

# One Minnesota Budget



## HIGHER EDUCATION BUDGET PRIORITIES February 2<sup>nd</sup>, 2023

Dennis Olson | Commissioner  
Minnesota Office of Higher Education

# AFFORDABILITY

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# Minnesota State Grant Simplification and Federal Conformity

## \$18.7M

In 2020, Congress passed the FAFSA Simplification Act, which makes several significant changes to the FAFSA form and to Pell eligibility criteria. These changes will be rolled out in a phased approach, starting with the 21-22 award year and continuing through the 24-25 award year.

A significant amount of work is needed to ensure financial aid in Minnesota aligns with these changes.

Governor Walz and Lieutenant Governor Flanagan propose funding to the State Grant program in order to conform with changes to the federal needs-analysis and Pell Grant calculation scheduled to be implemented for the 2024-25 aid year.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Minnesota State Grant Simplification and Federal Conformity</b>	<b>\$18,729</b>	<b>\$10,558</b>



## Minnesota State Grant: Living and Miscellaneous Expense \$50M

Governor Walz and Lieutenant Governor Flanagan propose increasing funding for the Living and Miscellaneous Expense (LME) stipend portion of the State Grant.

This investment will directly benefit students by increasing the LME stipend to cover 120% of the federal poverty level in the first biennium. This will result in an average grant increase of \$375 per student annually, and would serve approximately 950 new students to the grant program.

In the second biennium, the LME stipend will cover 130% of the federal poverty level, increasing the average grant amount another \$345 per student per year, and serve an additional 680 students.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Minnesota State Grant: Living and Miscellaneous Expense</b>	<b>\$50,000</b>	<b>\$95,600</b>



# Minnesota American Indian Scholars Program

## \$17M

Minnesota has large gaps in higher education attainment. Currently, 29.5% of Indigenous students have a certificate or other credential.

In order to reach the state’s 70% educational attainment goal, an additional 5,500 American Indian and Indigenous Minnesotans, age 25-44, to complete a postsecondary credential by 2025.

Governor Walz and Lieutenant Governor Flanagan propose creating the Minnesota American Indian Scholars program, which would provide first-dollar tuition and fee free pathways to eligible Minnesota resident students who are enrolled members/citizens of any federally recognized American Indian or Canadian First Nation tribe and all enrolled members/citizens of a Minnesota Tribal Nation.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Minnesota American Indian Scholars Program</b>	<b>\$17,000</b>	<b>\$17,000</b>



# Tribal College Supplemental Grant Assistance Program

## \$3.7M

Governor Walz proposes expanding the Tribal College Supplemental Grant Assistance Program to support Minnesota Tribal Colleges by defraying the costs associated with the enrollment of all Minnesota resident students regardless of their status as enrolled members of federally recognized Indian tribes.

This investment will align the State’s support of Minnesota Tribal College with its support of other public colleges by:

- Increasing the maximum per FTE rate from \$5,300 to the highest tuition and fees charged at a public two-year institution (\$6,484 for 2022-2023)
- Modifying the student population used to determine the grant amount issued to eligible institutions to include all Minnesota Resident degree-seeking undergraduate students

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Tribal College Supplemental Grant Assistance Program</b>	<b>\$3,700</b>	<b>\$3,700</b>



## Loan Repayment Assistant Program

### \$72K

The Loan Repayment Assistance Program covers private student loan payments for attorneys who provide legal representation and advice to roughly 10,000 underrepresented, low-income Minnesotans each year.

Governor Walz and Lieutenant Governor Flanagan’s proposed investment would provide these attorney’s with based on years of service:

- Qualifying attorneys with one to three years of experience, the award will be approximately \$5,000
- Qualifying attorneys with more than three years experience will receive an award of approximately \$1,300

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Loan Repayment Assistant Program</b>	<b>\$72</b>	<b>\$72</b>

# ACCESS

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## Direct Admissions Minnesota \$850K

Direct Admissions Minnesota is a new program that launched in the 2022-23 academic year. Currently, 40 high schools and over 50 colleges, both public and private, in the state participate in the program. OHE plans to expand and include additional high schools in year two of the program.

The program proactively notifies high school seniors of all the participating colleges ready to admit them based on their academic records. Those students are then able to apply to those colleges for free.

Governor Walz and Lieutenant Governor Flanagan propose additional funding for staffing, implementation, communications, and IT modifications.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Direct Admissions Minnesota</b>	<b>\$850</b>	<b>\$850</b>



# Transparent Pathway to Academic Credit for Child Development Associate® Credential Holders

## \$475K

This one-time funding proposal would develop a transparent pathway for current Child Development Associate Credential holders to be awarded academic credit that aligns with related academic certificate, diploma, and degree programs at Minnesota State.

