

HOUSE RESEARCH

Bill Summary

FILE NUMBER: S.F. 184
Version: Conference committee report

DATE: May 12, 2010

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Subject: Higher education policy

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Overview

S.F. 184 makes policy changes to financial aid and regulatory programs administered by the Office of Higher Education (OHE), including directives on prorating state grants in fiscal year 2011 and changes to the tax exempt bond allocations for the SELF loan program. Also requires the Minnesota State Colleges and Universities (MnSCU) to plan and implement improvements to the transferability of credits and institute pilot projects on the local deposit of certain reserve funds and for surgical technologists.

Section

- 1** **Policy required.** Technical change to update cross-reference.
- 2** **Hazing policy.** Technical change to update cross-reference.
- 3** **Senior citizen.** Increases from 62 to 66 the age at which “senior citizens” can take postsecondary courses at MnSCU and the U of M, paying only an administrative fee.
- 4** **Responsibilities; Office of Higher Education (OHE).** Authorizes the office to match individual student enrollment information with financial aid information from specified programs to audit or evaluate public educational programs, to the extent allowed by federal law. Lists the financial aid programs that can be used for matching. Prohibits personally identifiable information from being known outside OHE.
- 5** **Eligible institution.** Replaces the current definition for the state funded grant programs with a reference to a new definition in section 7.
- 6** **Satisfactory academics progress.** Replaces the current definition with a reference to definitions in federal law for federal student loans.
- 7** **Institution eligibility requirements.** Provides that institutions are eligible to participate in state student aid programs if the institution is:

- operated by the state (MnSCU) or the Board of Regents (U of M);
- privately operated and has academic standards comparable to Minnesota institutions, is licensed or regulated by OHE, participates in federal financial aid programs by July 1, 2010, or has participated in state financial aid programs and requires signed disclosure forms from each enrolled student recognizing it does not participate in federal aid programs; or
- offers only graduate programs or programs too short for federal financial aid and the institution is registered or licensed by OHE.

A private institution that does not participate in the federal Pell program must participate within three years of an ownership change to continue as an eligible institution, subject to an appeal for a single one-year extension. Any institution that loses eligibility for the federal Pell program is not an eligible institution for state grants.

- 8 Student eligibility.** Defines “resident student” for eligibility for Indian scholarships by reference to the state grant definition of “resident student.”
- 9 Awarding procedures.** Establishes new procedures for making Indian scholarships:
- complete applications are ranked by date of receipt with further sorting for multiple applications with the same date
 - awards are made until all funds are spent
 - remaining applicants are placed on a waiting list in order of application date
- 10 Definition; qualifying program.** Technical change to the achieve scholarship definition.
- 11 Student eligibility.** Adds a requirement that the student is making satisfactory academic progress as defined for other financial aid programs.
- 12 Eligible institution.** Replaces the current definition for the state loan programs with a reference to a new definition in section 13.
- 13 Additional institution eligibility requirements; loans.** Requires institutions eligible for the loan programs to meet the eligible institution requirements for the grant programs or if the institution operates in another state, to be approved by the U.S. Secretary of Education and meet standards comparable to similar Minnesota institutions.
- 14 Notes.** Technical changes adding the names of OHE predecessor offices.
- 15 School.** Clarifies that public and private institutions outside Minnesota offering courses or programs to Minnesota residents must register with OHE.
- 16 School closure.** Defines closure as an unscheduled, nonemergency closing for more than 24 hours, an announcement that the school is closed, or a bankruptcy filing.
- 17 Additional security.** Adds a monetary deposit with Minnesota Management and Budget as an alternative to the bond required for schools with below minimum financial standards.
- 18 Food products grown in state.** Directs MnSCU institutions to make reasonable attempts to purchase Minnesota grown food products.

