

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2663

DATE: March 24, 2004

Version: First engrossment

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Subject: Omnibus Higher Education Finance Bill

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Overview

The omnibus higher education finance bill reduces appropriations for the current biennium for administration of the Higher Education Services Office (HESO) and the tuition reciprocity program. It also makes technical and conforming changes to other HESO programs, requires an annual reciprocity report, authorizes planning for applied doctoral programs at state universities and requires renegotiation of the South Dakota tuition reciprocity agreement.

Section

- 1 Higher education appropriations.** Summarizes reductions of general fund appropriations for the 2004-2005 biennium. Appropriations to the Higher Education Services Office are reduced by \$7,284,000.
- 2 Higher education services office.** Reduces appropriations for the tuition reciprocity program by \$3.6 million each year and reduces HESO administration by \$84,000 in FY 2005. Authorizes HESO to use up to \$400,000 of state grant appropriations for computer improvements.
- 3 Welfare system data; general.** Authorizes the department of human services to share data on child support obligors necessary for HESO to administer requirements of the child care grant program.
- 4 State council membership.** Sets the expiration date for the Minnesota Education Telecommunications Council at June 30, 2005, an extension of one year. The Council is a forum for distance learning technologies.
- 5 Reporting; tuition reciprocity.** Requires the higher education services office to submit an

Section

annual report to the legislature with information on student participation, tuition rates, and interstate obligations and payments for each state participating in the program.

6 Eligibility for state grants. Makes technical changes to the requirement in current law that a state grant recipient must be current with child support obligations or have a written agreement on paying arrearages.

7 Data. Requires all institutions that are eligible to participate in the state grant program to provide HESO with enrollment and financial aid data necessary to fulfill its statutory responsibility to collect and maintain this data.

8 Eligible student; child care grants. Adds an eligibility requirement to the child care grant program that students must be current with child support obligations or have a written agreement on paying arrearages.

9 Matching grant qualification; Minnesota College Savings Plan. Clarifies that Minnesota residency is a requirement for eligibility for a matching grant under the plan. Sections 4 to 9 make changes to the Minnesota College Savings Plan, which is a qualified savings plan under section 529 of the IRS code.

10 Residency requirement. Clarifies the residency requirements for matching grants for plan beneficiaries with divorced parents. To be eligible, the parent or legal guardian must be a Minnesota resident who claims the beneficiary as a dependent for income tax purposes.

11 Family income. Recodes the definition of *family income* in current law and adds *legal guardian* to the definition of family income.

12 Qualified distribution methods. Adds the account owner as an eligible recipient for a distribution from the account.

13 Doctoral degrees; report. Authorizes state universities to plan the development of applied doctoral programs or degrees and to report the plans to the legislature by January 15, 2007. The report must include an analysis of costs and revenues of the programs. This authorization supercedes current law requiring the MnSCU board and campuses to receive the recommendations of the legislative committees on education and finance before planning or developing any doctoral programs.

14 Tuition reciprocity; South Dakota. Requires HESO to renegotiate the reciprocity agreement with South Dakota by December 1, 2004 to include interstate payments that conform to Minnesota and South Dakota law and are comparable to the requirements of the Wisconsin or North Dakota agreements. Interstate payments must begin with fiscal year 2006.

15 Repealer. Repeals the definition of *family income* in the Minnesota College Savings Plan. Repeals rules to implement the youth works education benefits and the advanced placement scholarship program. Both programs have been repealed.