

HOUSE RESEARCH

Bill Summary

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Overview

This bill makes \$50 million in general fund reductions to the Higher Education Services Office (HESO), the Minnesota State Colleges and Universities (MnSCU) and the University of Minnesota. It makes changes to state aid for students by appropriating money for the state grant program and eliminating the match from the Minnesota College Savings Plan. It also requires changes to the tuition reciprocity program.

Section

- 1 **Higher education appropriations.** Reduces general fund appropriations for HESO, MnSCU and the university of Minnesota by a total of \$50 million for the biennium.
- 2 **Higher education services office.** Reduces biennial appropriations by \$10.8 million, including increases for the state grant program and reductions for tuition reciprocity, the MnLink and Minitex programs, the Learning Network, the match for the college savings plan, and agency administration. (See spreadsheet)
Authorizes the state grant program to use savings from increases in the federal Pell grant beyond the amount needed to decrease the family responsibility for independent students.
Reduces the amount of the appropriation available for the advanced placement scholarship to \$75,000 from \$150,000.
Cancels any money remaining after the final payment to Youthworks grantees to the general fund.
- 3 **Board of trustees of the Minnesota state colleges and universities.** Reduces appropriations in fiscal year 2003 by \$19.2 million plus an additional base reduction of \$4.1 million in each year of the 2004-2005 biennium.
Directs the board of trustees to minimize the impact of the reduction on student tuition by decreasing administration expenditures, decreasing reserve balances and making programmatic

changes before increasing tuition.

- 4 **Board of regents of the university of Minnesota.** Reduces appropriations in fiscal year 2003 by \$19.9 million plus an additional base reduction of \$4.3 million in each year of the 2004-2005 biennium.
Directs the board of regents to minimize the impact of the reduction on student tuition by decreasing administration expenditures and reserve balances before increasing tuition.
- 5 **Interstate tuition reciprocity.** Requires HESO to negotiate tuition reciprocity agreements that (1) require students from other states who attend Minnesota post secondary institutions to pay at least the same tuition as Minnesota resident students beginning with academic year 2003-2004 and (2) the general fund payments that are made to other states under the reciprocity agreement cannot exceed the appropriation in that year.
- 767 **Advanced placement scholarship; eligibility.** Technical changes that allow two half-year AP courses to be counted as a full-year course for the scholarship and changing the institutional reporting and notification requirements from HESO to the department of children, families and learning. CFL currently does these tasks.
- 8 **Minnesota college savings plan; establishment.** Eliminates the matching grant from the college savings plan.
- 9 **Matching grant qualification.** Limits the payment of a matching grant to those accounts that qualified and applied by the end of 2001.
- 10 **Repealer.** Repeals the national service scholars program, the summer scholarship for academic enrichment program, and the matching grant provisions of the Minnesota college savings plan.