

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 162

DATE: February 28, 2007

Version: First Committee Engrossment

Authors: Haws and Severson

Subject: Veterans education benefits

Analyst: Jim Cleary, 651-296-5053

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This bill establishes the Minnesota GI Bill Program in the Office of Higher Education and determines eligibility criteria as including certain military veterans and certain long-term Minnesota National Guard and Reserve members, as well as the surviving spouse and dependents of veterans who have died or become totally and permanently disabled as a direct result of their military service. The grant amount is based on the *cost-of-attendance* at the eligible institution being attended, and is intended for tax purposes to be the *last-dollar-in*.

Section

- 1 **Responsibilities.** Assigns administrative responsibility to the Minnesota Office of Higher Education.
- 2 **Establishment.** Creates new law in Ch. 197 for the *Minnesota GI Bill Program* .

Subd. 1. Policy established. To provide educational benefits to Minnesota veterans who have served honorably in peacetime or war, and to the spouses and children of veterans who have died or become disabled due to their military service.

Subd. 2. Definitions. Key definitions include:

- **Cost of Attendance** - defined by crossreference to existing statute in the State Grant Program administered by the Office of Higher Education. It consists of tuition and fees, as well as a specified amount at any given institution for living

Section

and miscellaneous expenses.

- **Eligible Institution** - also defined by crossreference to existing statute. Includes essentially any approved public or private postsecondary educational institution in Minnesota or another state with tuition reciprocity with Minnesota.
- **Eligible Student** - the veteran or surviving spouse or dependent must have applied for both the federal Pell Grant and the State Grant, and must be making satisfactory academic progress while enrolled half-time or more in a degree program, and must apply for this program before the end of the semester (not for reimbursement after the fact).
- **Veteran** - defined by crossreference to Chapter 197, and also includes a service member who has met the qualifications for becoming a veteran but who is still serving in active military duty.

Subd. 3. Program establishment. Establishes the program, and stipulates that it shall be funded by a biennial appropriation to the Office of Higher Education.

Subd. 4. Duties; responsibilities. The director of the Office of Higher Education, in consultation with the commissioner of Veterans Affairs, shall establish policies and procedures for managing the program. The director may delegate any administrative responsibilities to the participating eligible institutions.

Subd. 5. Eligibility. A person is eligible if the person is: (i) a veteran with honorable active service at any time since the start of the Persian Gulf War (Aug. 2, 1990); (ii) a non-veteran who has served honorably for 16 years or more as a member of the Minnesota National Guard or other Reserves, with any part of that service after the start of the Persian Gulf War; (iii) the surviving spouse or child of such veteran who has died as a result of that military service; (iv) the spouse or child of such veteran who has a *total and permanent service-connected disability*.

In addition, the veteran or service member must have had Minnesota as the person's *state of residence* at the time of the person's initial enlistment or any reenlistment.

Additionally, the person receiving the benefits must be a *Minnesota resident*, defined by crossreference to existing Office of Higher Education program statutes.

And finally, the person receiving the benefit must be an *eligible student*.

Paragraph (b) stipulates that eligibility terminates when a person becomes eligible for *senior citizen* rates at public postsecondary institutions (age 62).

Paragraphs (c) and (d) specify types of proof that may be required to establish eligibility, and establish an eligibility appeals process, with final authority resting with the director.

Subd. 6. Benefit Entitlement Amount.

Paragraph (b) - the *Last-Dollar-In* calculation formula. In any semester, the

Section

amount of the educational assistance for an eligible person is:

- The *cost of attendance* at that public institution;
- minus the amount of the person's federal Pell Grant, if any;
- minus the amount of the person's State Grant amount, if any; and
- minus the amount of all other federal military or educational benefits being received by the person, if any.

This calculation formula ensures that the Minnesota GI Bill grant amount will be treated for tax purposes as *The Last-Dollar-In*, according to the Office of Higher Education.

Paragraph (c) - Maximum Amounts.

- \$1,000 per semester;
- \$3,000 per state fiscal year; and
- \$10,000 total during the person's lifetime.

Effective date. July 1, 2007.

3 Appropriation. A blank appropriation to the Office of Higher Education for the biennium.