

Chapter 41

2023 Regular Session

Subject Higher Education: Finance and Policy

Bill H.F. 2073

Analyst Nathan Hopkins

Date May 18, 2023

Overview

This is the higher education policy and finance act. The bill has two articles. The first article contains appropriations for the coming biennium, fiscal years 2024 and 2025. 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 (UMN), and the Mayo Clinic.

Section	Description – Article 1: Appropriations
1	<p>Higher education appropriations.</p> <p>Specifies that appropriations contained in the bill are for fiscal years 2024 (FY24 or the first year of the biennium) and 2025 (FY25 or the second year of the biennium). Appropriations are from the general fund unless stated otherwise.</p>
2	<p>Minnesota Office of Higher Education.</p> <p>Subd. 1. Total appropriation. Appropriates \$340.411M in FY24 and \$435.963M in FY25 to OHE, as described below. <u>This is an increase of \$230.982M as compared to the previous biennium.</u></p> <p>Subd. 2. State grants. Appropriates \$234.744M in FY24 and \$224.167M in FY25 per year—with transfer authority between years if needed—for the state grant program under Minn. Stat. § 136A.121. <u>This is \$38.837M above base for the biennium.</u> Also specifies a base of \$225.066M for FY26 and later.</p> <p>Subd. 3. Child care grants. Appropriates base-level funding of \$6.694M per year for child care grants under Minn. Stat. § 136A.125.</p> <p>Subd. 4. State work-study. Appropriates base-level funding of \$14.502M per year for work-study grants under Minn. Stat. § 136A.233.</p>

Section Description – Article 1: Appropriations

Subd. 5. Interstate tuition reciprocity. Appropriates base-level funding of \$8.5M per year—with transfer authority between years if needed—to pay obligations arising from tuition reciprocity agreements under Minn. Stat. § 136A.08.

Subd. 6. Safety officer’s survivor grants. Appropriates base-level funding of \$100K 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 Minn. Stat. § 299A.45.

Subd. 7. American Indian scholarships. Appropriates base-level funding of \$3.5M per year for the American Indian scholarship program under Minn. Stat. § 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 \$3.15M per year for Tribal college supplemental grant assistance under Minn. Stat. § 136A.1796. This is \$6M above base for the biennium. The increase in funding pays for a grant of \$3M to each Tribal college to support general operations and maintenance. Reports are also required on those grant funds.

Subd. 9. Intervention for college attendance program (ICAP) grants. Appropriates \$1.942M in FY24 and \$1.142M in FY25 for ICAP grants under Minn. Stat. § 136A.861. This is \$800K above base for the biennium. The above-base funding is isolated to FY24 and therefore does not create a new base for this item. The FY24 funding includes \$300K for competitive funding to postsecondary institutions to support students who were formerly incarcerated.

Subd. 10. Student-parent information. Appropriates base-level funding of \$122K per year to provide information on planning for postsecondary education to students and parents under Minn. Stat. § 136A.87.

Subd. 11. Get Ready! Appropriates base-level funding of \$180K 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 \$45K 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 \$115K 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 Minn. Stat. §135A.20.

Subd. 14. United Family Medicine residency program. Appropriates base-level funding of \$501K 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 \$6.555M in FY24 and \$6.605M in FY25 for a pass-through grant for Minitex and MnLINK, a library network that facilitates resource sharing. This is \$1.35M above base for the biennium. This increased funding is for expanding access to databases that support nursing programs. Specifies a base of \$6.655M in FY26 and \$6.708M in FY27.

Subd. 16. Statewide Longitudinal Education Data System (SLEDs). Appropriates \$2.55M per year for SLEDs, an interagency database project that matches student data from pre-kindergarten through completion of postsecondary education and into the workforce. This is \$1.536M above base for the biennium. The increased funding will be used to maintain and improve the system.

Subd. 17. Hennepin Healthcare. Appropriates base-level funding of \$645K 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 \$550K per year for a pass-through grant to College Possible. Eliminates the base for FY26 and later. College Possible is a nonprofit organization that supports programs encouraging low-income students to attend and graduate from college. The appropriation must only be used for supporting students who plan to attend colleges and universities in Minnesota. A report is required.

