

Subject Higher Education: Omnibus Supplemental Budget and Policy Bill
Authors Rep. Bernardy and Sen. Rarick
Analyst Nathan Hopkins
Date May 19, 2022

Overview

This amendment represents the negotiated agreement by the House and Senate conference committee chairs on the 2022 higher education omnibus budget and policy bill. Article 1 contains appropriation items. Article 2 contains policy changes, including those included in the administrative policy bill from the Office of Higher Education (OHE). Articles 3 and 4 contain changes related to the expansion of the Higher Education Facilities Authority.

Article 1: Appropriations

This article includes appropriations in fiscal year 2023 for the Office of Higher Education (OHE), the Minnesota State Colleges and Universities system (MinnState), and the University of Minnesota.

Section Description – Article 1: Appropriations

- 1 Higher education appropriations.**

Specifies that appropriations contained in the act are for fiscal years 2022 (FY22 or the first year of the biennium) and 2023 (FY23 or the second year of the biennium). Appropriations are from the general fund unless stated otherwise.
- 2 Office of Higher Education.**
 - Subd. 1. Total appropriation.** Appropriates a total of \$8.825 million to OHE from the general fund as described below.
 - Subd. 2. Student-parent support initiative.** Appropriates \$750,000 to the new student-parent support initiative created in article 2, section 8, of the bill. This is an ongoing appropriation.
 - Subd. 3. Operating expenses of Tribal colleges.** Appropriates \$3 million for grants to Minnesota's three independent Tribal colleges in order to fund their general operations and maintenance expenses. The funds are to be apportioned

Section Description – Article 1: Appropriations

equally among the three colleges and a report to OHE and the legislature is required on the use of the funds. This is an ongoing appropriation.

Subd. 4. State grants. Adds an additional \$2,414,000 to the state grant program's base. This pays for the 1% increase to the living-and-miscellaneous-expense allowance made in article 2, section 6, of the bill.

Subd. 5. Grants to underrepresented student teachers. Appropriates an additional \$500,000 to the program. This amount is added to the program's base appropriation in FY24 and later.

Subd. 6. Hunger-free campus grants. Appropriates an additional \$75,000 to the program. Adds this amount to the program's base appropriation in FY24. This relates to the program change in article 2, section 1, of the bill.

Subd. 7. Inclusive higher education. Appropriates \$500,000 for new inclusive higher education pilot programs. This is an ongoing appropriation, but it is set to expire at the end of FY27. Of the total FY23 appropriation, \$330,000 are for the new grant program at article 2, section 5, of the bill, and \$170,000 is for the establishment of the technical assistance center at article 2, section 4.

Subd. 8. Owatonna learn to earn coalition: OHE. Appropriates \$980,000 for a grant to the Owatonna Learn to Earn Coalition for workforce development in the Owatonna and Steele County region. Species how the funds must be used. This is a onetime appropriation available until June 30, 2024.

Subd. 9. Owatonna learn to earn coalition: DEED. Appropriates \$20,000 for transfer to the Department of Employment and Economic Development for a grant to the Owatonna Learn to Earn Coalition to conduct a workforce needs assessment for the Owatonna and Steele County region. This is a onetime appropriation available until June 30, 2024.

Subd. 10. Certified nurse assistant program. Appropriates \$3 million for a program to recruit and train students to become certified nursing assistants (CNAs). This is a onetime appropriation.

3 State Colleges and Universities.

Subd. 1. Total appropriation. Appropriates a total of \$8.175 million to MinnState from the general fund as described below.

Section Description – Article 1: Appropriations

Subd. 2. Operations and maintenance. Appropriates \$8.175 million for MinnState’s general operations and maintenance. The rider paragraphs below discuss how a specified amount must be spent.

- a) \$3.125 million is to maintain operations.
- b) \$4.25 million is for workforce development scholarships. The base for this program is also increased by \$3.75M in FY24 and later. This relates to policy changes at article 2, section 15.
- c) \$800,000 is for the new allied health technician scholarship program under article 2, section 21. This is a onetime appropriation available until June 30, 2025.
- d) Specifies that \$1.011 million is added to MinnState’s operations and maintenance base for FY24 and later.

4 University of Minnesota.

Subd. 1. Total appropriation. Appropriates a total of \$3 million to the university from the general fund as described below.

Subd. 2. Operations and maintenance. Appropriates \$3 million for the university’s general operations and maintenance. The rider paragraphs below discuss how a specified amount must be spent.

- a) \$1 million is to expand the university’s promise scholarship program. This is an ongoing appropriation, and \$1 million is therefore added to the operations and maintenance base in FY24 and later.
- b) \$2 million is added to the existing FY23 appropriation for the Natural Resources Research Institute (NRRI). This is a onetime increase.

5 Hunger-Free Campus Grants.

Amends the 2021 higher education budget act to clarify that nonprofit private postsecondary institutions may receive grants. See also, article 2, section 1.

6 Fostering Independence Higher Education Grants.

Amends the 2021 budget act to specify that OHE can use up to three percent of the appropriation for this program to administer the program.

Article 2: Higher Education Policy

This article includes changes to various higher education regulations and programs.

