student teacher candidate grants.

Changes an eligibility criteria for the program to student teachers who are enrolled in a teacher preparation program in greater Minnesota and student teach in a shortage area. Removes statutory requirement reserving a percentage of awards for those qualifying due to race/ethnicity.

11 Dual training competency grants: application.

Removes a requirement that employer applicants state the number of trainees who are recent high school graduates. This change is related to the change in section 12.

Section Description – Article 2: Higher Education Provisions

12 Dual training competency grants: grant criteria.

Eliminates the prioritization of employers training recent high school graduates, and makes this one in a list of factors OHE may consider in awarding grants. Also includes the employer’s commitment to diverse employees as a factor.

13 Direct admissions pilot program.

Creates a new, non-statutory pilot program to automatically offer conditional state college or university admittance to eligible graduating high school seniors.

Subd. 1. Authorization. Authorizes the pilot program within OHE, which would consult with MnState, the Department of Education, and other stakeholder organizations.

Subd. 2. Pilot design and goals. States the general aim of the program. Requires the initial program to include high schools with a significant number of students of color and/or low-income students.

Subd. 3. Evaluation and report. Requires a legislative report on the program by February 1, 2022. The report must include information about scaling-up the program to all public high schools in the state.



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