

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill provides funding for the Office of Higher Education, financial aid programs, the Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Medical Foundation. It makes several policy changes to financial aid programs and prohibits the use of public funds for human cloning.

### Article 1: Higher Education Appropriations

- 1 Summary of Appropriations.** Summarizes appropriations for the biennium ending June 30, 2013. Total appropriations of \$2.57 billion consists of \$2.565 billion from the general fund and \$4.3 million from the Health Care Access fund.
- 2 Higher Education Appropriations.** Specifies that appropriations are for fiscal years 2012 (first year) and 2013 (second year) from the general fund or another named fund.
- 3 Minnesota Office of Higher Education.** Appropriates \$190.8 million in fiscal year 2012 and \$190.6 million in fiscal year 2013 from the general fund as follows:
  - **State grants** at \$154.6 million each year and sets the four-year tuition maximum at \$10,488, the two-year tuition maximum at \$5,808 each year, and the living and miscellaneous expense (LME) allowance at \$7,000 each year;
  - **Safety officer survivor grants** at \$100,000 each year with transfer authority between years;
  - **Child care grants** at \$6.68 million each year;
  - **State work-study** at \$14.5 million each year;
  - **Indian scholarships** at \$1.85 million each year with funding for administration;
  - **Intervention for college attendance program grants** at \$671,000 each year with

\$50,000 each year for administration;

- **Midwest higher education compact** at \$95,000 each year;
- **United family medicine residency program** at \$351,000 each year for support for up to 18 resident physicians in family practice;
- **Interstate tuition reciprocity** at \$3.15 million the first year and \$3.25 million the second year, with transfer authority between years;
- **Minnesota college savings plan** at \$350,000 the first year;
- **MnLINK gateway and Minitex** at \$5.6 million each year;
- **Student and parent information** at \$122,000 each year;
- **Get ready** at \$180,000 each year;
- **Minnesota minority partnership** at \$45,000 each year; and
- **Agency administration** at \$2.49 million each year.

Allows balances in the first year to carry forward to the second year and authorizes the transfer of unencumbered balances between financial aid appropriations under specified conditions.

**4 Board of Trustees of the Minnesota State Colleges and Universities (MnSCU).** Appropriates \$545.37 million each fiscal year from the general fund as described below.

- **Central office and shared services unit** at \$33.07 million each year with a prohibition against allocating or charging back any reductions to campuses or institutions.
- **Operations and maintenance** at \$508.18 million each year. Includes funding for Cook County Higher Education Board and sets the base for the next biennium. One percent of the fiscal year 2013 this O & M appropriation is contingent on meeting three of the following five goals: (1) increase the number of credentials conferred; (2) increase the enrollment of students of color; (3) increase the number of students taking online or blended courses or the number of online or blended sections; (4) increase persistence and completion rates; and (5) decrease energy consumption. A report on the measures must be made to the legislature by April 1, 2012.
- **Learning network of Minnesota** at \$4.115 million each year.
- **Education priorities** requires the MnSCU board, in carrying out its statutory responsibilities, to place priority on meeting the needs of Minnesota employers for skilled workers and focus on efficient and streamlined delivery of higher education to prepare students for the workforce needs of Minnesota.

**5 Board of Regents of the University of Minnesota.** Appropriates \$547.5 million each fiscal year including \$545.34 million each year from the general fund and \$2.157 million from the health care access fund, as described below.

- **Operations and maintenance** at \$483.88 million each year. Includes funding for the

Veterinary Diagnostic Laboratory. Encourages a proportional reduction in administrative spending. One percent of the appropriation is contingent on meeting three of the following five goals: (1) increase institutional financial aid; (2) produce at least 13,500 degrees; (3) increase four- and six-year graduation rates on the Twin Cities campus; (4) maintain research and development expenditures as reported to the National Science Foundation; and (5) maintain sponsored research. A report on the measures must be made to the legislature by April 1, 2012.

- **Education priorities** requires the Board of Regents, in carrying out its governing responsibilities, to place priority on meeting the needs of Minnesota employers for skilled workers and focus on efficient and streamlined delivery of higher education to prepare students for the workforce needs of Minnesota.
- **Primary care education initiative** at \$2.157 million each year from the health care access fund.
- **Special appropriations** provide the following funding from the general fund:
  - (a) **Agriculture and extension service** at \$42.922 million each year. Requires advisory groups to focus research, education, and extension activities on producer's needs. Funds renewable energy from Minnesota biomass according to listed priorities. Funds leadership activities and laboratories for specified organic agronomic projects. Funds research for renewed emphasis on Minnesota's agriculture community according to listed priorities. Requires a report to the legislature on funded initiatives by February 1, 2013.
  - (b) **Health sciences** at \$4.854 million each year with \$346,000 each year for 12 residents in the St. Cloud Hospital family practice residency program and remainder for other named purposes.
  - (c) **Institute of technology** at \$1.14 million each year for the geological survey and talented youth math program.
  - (d) **System special** at \$5.056 million each year for named purposes.
  - (e) **University and Mayo partnership** at \$7.491 million each year, available until expended, for research in biotechnology and medical genomics.
- **Academic Health Center** is estimated to receive \$22.250 million each year from the dedication of a portion of cigarette taxes.