Subd. 19. Spinal cord injury and traumatic brain injury research grant program. Appropriates base-level funding of \$3 million per year for grants to support research on spinal cord and traumatic brain injuries under Minn. Stat. § 136A.901.

Subd. 20. Summer academic enrichment program. Appropriates base-level funding of \$250K per year for summer academic enrichment grants under Minn. Stat. § 136A.091.

Subd. 21. Dual training competency grants; OHE. Appropriates \$8.02M in FY24 and \$4.632M in FY25 for dual training grants under Minn. Stat. § 136A.246. This

Section Description – Article 1: Appropriations

is \$8.652M above base for the biennium. The increase in funding will support the expanded occupation fields for the program under article 2, section 28, of the bill. Specifies a base of \$3.132M in FY26 and later. Of the amount appropriated, \$132K per year is for transfer to the Department of Labor and Industry to support its role in program administration.

Subd. 22. Campus sexual assault reporting. Appropriates base-level funding of \$25K per year to support data collection and reporting on sexual assault under Minn. Stat. § 135A.15, subdivision 6.

Subd. 23. Campus sexual violence prevention and response coordinator. Appropriates base-level funding of \$150K per year to fund a staff position, trainings, and instructional materials. These resources are intended to provide guidance to postsecondary institutions on the best practices for preventing and responding to campus sexual assault.

Subd. 24. Emergency assistance for postsecondary students. Appropriates \$3.579M per year for emergency assistance grants to students. This is \$6.520M above base for the biennium. This increase will expand the program and compensate for the loss of federal COVID-19 pandemic funding that was used for this purpose. The funds are divided into three categories: one for MnState, one for UMN, and one for grants to Tribal colleges and nonprofit institutions. There is also an allocation to OHE for administrative expenses. Assistance may include emergency housing, food, and transportation. Unused funds must be returned to OHE at the end of the biennium.

Subd. 25. Grants to student teachers in shortage areas. Appropriates \$1.3M per year for grants to low-income teacher candidates who intend to teach in a license shortage area or rural school district after graduation under Minn. Stat. § 136A.1275. This is \$1.6M above base for the biennium. This increase will allow the program to provide grants to more eligible students. Specifies a base of \$500K in FY26 and later.

Subd. 26. Grants to underrepresented student teachers. Appropriates \$1.925M per year for grants to student teachers from underrepresented racial or ethnic groups under Minn. Stat. § 136A.1274. This is \$1.6M above base for the biennium. This increase will allow the program to provide grants to more eligible students. Specifies a base of \$1.125M in FY26 and later.

Subd. 27. Teacher shortage loan repayment. Appropriates \$1M per year for teacher shortage loan repayment program under Minn. Stat. § 136A.1791. This is \$1.6M above base for the biennium. This increase will allow the program to

Section Description – Article 1: Appropriations

provide grants to more eligible students. Specifies a base of \$200K in FY26 and later.

Subd. 28. Large animal veterinarian loan forgiveness program. Appropriates base-level funding of \$375K per year for loan forgiveness for large animal veterinarians in rural areas under Minn. Stat. § 136A.1795.

Subd. 29. Agricultural educators loan forgiveness program. Appropriates base-level funding of \$50K per year for loan forgiveness for agricultural education teachers under Minn. Stat. § 136A.1794.

Subd. 30. Aviation degree loan forgiveness program. Appropriates base-level funding of \$25K per year for loan forgiveness for eligible pilots and aircraft technicians under Minn. Stat. § 136A.1789.

Subd. 31. Grants for students with intellectual and developmental disabilities. Appropriates base-level funding of \$200K per year for grants under Minn. Stat. § 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. 32. Loan repayment assistance program. Appropriates \$55K per year for grant to the Loan Repayment Assistance Program (LRAP) of Minnesota. This is \$60K above base for the biennium. This increase will allow LRAP to cover additional needs of eligible attorneys with private educational loan debt, as opposed to just federal educational loan debt. The LRAP 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. 33. Minnesota Independence College and Community. Appropriates base-level funding of \$2M per year to provide a grant to Minnesota Independence College and Community (MICC) for need-based scholarships and tuition reduction for resident students. This is \$2M above base for the biennium. The base for FY26 and later, however, is eliminated. MICC offers programming for individuals with autism spectrum disorder and learning disabilities.