- 19 **Refunds.** Requires private schools to issue students a full refund of money it received for a student or if a contract with that student is unenforceable because the school is not licensed. The refund must be made within 30 days of a written demand from OHE.
- 20 **Minimum standards.** Technical change.
- 21 **Schools licensed by another state agency or board.** Adds a cross-reference to OHE’s licensing of private institutions for participation in state financial aid programs.
- 22 **Conditions.** Technical changes.
- 23 **Unlawful designation.** Eliminates an exception to the prohibition against licensed schools using “college” or “university” in their name. Schools operating prior to November 15, 1969, are the only remaining exception.
- 24 **Entitlement transfers.** Authorizes three state agencies (Minnesota Housing Finance, OHE, and the Rural Finance Authority), as entitlement issuers of bonds through the bond allocation to transfer their individual allocated authority to each other prior to December 1 of each year.
- 25 **Allocation procedure.** Increases the total amount of the allocations for student loan bonds from the unified pool to \$25 million per year from \$10 million.
- 26 **Teacher education report.** Changes the due date for the OHE report to the legislature from June 15, 2010, to August 15, 2010.
- 27 **Operations and maintenance.** Corrects the base amount for MnSCU that was set in H.F. 1671 (chapter 215).
- 28 **Effective date.** Modifies the effective date changing the semesters of eligibility for the state grant program in H.F. 1671 (chapter 215). The change clarifies that the eight semester limit applies to grants awarded on or after July 1, 2010.
- 29 **Study of certificates and diplomas; educational career path.** Requires MnSCU with business and industry groups and labor unions to study options for lower credit credentials recognized by employers that could be combined into an educational career path leading to a diploma or degree. The study must recognize the need for workers and other job training programs. Requires a report to the legislature.
- 30 **Streamlined MnSCU system office.** Requires the MnSCU board to reduce expenditures by streamlining centrally delivered services.
- 31 **Postretirement health insurance premium reimbursement.** Requires MnSCU to waive certain reimbursement payments on overdue health insurance premiums when a retiree has not been appropriately billed. Applies only to certain retirees who became MnSCU employees on July 1, 1995.
- 32 **Surgical technologists pilot project.** Directs MnSCU to establish a pilot project with participating health care facilities for the training, education, and employment of certified surgical technologist through partnerships between MnSCU institutions with accredited surgical technologist programs and health care facilities within 25 miles of the institution. Requires a report to the legislature by January 1, 2013.

- 33 Pilot project; local deposit of MnSCU reserves.** Requires the MnSCU board to implement a project on eight campuses for the local deposit of reserves that are currently held in the state treasury. Establishes a process for selecting campuses and financial institutions. Requires separate reports to the legislature by the MnSCU board and the commissioner of management and budget.
- 34 Nanotechnology report.** Requires the U of M and MnSCU to report to the legislature by February 1, 2011, on nanotechnology research and education, including ethical issues and principles for the responsible use to protect health, environment, and workers safety.
- 35 Federal health care reform.** Requests the U of M to offer education on the 2010 federal health care reform legislation through the Area Health Education Centers explaining the potential impacts for Minnesota citizens, employers, and health care providers.
- 36 Monitoring of federal postsecondary textbook disclosure law.** Directs OHE to monitor the implementation of federal requirements for disclosure of information to students on textbooks, including pricing and other information and report to the legislature by February 1, 2011. Provides an immediate effective date.
- 37 Reductions in grants for insufficient appropriations.** Clarifies the process for prorating state grant awards for fiscal year 2011 by authorizing approximately equal dollar amount reductions on two factors used to calculate the award (family responsibility and student share). Permits OHE to reserve up to five percent of the projected grant demand for uncertainty. Requires distribution of any remaining for additional LME awards to students under current law, unless the amount is less than \$1.5 million. Instead, the smaller amount may be transferred to the work study program.
- 38 Credit transfer.** Requires the MnSCU board to develop and implement a plan to improve credit transfer. States the minimum goals of the transfer plan. Requires working groups of faculty staff, students and administrators to develop actions to remove barriers to credit transfer. Requires systemwide and institutional level transfer information on the Internet. Requires an annual progress report to the legislature beginning January 15, 2011, through 2014 and goals to be met by the 2015-2016 academic year.