HOUSE RESEARCH

Bill Summary

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Subject: Inflation Adjustment for Post-Secondary Funding

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Overview

This bill draft specifies that the higher education base funding must be adjusted for inflation at the rate of inflation that is used in the November forecast in the even-numbered years. Current law requires several adjustments to the post-secondary base funding, including adjustments for enrollment and an inflation adjustment. This bill specifies how to set the inflation rate.

Section

1 **Determination of appropriation.** Technical change that deletes community and technical colleges and inserts "the Minnesota state colleges and universities."

2 **Determination of instructional base.** Specifies that the inflation adjustment for post-secondary funding must be set through a statutory method.

-535 **Adjustments for inflation.** Requires the post-secondary base funding to be adjusted by the rate of inflation used in the November forecast of revenues and expenditures in the second year of a biennium. This inflation rate--determined by the commissioner of finance in consultation with the legislative chairs of certain finance committees and legislative fiscal staff--must be used to adjust the instructional and noninstructional base funding for each year of the following biennium.