Subd. 34. Student loan debt counseling. Appropriates base-level funding of \$200K per year for the student loan debt counseling under Minn. Stat. § 136A.123.

Section Description – Article 1: Appropriations

Subd. 35. Hunger-free campus grants. Appropriates \$1.5M in FY24 and \$1M in FY25 for partial-matching grants to eligible postsecondary institutions to attain the hunger-free campus designation under Minn. Stat. § 135A.137. This is \$2.296M above base for the biennium. Also allocates up to \$50K in FY24 for grants specifically to purchase equipment necessary to operate an on-campus food pantry. The appropriation is available through FY26.

Subd. 36. Fostering independence higher education grants. Appropriates \$4.247M in FY24 and \$4.416M in FY25 for a last-dollar grant program for students who are currently or were formerly in foster care under Minn. Stat. § 136A.1241. This is \$1.141M above base for the biennium. This increase will allow the program to provide grants to more eligible students.

Subd. 37. Concurrent enrollment grants. Appropriates base-level funding of \$340K per year for competitive grants to postsecondary institutions to expand concurrent enrollment opportunities under Minn. Stat. § 136A.91.

Subd. 38. Student parent support initiative. Appropriates \$3M per year in new funding for grants to postsecondary institutions and partnering entities to assist students who are expectant parents and parents of young children. Provides that \$338K each year is for the program's administrative and promotional costs. The new student-parent support initiative program is established in article 2, section 16, of the bill.

Subd. 39. Director of Tribal relations, public engagement, and equal opportunity. Appropriates \$134K in FY24 and \$143K in FY25 in new funding for a director of Tribal relations position within OHE. This person will help fulfill OHE's obligations to consult with Tribal Nations. See Minn. Stat. §§ 10.65, subd. 3; 136A.032.

Subd. 40. Direct admissions program. Appropriates \$650K per year for a direct admissions program under Minn. Stat. § 136A.84. This is \$1.15M above base for the biennium. This increased funding is for establishing the previously funded direct admission pilot program as a permanent program under article 2, section 25 of the bill.

Subd. 41. American Indian scholars. Appropriates \$8.5M per year in new funding to provide full tuition and fee waivers for certain American Indian students at Minnesota public postsecondary institutions under Minn. Stat. § 135A.121. This new program is established under article 2, section 1, of the bill. The appropriated amounts are divided between the MnState and UMN systems.

Subd. 42. Next generation nursing initiative. Appropriates \$3M in FY24 in new onetime funding for transfer to MnState to administer the Next Generation

Section Description – Article 1: Appropriations

Nursing Assistant Training Program. This program was launched in December 2021 and was originally supported by federal COVID-19 pandemic relief funding. The appropriation is available until the end of FY25.

Subd. 43. Higher education public service feasibility study. Appropriates \$75K in FY24 in new onetime funding to conduct a feasibility study on a state service initiative. A report to the legislature is required.

Subd. 44. Inclusive higher education. Appropriates \$1M per year in new funding for the new inclusive higher education programming in article 2, sections 5 and 6, of the bill. Of the amount appropriated, \$250K per year is for the Technical Assistance Center, and \$750K per year is for transfer to a special revenue fund account for distribution as grants.

Subd. 45. Paramedic scholarship program. Appropriates \$3.2M in FY24 in new onetime funding for the paramedic scholarship program under article 2, section 31, of the bill. Specifies how the appropriated funds may be used. These funds are available until the end of FY26.

Subd. 46. Addiction medicine graduate medical fellowship. Appropriates \$270K per year, with transfer authority between years if necessary, for a grant to Hennepin County Medical Center to support up to six addiction medicine fellows.

Subd. 47. Unemployment insurance aid. Appropriates \$158K per year in new funding for unemployment insurance aid to Tribal colleges under Minn. Stat. § 268.193.