Funds would be used to develop curriculum at 8 colleges and universities, develop training and advising tools for those institutions, and form a statewide advisory committee to advise the project development.

	FY24-25	FY26-27
<b>Transparent Pathway to Academic Credit for Child Development Associate® Credential Holders</b>	\$475	\$0



## Next Generation Nursing Assistant Initiative

### \$3M

Nursing Assistants are currently the sixth most high-need career in Minnesota. This program provides free training, and covers the cost of books, uniform, and certification exam.

Since launching in January 2022, this initiative has provided **2,306 Minnesotans** with free training, double Governor Walz’s original goal of 1,000. In addition, more than 34 school districts have received grants to purchase lab equipment and materials necessary for offering nursing assistant training in their high school.

Now, Governor Walz and Lieutenant Governor Flanagan propose ongoing funding. This investment will provide steady jobs, bolster the health care workforce pipeline, and support the future health of our state.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Next Generation Nursing Assistant Initiative</b>	<b>\$3,000</b>	<b>\$3,000</b>



## Minitex Online Library Health and Nursing Resources

### \$1.4M

Minitex a digital academic resource housed at the University of Minnesota and funded by the Minnesota Office of Higher Education. Currently, Minitex serves 55 statewide online library resources via eLibrary Minnesota (ELM). In addition, 57 academic and government libraries across Minnesota subscribe to nursing databases.

Governor Walz and Lieutenant Governor Flanagan propose additional funding to the Minitex program for additional IT support and to fund statewide contracts that support nursing programs.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Minitex Online Library Health and Nursing Resources</b>	<b>\$1,350</b>	<b>\$1,553</b>

# ATTAINMENT

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## Emergency Assistance for Postsecondary Students

### \$4.4M

The onset of the COVID-19 pandemic has drastically impacted the enrollment and success of low income college students. In a recent survey of 43,000 college students across the country:

- 36% of students reported experiencing food insecurity within the 30 days preceding the survey,
- 36% of all respondents experienced housing insecurity within the last year, and
- 9% experienced homeless within the last year

Governor Walz and Lieutenant Governor Flanagan propose investing in the State’s EAPS program, to increase the number of students receiving emergency grants, by:

- Increasing the maximum institution grant request cap from \$43,000 to \$60,000
- Increasing the maximum individual student grant request cap from \$1,000 to \$1,500

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Emergency Assistance for Postsecondary Students</b>	<b>\$4,362</b>	<b>\$1,681</b>



## Student Parent Support Initiative

### \$13.4M

Governor Walz and Lieutenant Governor Flanagan propose establishing a competitive grant program for higher education institutions and partnering organizations to assist parents of young children and expectant parents by offering services that support their academic goals, health, and well-being. Funds will be used for efforts such as:

- Staff and student workers
- Food, housing, energy assistance grants
- Workshops, continuing education
- Supplies
- Expenses related to child care (whether on campus or other)
- Evaluation for the work

**Student Parent Support Initiative**

**FY24-25**

**\$13,363**

**FY26-27**

**\$11,878**



## Underrepresented Student Teacher Grants

### \$1.6M

Data suggests that when there are teachers of color and American Indian teachers serving in Minnesota’s teacher workforce, it has a positive impact on the success of all students in Minnesota, and particularly on the success of students of color and American Indian students. The Underrepresented Student Teacher Grant (USTG) plays an important role in recruiting teachers of color and American Indian teachers.

Current funding for USTG does not meet the need, nor does it allow us to provide the full amount (\$7,500) to those awarded a grant. With teacher staffing shortages throughout the state, Governor Walz and Lieutenant Governor Flanagan propose increased funding to meet the demand and to ensure this grant remains a resource for recruitment.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Underrepresented Student Teacher Grants</b>	<b>\$1,600</b>	<b>\$1,600</b>



## Grants to Student Teachers in Shortage Areas

### \$6M

Teacher shortages exist across Minnesota, particularly teachers serving in greater Minnesota and in identified license field shortage areas.

Like the Underrepresented Student Teacher Grant (USTG), providing grants to teachers who serve in shortage areas is vital for our ability to address school staffing shortages. Also, like USTG, current funding does not meet the demand.

Governor Walz and Lieutenant Governor Flanagan propose expanding the grant, which would allow OHE to support more teachers working in greater Minnesota.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Grants to Student Teachers in Shortage Areas</b>	<b>\$6,000</b>	<b>\$6,000</b>



## Teacher Shortage Loan Repayment Program

### \$1.6M

There is a teacher staffing shortage facing Minnesota schools. The Teacher Shortage Loan Repayment (TSLR) Program is another tool for addressing this staffing crisis and recruit people into the education workforce.

