

HOUSE RESEARCH

Bill Summary

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Overview

This bill changes the administration and distribution of need-based and state-funded financial aid programs to assist postsecondary students with the cost of attending postsecondary institutions, assist with child care costs, and provide aid through work-study programs. Under current law, all state appropriations for financial aid are made to the Higher Education Services Office (HESO) and allocated to participating, eligible institutions for grants to eligible students.

This bill makes the governing boards of the two public postsecondary systems - the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU) - responsible for administering financial aid for their campuses and students, and the Private College Council responsible for financial aid for their member institutions and students. HESO continues to receive pass-through appropriations for the Private College Council and receives appropriations and retains direct administrative responsibility for financial aid for students attending other private postsecondary institutions. For the public systems, appropriations are made for each program to the responsible governing board.

Section

- 1 Financial aid; private colleges.** Authorizes HESO to make grants to the Minnesota Private College Council to administer all types of state-funded financial aid for their members, including child care grants, work-study and need-based financial aid. The Council, with its student association, must develop guidelines for identifying undergraduate students who

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need financial assistance and allocate state appropriations to meet these student needs through grants. Eligible students must be Minnesota students who meet the residency criteria in current law for the state grant program. The Council may transfer appropriations between aid programs to meet the needs of undergraduates.

The Council must report to HESO at the end of an academic term on students who receive financial aid through state appropriations, including the number, type and amount of grants at each participating institution, and educational status and the demographic information of recipients.

- 2 to 6** **Eligible institution.** Limits HESO's direct administration of state-funded financial aid programs to private postsecondary institutions that are not members of the Private College Council.
- 7** **Financial aid grants; Minnesota State Colleges and Universities.** Authorizes the MnSCU Board of Trustees to administer state appropriations for all types of state-funded financial aid for their members, including child care grants, work-study and need-based financial aid. The Board, with its student associations, must develop guidelines for identifying undergraduate students who need financial assistance and allocate state appropriations to meet these student needs through grants. Eligible students must be Minnesota students who meet the residency criteria in current law for the state grant program. The Board must use these state appropriations only for financial aid, but may transfer appropriations between aid programs to meet the needs of undergraduates.
- The Board must report to HESO at the end of an academic term on students who receive financial aid through state appropriations, including the number, type and amount of grants at each campus, and the educational status and demographic information of recipients.
- 8** **Financial aid grants; University of Minnesota.** Authorizes the University of Minnesota Board of Regents to administer state appropriations for all types of state-funded financial aid for their members, including child care grants, work-study and need-based financial aid. The Board, with its student associations, must develop guidelines for identifying undergraduate students who need financial assistance and allocate state appropriations to meet these student needs through grants. Eligible students must be Minnesota students who meet the residency criteria in current law for the state grant program. The Board must use these state appropriations only for financial aid, but may transfer appropriations between aid programs to meet the needs of undergraduates.
- The Board must report to HESO at the end of an academic term on students who receive financial aid through state appropriations, including the number, type and amount of grants at each campus, and the educational status and demographic information of recipients.
- 9** **Appropriations.** Makes separate unspecified general fund appropriations for fiscal years 2006 and 2007 for each financial aid program to the entities that administer financial aid programs in this bill - the Board of Regents, the Board of Trustees, and HESO for the Private College Council and other private institutions.