Subd. 48. Foster care grant. Appropriates \$500K each year in new onetime funding for a grant to the Foster Advocates nonprofit organization to provide education support services to students who were in foster care.

Subd. 49. North Star Promise. Appropriates \$117.226M in FY25 in new funding for the North Star Promise free college program under Minn. Stat. § 136A.1465. This program is established in article 2, section 19, of the bill. Specifies a base of \$49.5M in FY26 and later.

Subd. 50. North Star Promise; administrative costs. Appropriates \$496K in FY24 and \$202K in FY25 in new funding for administrative and promotional costs of the North Star Promise program.

Subd. 51. Postsecondary student basic needs working group. Appropriates \$44K in FY24 only in new onetime funding for the working group established under article 2, section 33, of the bill. These funds include stipends for working group members who are students.

Section Description – Article 1: Appropriations

Subd. 52. Report on MnState course placement practices. Appropriates \$250K in FY24 only in new onetime funding to complete the report required under article 2, section 34.

Subd. 53. Agency administration. Appropriates \$6.498M in FY24 and \$6.724M in FY25 for OHE agency administration. This is \$4.214M above base for the biennium. The increased funding will be used to pay for cost increases related to delivery of current services. Specifies a base of \$6.096M in FY26 and later.

Subd. 54. Balances forward. For all appropriations in this section, allows any positive balance in the first year to carry forward to the second year.

Subd. 55. 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: \$948.896M in FY24, and \$923.232M in FY25. This is an increase of \$331.351M as compared to the previous biennium.

Subd. 2. Central office and shared services unit. Appropriates \$35.401M in FY24 and \$36.401M in FY25 for the system's central office. This is \$3M above base for the biennium.

Subd. 3. Operations and maintenance. Appropriates \$909.380M in FY24 and \$882.716M in FY25 for general operations and maintenance. This is \$289.906M above base for the biennium. The rider paragraphs below attach various restrictions and requirements on these funds, and specify how certain amounts must be spent.

- a) Dedicates \$25M in FY24 and \$50M in FY25 of new funding to student tuition relief. Requires a tuition freeze for undergraduate degree-granting programs over the 23-24 and 24-25 academic years. Specifies a base of \$37.5M in FY26 and later which must go toward student tuition relief.
- b) Dedicates \$50M in FY24 of new funding to onetime campus support, which must be allocated to system campuses based on estimated tuition revenue loss due to enrollment declines. A minimum per institution allocation of \$300K is required.

Section Description – Article 1: Appropriations

- c) Dedicates a base-level amount of \$5.7M per year to provide supplemental aid to state colleges with campuses outside of a metropolitan county.
- d) Requests MnState to help improve retention and completion for students of color.
- e) Dedicates a base-level amount of \$4.5M per year to workforce development scholarships under Minn. Stat. § 136F.38.
- f) Dedicates a base-level amount of \$300K 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.
- g) Dedicates a base-level amount of \$40K per year for implementing the sexual assault policies required under Minn. Stat. § 135A.15.
- h) Dedicates \$9.5M per year for systemwide technology, including upgrading the Integrated Statewide Record System. This is \$3M above base for the biennium. The increased funding support expanded uses of funds under this rider.
- i) Dedicates \$1.05M per year for open educational resources, including under the Z-Degree textbook program under Minn. Stat. § 136F.305. This is \$2M above base for the biennium. Specifies a base of \$50K per year in FY6 and later.
- j) Dedicates \$3.158M per year in new funding for high-need student support services, including basic needs supports (e.g. food, housing) and mental health.
- k) Dedicates \$6.75M per year in new onetime funding for upgrades to equipment and learning environments. Requires the FY25 appropriation to be matched from nonstate sources. Allows 1.5 percent of the appropriation to be used for administration.
- l) Dedicates \$6.75M per year in new onetime funding for expansion of industry sector programming and work-based learning experiences. Requires the FY25 appropriation to be matched from nonstate sources. Allows 1.5 percent of the appropriation to be used for administration.
- m) Dedicates \$861K in FY24 and \$872K in FY25 in new funding to increased employer contribution rates for retirement accounts,

Section Description – Article 1: Appropriations

affected by article 2, section 30, of the bill. Specifies a base of \$883K in FY26 and \$894K in FY27.