6 **Mayo medical foundation.** Appropriates \$1.351 million each fiscal year as described below.

- **Medical school** at \$665,000 each year, with authority to transfer between years, for a capitation for Minnesota resident students to increase the number of rural doctors.
- **Family practice and graduate residency program** at \$686,000 for a stipend support for up to 27 residents each year.

7 **Tuition limitation at state colleges.** Sets the maximum annual increase for tuition for Minnesota undergraduate resident students for the fiscal year ending June 30, 2013, at four

percent each year for colleges of the Minnesota State Colleges and Universities

- 8** **Effective date; relationship to other appropriations.** Makes Article 1 effective retroactive to July 1, 2011, unless otherwise specified. All funding supersedes and replaces any funding authorized by court order.

## **Article 2: Related Higher Education Provisions**

- 1** **Senior citizen; eligibility.** Sets the age of eligibility for the senior citizen higher education program at 62 years, reversing the 2010 change in law to increase the age of eligibility to 65. The program provides a tuition benefit to seniors who enroll at public postsecondary institutions on a space-available basis. Has an immediate effective date for terms beginning after August 15, 2011.
- 2** **Cost of attendance.** Sets a statutory amount for the tuition and fee maximum used to calculate the state grant award if a maximum is not set in law. The statutory maximum is the highest tuition and fee amount charged by a public two-year institution for two-year programs and the highest amount charged by a public four-year institution for four-year programs. As under current law, an amount set in law supersedes the statutory maximum.
- Effective date: Retroactive to July 1, 2011.
- 3** **Self loan revenue bonds annual certificate of need.** Makes technical and clarifying changes in the process to ensure payment of bonds for student loans.
- Effective date: Retroactive to July 1, 2011.
- 4** **Undergraduate tuition guarantee plan; MnSCU.** Encourages the board of trustees to offer an optional tuition plan for Minnesota resident students pursuing two-year and four-year degrees that meets the goal of holding tuition constant at the rate charged in the first semester. The plan must offer stable tuition for the years that are necessary to complete the degree, after which tuition may increase to the rate charged new enrolling students. Students on active military duty are exempt from the time limit while on active duty.
- 5 - 11** **Minnesota college savings plan matching grant.** Eliminates the statutory requirements that provide a state-funded matching grant for low- and middle-income families who participate in the Minnesota college savings plan established under section 529 of the Internal Revenue Code. Sections 5 to 11 are effective July 1, 2012.
- 12** **Undergraduate tuition guarantee plan; U of M.** Encourages the Board of Regents to offer an optional tuition plan for Minnesota resident students pursuing undergraduate degrees that meets the goal of holding tuition constant at the rate charged in the first semester. The plan must offer stable tuition for the years that are necessary to complete the degree, after which tuition may increase to the rate charged new enrolling students. Students on active military duty are exempt from the time limit while on active duty.
- 13** **Study of graduate education in for-profit sector.** Requires the Office of Higher Education (OHE) to study the for-profit graduate education sector in Minnesota. The study must include:
- rights and responsibilities of their graduate students;

- policies on students' intellectual property rights; and
- policies and guidelines on academic freedom of inquiry and dispute resolution.

OHE must report findings and recommendations for improving graduate education in the for-profit education sector to the legislature by January 15, 2013.

Effective date: Retroactive to July 1, 2011.

- 14 Credit transfer within Minnesota State Colleges and Universities.** Requires the board of trustees to report progress on credit transfers, information on transfers, and a study of effective transfer mechanisms in a report to the legislature required in law.

Effective date: Retroactive to July 1, 2011.

- 15 Repealer.** Repeals:

- the requirement for public institutions to sell American-made clothing and apparel in their bookstores to the extent possible (Minn. Stat. § 135A.26);
- the requirement that public employers purchase or require employees to furnish uniform or protective accessories that are not made in America (Minn. Stat. § 181.986);
- the matching grant program that is part of the Minnesota College Savings plan (Minn. Stat. § 136G.11, subs. 1 to 10); and
- requirement to provide one-time Achieve grants to students who were eligible before January 1, 2009, and have not yet been awarded the grant (Laws 2009, ch. 95, art. 2, § 39).

All repealers are retroactively repealed to July 1, 2011.