

HOUSE RESEARCH

Bill Summary

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Version: As introduced

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Authors: Nornes

Subject: Technical and policy changes to Office of Higher Education programs

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Overview

H.F. 3237 makes a number of policy and technical changes related to programs administered by the Office of Higher Education (OHE).

First, if an appropriation for a grant or program does not specify funds that may be used for administrative costs, the bill permits OHE to retain up to five percent of the appropriation to administer the program or grant.

Second, it permits OHE to receive donations, grants, bequests, and other funds to carry out the agency's responsibilities.

Third, it makes a number of changes to the teacher shortage loan forgiveness program authorized in 2016. The changes include clarifying requirements related to the application and disbursement process, and stipulating that an applicant may receive no more than five awards through the program.

Fourth, it eliminates a requirement that OHE annually report data to the legislature about the MnSCU occupational scholarship program. The bill instead requires OHE to report to the legislature in January of 2017 and 2018. The program is a pilot program scheduled to end in FY 2019 under current law.

Section

- 1 Management of programs.** Permits the OHE to retain up to five percent of an appropriation to a program or pass-through grant if the appropriation does not specify an amount for

Section

administrative costs. This permission would only apply to programs or grants established on or after January 1, 2016.

Appropriates funds retained under this section to the Office of Higher Education for administering and monitoring programs.

- 2 **Receipt of donations; money; grants.** Permits the commissioner of higher education to accept donations, grants, bequests, and other funds. Funds received under this provision must be used to carry out the office's responsibilities, as specified in section 136A.01. Funds received under the provision are deposited in a special revenue account, appropriated to the commissioner for the purposes for which they were granted, and are available until expended.
- 3 **Application for loan forgiveness.** Removes language requiring an individual to reapply for five consecutive school years—this language has been clarified and moved to subdivision 5. Clarifies that an applicant may receive a loan forgiveness award if the applicant works in a licensure field or economic development region experiencing a teacher shortage.
- 4 **Amount of loan forgiveness.** Stipulates that an applicant may not receive more than five teacher shortage loan forgiveness awards.
- 5 **Disbursement.** Under the teacher shortage loan forgiveness program, an award recipient must provide proof to the commissioner that he or she applied the award to his or her student loan balance. Current law requires the recipient to provide proof within 60 days of *receiving* an award; the bill would change this to within 60 days of the *disbursement* of the award.
- 6 **Reporting.** Removes language requiring OHE to annually report data about the MnSCU Occupational Scholarship Pilot to the legislature. Requires the commissioner to instead report the data to the legislature in January 2017 and January 2018. The program is a pilot program for which the appropriation in fiscal year 2019 is \$0. Under current law, OHE would be required to report about the program even if it no longer exists.