- n) Dedicates \$482K in FY24 and \$282K in FY25 in new funding to fulfill the free menstrual product requirement under Minn. Stat. § 135A.1365, established in article 2, section 2, of the bill.
- o) Dedicates \$809K per year in new funding for unemployment insurance aid under Minn. Stat. § 268.193, established in article 2, section 29, of the bill.
- p) Dedicates \$475K in FY24 in new onetime funding to assist child development associate credential holders earn academic credit towards a related certificate, diploma, or degree.
- q) Specifies an operations and maintenance base of \$833.227M for FY26 and \$833.238M in FY27.

Subd. 4. Learning Network of Minnesota. Appropriates base-level funding of \$4.115M 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: \$759.153M in FY24 and \$748.889M in FY25. This is \$125.216M above base for the biennium. This subdivision also breaks down the amounts appropriated from the general fund and the health care access fund.

Subd. 2. Operations and maintenance. Appropriates \$686.558M in FY24 and \$676.294M in FY25 for operations and maintenance. This is \$121.216M above base for the biennium. The rider paragraphs below attach various restrictions and requirements on these funds, and specify how certain amounts must be spent.

- a) Dedicates a base-level amount of \$15M 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 \$7.8M per year to health training restoration to support faculty physicians, the mobile dental clinic, and expansion of geriatric and family programs.

Section Description – Article 1: Appropriations

- c) Dedicates a base-level amount of \$4M per year for MnDrive to advance research for cancer care research.
- d) Dedicates a base-level amount of \$500K per year to the Morris branch to cover the costs of tuition waivers for Native American students under Minn. Stat. § 137.16.
- e) Dedicates \$5M per year in new funding to systemwide safety and security. Specifies a base of \$1M in FY26 and later.
- f) Dedicates \$366K per year in new funding for unemployment insurance aid under Minn. Stat. § 268.193, established in article 2, section 29, of the bill.
- g) Dedicates \$10M in FY24 in new onetime funding for programs and scholarships at the UMN Medical School on the CentraCare Health System Campus in St. Cloud. This appropriation is available until the end of FY27.
- h) Dedicates \$374K in FY24 and \$110K in FY25 in new funding to fulfill the free menstrual product request under Minn. Stat. § 135A.1365, established in article 2, section 2, of the bill.
- i) Specifies an operations and maintenance base of \$672.294M for FY26 and later.

Subd. 3. Primary care education initiatives. Appropriates base-level funding of \$2.157M per year 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 \$42.922M 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 \$9.204M per year. Of this appropriation, \$346K 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

Section Description – Article 1: Appropriations

sciences research, dental care, and the Biomedical Engineering Center.

- c) **College of Science and Engineering:** Appropriates base-level funding of \$1.14M per year for the geological survey and the talented youth mathematics program.
- d) **System special:** Appropriates \$9.181M 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, \$4M per year is for the Natural Resources Research Institute to invest in applied research for economic development. This is \$4M above base for the biennium. The increase is onetime only, so a base of \$2M in FY26 and later is specified. The appropriation to NRRI is available until the end of FY27.
- e) **University of Minnesota and Mayo Foundation Partnership:** Appropriates base-level funding of \$7.991M per year. Of this amount, \$7.491M 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. \$500K 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 \$22.25M each year from the dedication of a portion of cigarette taxes under Minn. Stat. § 297F.10.

5 Mayo Clinic.

Subd. 1. Total appropriation. Specifies the total appropriation for the Mayo Clinic: \$1.799M per year. This is \$896K above base for the biennium.

Subd. 2. Medical school. Appropriates base-level funding of \$665K 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 \$1.134M per year to pay stipend support for up to 42 residents each year. This is \$896K above base for the biennium. The increase supports the Mankato

Section	Description – Article 1: Appropriations
----------------	--

residency program recently acquired from UMN and increases funding for the preexisting Rochester program.