The TSLR Program provides student loan debt relief, in the form of repayment awards, to eligible teachers for up to \$1,000. Eligible teachers may receive up to 5 annual awards or a total of up to \$5,000.

Current funding does not meet demand, and Governor Walz and Lieutenant Governor Flanagan’s proposal would allow OHE to support more teachers.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Teacher Shortage Loan Repayment Program</b>	<b>\$1,600</b>	<b>\$1,600</b>



## Sustaining and Expanding Intervention for College Attendance Program

### \$800K

This one-time proposed by Governor Walz and Lieutenant Governor Flanagan will be used to:

1. Provide continued support to projects that received American Rescue Plan (ARP) funding through OHE’s Intervention for College Attendance Program (ICAP). These projects help mitigate learning loss due to decreased school time and engagement for low-income students and students of color impacted by the COVID-19 pandemic.
2. Provide one-time catalyst funding on a competitive basis to postsecondary institutions, nonprofit organizations, and local government organizations to create or enhance support/navigation/pre-college services for students who were formerly incarcerated.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Sustaining and Expanding Intervention for College Attendance Program</b>	\$800	\$0

# AGENCY OPERATIONS

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## OHE Operations: Maintain Current Service Levels

### \$3.2M

Governor Walz and Lieutenant Governor Flanagan propose funding so OHE can maintain and improve services to Minnesotans and the state's higher education institutions.

Funding will be used for business purposes such as supporting compensation increases, IT cost increases, additional communications funding, and adding two FTE to continue operations.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>OHE Operations: Maintain Current Service Levels</b>	<b>\$3,214</b>	<b>\$2,684</b>



# Statewide Longitudinal Education Data System & Early Childhood Longitudinal Data System

**\$1.5M**

Minnesota’s Statewide Longitudinal Education Data System (SLEDS) and Minnesota's Early Childhood Longitudinal Data System (ECLDS) are nation leading data systems used by various state legislative reports, federal reports, and high school and college feedback reports.

Governor Walz and Lieutenant Governor Flanagan propose investing in modernizing the IT behind these databases; development of local training, outreach, and research support, training materials; and for including external data from the National Student Clearing House.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Statewide Longitudinal Education Data System &amp; Early Childhood Longitudinal Data System</b>	<b>\$1,536</b>	<b>\$1,536</b>



## Director of Tribal Relations, Public Engagement, and Equal Opportunity \$277K

Governor Walz and Lieutenant Governor Flanagan propose funding to create a Director of Tribal Relations, Public Engagement, and Equal Opportunity at OHE.

This position will oversee, direct and lead all Agency’s programs and activities related to tribal relations, public engagement and equal opportunity to further the strategic plan. The tribal relations, public engagement and equal opportunity director will provide expert advice and policy direction to senior leadership on issues affecting the community and Tribal Nations.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>Director of Tribal Relations, Public Engagement, and Equal Opportunity</b>	<b>\$277</b>	<b>\$286</b>



## P-20 Partnership Executive Director

### \$277K

Minnesota’s P-20 Partnership was created in 2009. It brings together a group of public, private, and nonprofit organizations and tasks them with creating “a seamless system of education that maximizes achievements of all students, from early childhood through elementary, secondary, and postsecondary education, while promoting the efficient use of financial and human resources.”

Governor Walz and Lieutenant Governor Flanagan propose the creation of an executive director position to advance this work. The executive director will manage the duties of the P-20 Partnership including developing long-term strategic goals, biennial budget requests, and management of personnel, funding, and resources.

	<b>FY24-25</b>	<b>FY26-27</b>
<b>P-20 Partnership Executive Director</b>	<b>\$277</b>	<b>\$286</b>

# System Support

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**Mayo Clinic**  
**\$896K**

**Mayo Clinic**

- Family Medicine Residency Program

**FY24-25**

**FY26-27**

**\$896**

**\$896**



## Minnesota State \$131.5M

### Minnesota State

- Student Support
- Minnesota State Stabilization
- Workforce & Economic Development

**FY24-25**

**FY26-27**

\$5,000

\$10,000

\$125,000

\$170,000

\$1,500

\$0



**University of Minnesota**  
**\$73M**

	<b>FY24-25</b>	<b>FY26-27</b>
<b>University of Minnesota</b>		
• Core Mission Support	\$70,000	\$80,000
• Systemwide Safety and Security	\$0	\$10,000
• Clean Water Legacy: Stormwater Research & Technology Transfer Program	\$2,000	\$0
• Clean Water Legacy: Geologic Atlas with Dept. of Natural Resources	\$1,000	\$0

# Thank you!

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