

Subject Higher Education: Funding and related policy changes

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Overview

This is the higher education supplemental finance bill for 2024. It includes \$500,000 in new spending for fiscal year 2025 (FY25), amends existing appropriations, and contains several finance-related policy provisions.

Summary

Section	Description
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1	Higher Education Facilities Authority: revenue bonds; limit.
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Increases the total value of outstanding bonds the authority may issue from \$1,300,000,000 to \$2,000,000,000.

The legislature created the Higher Education Facilities Authority in 1971 to provide nonprofit private postsecondary institutions with conduit financing for large-scale capital projects. Conduit financing allows nongovernment entities to access tax-exempt municipal bonds to finance capital projects that have a broader public benefit. Currently, the authority is empowered to issue revenue bonds, with a \$1,300,000,000 cap on aggregate outstanding amounts. The authority receives no funding from the state and the bonds it issues do not constitute a debt of the state. Rather, bonds issued by the authority are payable only from the loan repayments, rentals, collateral, and other revenues pledged for their payment; the operations of the authority are financed from fees paid by the participating institutions and investment income; and all bond issuance costs are paid by the participating institution. This means that the authority operates without any cost to the state or taxpayers.

2	Registration fees.
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In the Minnesota Private and Out-of-State Public Postsecondary Education Act, which concerns the registration of such institutions by the Office of Higher Education (OHE), adds additional fees for registration applicants with multiple revisions or corrections.

Section	Description
3	<p>Initial licensure fee.</p> <p>In the Private Career Schools Act, which concerns the licensure of such institutions by OHE, adds an additional fee for initial licensure applicants with multiple revisions or corrections.</p>
4	<p>Renewal licensure fee; late fee.</p> <p>In the Private Career Schools Act, which concerns the licensure of such institutions by OHE, adds an additional fee for licensure renewal applicants with multiple revisions or corrections.</p>
5	<p>Appropriation; ALS research.</p> <p>In conjunction with the new appropriation in section 8, amends a prior appropriation to OHE for competitive grants to fund ALS research to extend the availability of the funds and allow up to \$15,000,000 of the \$20,000,000 appropriation to be given as a grant to external organizations to award and administer the ALS research grants under the terms of this section.</p>
6-7	<p>Appropriation: fostering independence higher education grants; North Star Promise.</p> <p>These two sections amend prior appropriations to OHE in FY25 to shift \$5,040,000 from the North Star Promise (NSP) program to the fostering independence grant (FIG) program to cover a shortfall in FIG.</p>
8	<p>Appropriation; ALS research.</p> <p>Reappropriates any canceled money from the amended appropriation in section 5 of the bill to OHE for the same purposes and with the same parameters. This appropriation is available until June 30, 2029.</p>
9	<p>Appropriation; Kids on Campus Initiative.</p> <p>Provides a onetime general fund appropriation of \$500,000 in FY25 to the Board of Trustees of the Minnesota State Colleges and Universities to participate in the “Kids on Campus” initiative in partnership with Head Start. Allowable uses for the funding are listed in the section.</p>



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