6	Financial review of nonprofit grant recipients required.
----------	---

Requires any entity that awards a grant to a nonprofit organization pursuant to this bill to first assess the nonprofit's financial standing and management. Authorizes grantors with significant concerns to postpone or forgo the grant altogether or award the grant subject to additional technical assistance and requirements imposed by the grantor to protect the state's interests.

Specifies information that grantors must require each nonprofit applicant to provide, including the nonprofit's latest annual return filed with the Internal Revenue Service, where applicable, and evidence of registration and good standing with the Office of the Secretary of State and the Office of the Attorney General. Requires nonprofits with more than \$750K in annual revenue to submit audited financial statements. Requires grantors to document and retain specified information, including whether and how the applicant resolved the grantor's initial concerns regarding the nonprofit's financial standing and management.

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	American Indian scholars.
----------	----------------------------------

Establishes a new statutory program to provide tuition- and fee-free undergraduate education to American Indian students at public postsecondary institutions.

Subd. 1. Establishment. Establishes the program.

Subd. 2. Eligibility. Limits the program to undergraduate education (certificate, degree, or diploma programs) at public postsecondary institutions. Limits eligibility to students who have not already obtained a baccalaureate degree or taken more than 180 credits (twelve semesters of a 15-credit full time load). To qualify a student may either be a Minnesota resident of any federally recognized Tribe, or a resident of any state if a member of a Minnesota Tribal Nation.

Section Description – Article 2: Higher Education Provisions

Subd. 3. Administration. Requires MnState and requests UMN to offer the tuition waivers and use funds for the program to offset the costs. Also allows appropriated funds to be used for student supports and program administration.

Subd. 4. Reports. Requires MnState and UMN to report to OHE annually about the program, and requires OHE to post certain reported data for the public on its website.

2 Access to menstrual products.

Requires MnState and requests UMN to provide students access to free menstrual products.

3 Hunger-free campus designation: designation approval.

Makes OHE's student advisory council (SAC) responsible for the application and review process. *See also section 7.*

4 Hunger-free campus designation: competitive grant.

Expands the competitive grant program to nonprofit private postsecondary institutions, but provides that no more than 20 percent of grants may be awarded to those institutions. Also increases maximum grant award amounts.

5 Inclusive Higher Education Technical Assistance Center.

Subd. 1. Definitions. Defines terms for this section and for section 2 of the bill.

Subd. 2. Establishment. Requires OHE, in conjunction with the Institute on Community Integration at the University of Minnesota, to establish an Inclusive Higher Education Technical Assistance Center to increase higher education access for students with intellectual disabilities. Lays out requirements for the center.

Subd. 3. Director; advisory committee. Requires the naming of a director and the appointment of an advisory committee.

Subd. 4. Responsibilities. Sets forth the duties of the center, which include: (a) advising higher education institutions on various standards and requirements; (b) monitoring relevant changes in federal and state law; (c) providing technical assistance to higher education institutions; and (d) distributing information to students with intellectual disabilities and their parents.

6 Inclusive higher education grants.

Subd. 1. Establishment. Requires OHE, in collaboration with the center established in section 1, to create a competitive grant program for Minnesota

Section Description – Article 2: Higher Education Provisions

postsecondary institutions to create new or expand existing programs for students with intellectual disabilities.

Subd. 2. Eligible grantees. Allows public and private nonprofit institutions to receive grants under this section.

Subd. 3. Application. Provides that grant applicants must develop a written plan meeting the enumerated requirements.

Subd. 4. Grant account. Creates an account in the special revenue fund for depositing money appropriated for the grant program.

Subd. 5. Grant awards. Sets maximum grant awards amounts, puts additional requirements on grant recipients, and requires a 25 percent match of the grant funds.

Subd. 6. Grantee reporting. Requires grant recipients to report to the center on the funded initiatives.

Subd. 7. Reporting. Requires the center to submit an annual legislative report on the grant program.

7 Hunger-free campus designation: student advisory council.

Adds oversight of the hunger-free campus designation application and review process to the list of responsibilities for the SAC. *See also section 3.*

8 State grant program: assigned family responsibility.

Amends the definition of “assigned family responsibility” (AFR) for the state grant program to conform to changes in federal student aid calculations. Allows OHE to adjust AFR to reflect part-time enrollment.

9 State financial aid programs: student.

Amends the definition of “student” for purposes of state financial aid programs to include any enrollment of one credit per term or more.

10 State grant program: cost of attendance.

Increase the living and miscellaneous expense allowance from 109 percent to 115 percent of the federal poverty guidelines for a one-person household in Minnesota for nine months. This increases the recognized cost of attendance used to calculate state grant awards, which has the effect of raising awards. Also makes a clarifying change regarding proration of awards for less than full time enrollment.

Section Description – Article 2: Higher Education Provisions

- 11 **State grant program: awards.**
Amends the cap on state grant awards from eight full time semesters to 180 total credits (i.e. twelve full-time semesters under the state grant program’s 15-credits per term definition of full-time enrollment).
- 12 **State grant program: deadline.**
Extends the deadline for state grant applications.
- 13 **North Star Promise: reporting.**
Expands OHE’s existing reporting requirements for the state grant program to include spending projections for the new North Star Promise program.
- 14 **Fostering independence grants: grant amount; payment; opt-out.**
Makes technical adjustments to conform to changes in federal student aid calculations.
- 15 **Child care grants: amount and length of grants.**
Makes technical adjustments to conform to changes in federal student aid calculations.
- 16 **Student-parent support initiative.**
Established a new statutory program to provide grants to postsecondary institutions and other applicants to support expectant parents and parents of young children.
- Subd. 1. Grants.** Establishes the program within OHE. Specifies that grants may be awarded to postsecondary institutions and other applicants for services supporting student parents. Allows a postsecondary institution to act as a fiscal agent for another entity.
- Subd. 2. Application process.** Requires OHE to develop an application process. Encourages distribution of funds throughout the state.
- Subd. 3. Health-related supports.** Requires the Department of Health to work with OHE on health-related supports.
- Subd. 4. Report and evaluation.** Requires an annual report to the legislature on the program.
- 17 **Indian scholarships: award amount.**
Makes technical adjustments to conform to changes in federal student aid calculations.

Section Description – Article 2: Higher Education Provisions

18 Financial aid administrator, professional judgment.

Makes technical adjustments to conform to changes in federal student aid calculations.

19 North Star Promise.

Establishes a new financial aid program to make public postsecondary institutions free for students whose families make under \$80K per year.

Subd. 1. Definitions. Defines key terms for the section. Includes Tribal colleges in the definition of public postsecondary institutions.

Subd. 2. Conditions for eligibility. Sets eligibility criteria, which include having a family adjusted gross income under \$80K and not yet having a bachelor's degree.

Subd. 3. Scholarship. Awards scholarships sufficient to cover all of the actual tuition and fees charged by an institution, after deducting other grants and scholarships received. Also, for the first three years of the program, surplus funds may be used to match students' Pell grants up to 50 percent.

Subd. 3a. Maintain current levels of institutional assistance. Prohibits institutions from reducing institutional gift aid to students eligible for a scholarship under this section.

Subd. 4. Duration of scholarship authorized; scholarship paid to institution. Allows a student to receive a scholarship—on a semester-by-semester basis—for up to 60 credits for associate degree or certificate programs, and up to 120 credits for a bachelor's degree, with a maximum lifetime cap of 120 credits. OHE is authorized to determine a time limit for completing a program for which a scholarship is awarded.

Subd. 5. Termination of scholarship authorized. Allows OHE to terminate a scholarship if a student fails to meet satisfactory academic progress or fails to comply with program requirements.

Subd. 5a. Institutions administering certain financial aid programs. Requires institutions that already provide institution-level financial aid covering all tuition and fees to students' making under \$80K to report data on those aid awards to OHE.

Subd. 6. Account established; appropriation. Creates a special revenue fund for the program.

Section Description – Article 2: Higher Education Provisions

Subd. 7. Office administration. Makes OHE responsible for administering the program and empowers it to make certain necessary adjustments to awards.

Subd. 8. Report. Requires OHE to provide a preliminary and recurring annual report to the legislature on the program.

20 Teacher shortage loan repayment: eligibility.

Prioritizes applicants eligible based on race/ethnicity. Allows other eligibility categories (i.e., rural school district, license shortage area) to receive any remaining funds.

21 Dual training competency grants: application.

Adds to the cost of training “recommended” books and materials, in addition to required books and materials.

22 Dual training competency grants: grant criteria.

Adds to the criteria for evaluating grant applications the employer’s ability to recruit and retain employees of color, American Indian employees, and employees with disabilities.

23 Dual training competency grants: employer match.

Clarifies that a large employer must pay at least 25 percent of the cost of employee training.

24 Dual training competency grants: grant amounts.

Allows employers to use up to ten percent of the grant to pay for employees’ training supports. Clarifies the per employee maximum grant amount.

25 Direct admissions program.

Establishes in statute program to provide qualifying Minnesota high school seniors automatic conditional admission to public colleges and universities. This was previously a pilot program. *See 2021 Laws, 1Spec. Sess. ch. 2, art. 2, § 42.*

Subd. 1. Authorization. Establishes the program in OHE, to be administered in consultation with other relevant stakeholders.

Subd. 2. Implementation. Requires the program to use existing information systems to automate the direct admissions process. Sets a goal of statewide representation and allows prioritization of high schools with high numbers of low-income students and students of color.

Section Description – Article 2: Higher Education Provisions

Subd. 3. Information. Requires OHE to provide information to students on state financial aid and encourage completion of financial aid applications.

Subd. 4. Report. Requires an annual report to the legislature on the program.

26 MnState Board of Trustees: responsibility.

In the statute regarding selection of a student board member, makes a technical change to eliminate a reference to the Trustee Candidate Advisory Council, which is repealed in section 35 of this article.

27 Workforce development scholarships: program eligibility.

Adds construction, education, and public safety to the program areas eligible for a workforce development scholarship.

28 Dual Training Competency Grants: duties; goal.

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

29 Postsecondary unemployment insurance aid.

Provides for state aid to support unemployment insurance payments by UMN, MnState, and Tribal colleges. The aid must be appropriated by the legislature, but target amounts are set by this section at the difference between each entity's unemployment insurance costs in 2022 and those costs for the current year. This is intended to compensate for the expanded eligibility of certain higher education employees for unemployment benefits between school terms, a provision which is being carried in the house's omnibus education finance bill (H.F. 2497).

30 Pensions: employer contribution rate.

Increases the employer contribution rate for the individual retirement account plan (IRAP) to 8.75 percent so that it equals the employer contribution rate for the teachers retirement association (TRA) plan.

31 Paramedic scholarship program.

Subd. 1. Establishment. Establishes the program within the Office of Higher Education. Sets a goal of providing up to 600 scholarships by 2026.

Subd. 2. Eligible students. Sets eligibility criteria for the scholarship, which includes Minnesota residency and intent to work as a paramedic in Minnesota after graduation. Allows a student to receive a scholarship under this section no more than twice.

Section Description – Article 2: Higher Education Provisions

Subd. 3. Administration; award amount. Instructs the Office of Higher Education to establish guidelines for the program and award the first set of scholarships in the 2024-2025 academic year. The scholarship is a flat amount of \$5,000.

Subd. 4. Reporting. Requires two legislative reports on the program.

Subd. 5. Expiration. Expires the program on June 30, 2026.

32 Unemployment insurance aid reports.

Requires annual reports to the legislature on unemployment insurance aid under Minn. Stat. § 268.193.

33 Postsecondary student basic needs working group; report.

Requires OHE to convene a working group to review information and make recommendations on how to support postsecondary students experiencing homelessness or food insecurity. A report to the legislature is due September 2024 and the working group expires September 2026.

34 Report on MnState course placement practices.

Requires OHE to analyze MnState course placement policies and practices to determine whether they have adverse consequences for students or disparate impacts on certain groups. A preliminary report to the legislature is required by February 2024 and a final report with recommended changes is required by February 2025.

35 Repealer.

Repeals the MnState Trustee Candidate Advisory Council, which is tasked with making nonbinding recommendations to the governor for appointments to the MnState Board of Trustees. This board has not been active since 2012.



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155