Section	Description – Article 2: Policy
---------	---------------------------------

- | | |
|---|--|
| 1 | <p>Hunger-Free campuses: competitive grant.</p> <p>Adds private nonprofit institutions to the list of institutions eligible for grants to meet or maintain the requirements for the hunger-free campus designation.</p> |
| 2 | <p>Sexual harassment and violence policy: affirmative consent.</p> <p>Requires an affirmative consent standard within postsecondary institutions' sexual harassment and sexual violence policies.</p> |
| 3 | <p>Sexual harassment and violence policy: comprehensive training.</p> <p>Requires postsecondary institutions to train students on the affirmative consent standard required under section 2.</p> |
| 4 | <p>Inclusive Higher Education Technical Assistance Center.</p> <p>Establishes an "Inclusive Higher Education Technical Assistance Center" within OHE. The center's primary mission would be to increase access to higher education for students with intellectual disabilities.</p> <p>Subd. 1. Definitions. Defines terms for this section and for section 5 of the bill.</p> <p>Subd. 2. Establishment. Requires OHE, in conjunction with the Institute on Community Integration at the University of Minnesota, to establish an Inclusive Higher Education Technical Assistance Center to increase higher education access for students with intellectual disabilities. Lays out requirements for the center.</p> <p>Subd. 3. Director; advisory committee. Requires the naming of a director and the appointment of an advisory committee.</p> <p>Subd. 4. Responsibilities. Sets forth the duties of the center, which include: (a) monitoring higher education institutions; (b) monitoring relevant changes in federal and state law; (c) providing technical assistance to higher education institutions; and (d) distributing information to students with intellectual disabilities and their parents.</p> <p>Subd. 5. Expiration. Provides that this section expires October 1, 2027.</p> |
| 5 | <p>Inclusive higher education grants.</p> <p>Creates a grant program to assist higher education institutions with creating or expanding postsecondary programs for students with intellectual disabilities.</p> |

Section Description – Article 2: Policy

Subd. 1. Establishment. Requires OHE, in collaboration with the center established in section 1, to create a competitive grant program for Minnesota postsecondary institutions to create new or expand existing programs for students with intellectual disabilities.

Subd. 2. Eligible grantees. Allows public two-year and four-year institutions to receive grants under this section.

Subd. 3. Application. Provides that grant applicants must develop a written plan meeting the enumerated requirements.

Subd. 4. Grant account. Creates an account in the special revenue fund for depositing money appropriated for the grant program.

Subd. 5. Grant awards. Sets maximum grant awards amounts, puts additional requirements on grant recipients, and requires a 25 percent match of the grant funds.

Subd. 6. Grantee reporting. Requires grant recipients to report to the center on the funded initiatives.

Subd. 7. Reporting. Requires the center to submit an annual legislative report on the grant program.

Subd. 8. Expiration. Provides that this section expires October 1, 2027.

6 State grant program: cost of attendance.

Increases the living and miscellaneous expense allowance from 109% of the federal poverty guidelines for a one person household in Minnesota for nine months to 110%.

7 State grant program: data.

Clarifies that data on student enrollment and federal and state financial aid only needs to be provided if the institution's students are eligible to receive state financial aid.

8 Student-Parent support initiative.

Creates a new grant program to assist students who are parents or expectant parents.

Subd. 1. Grants. Specifies what kinds of institutions and organizations may be eligible for grants and what the grants may be used for. Allows postsecondary

Section Description – Article 2: Policy

institutions to act as fiscal agents for the grants in partnership with other kinds of organizations.

Subd. 2. Application process. Requires OHE to develop an application process. Instructs OHE to prioritize broad geographic distribution of program funds.

Subd. 3. Health-related supports. Requires OHE to partner with the Department of Health to provide technical support and assistance on health or medical issues.

Subd. 4. Report and evaluation. Requires a biennial report to the legislature on the program.

9 SELF loans: data.

Clarifies that data on student enrollment and federal and state financial aid only needs to be provided if the institution's students are eligible to receive SELF loans. Also requires registered private and out-of-state public postsecondary institutions and licensed career schools to submit data under this section.

10 Private career schools: exemptions.

Makes changes to the list of institutions exempt from the requirements of the Private Career Schools Act. Clarifies exemptions for employer-based training programs.

11 Concurrent enrollment grants: grants.

Amends the requirements for a postsecondary institution using grant funds to expand its existing concurrent enrollment programs.

12 MinnState: trustee appointment.

Adds requirements for the governor's consideration in making appointments to the board of trustees.

13 MinnState: ACT or SAT college ready score.

Requires Minnesota State Colleges and Universities (MnState), prior to enrolling a student in a developmental education course, to check a student's ACT, SAT, or Minnesota Comprehensive Assessment (MCA) score to see if it exempts the student from developmental education and inform the individual student whether the developmental education course is required.

14 MinnState: process for determining if developmental education is necessary.

Prohibits MnState from placing students in developmental education courses based on testing alone. Requires the use of multiple measures to place students in developmental courses.

Section Description – Article 2: Policy

- 15 **MinnState: workforce development scholarships: program eligibility.**
Adds construction, social work, and law enforcement to the list of programs eligible for workforce development scholarships.
- 16 **University of Minnesota: mineral research; scholarships.**
Modifies the Permanent University Fund (PUF), by doubling the amount credited to the mineral research account for the Natural Resources Research Institute (NRRI). Also modifies the PUF for a mining related degree program and related scholarships, by allowing more than one program to receive funding to support workforce development and collaboration benefiting regional academics, industry, and natural resources in the Iron Range. Increases the maximum scholarship for students attending the programs from \$6,500 to 75% of current in-state tuition rates per academic year and clarifies that the scholarships are for Minnesota students.
- 17 **University of Minnesota: Congressional districts represented on Board of Regents.**
Amends existing law to address how redistricting and reapportionment of congressional districts shall affect the election of members to the board.
- 18 **University of Minnesota: RCAC membership.**
Changes the current composition of the RCAC. Provides that the RCAC will consist of the following 20 members:
- five house appointees;
 - five senate appointees;
 - five current faculty members (one from each campus) appointed by faculty senate; and
 - five student body presidents, one from each campus.
- 19 **University of Minnesota: regent nomination and election.**
Permits the joint legislative committee for regent nomination to nominate up to two candidates — rather than one — for each vacancy on the board.
- 20 **Owatonna Learn to Earn Coalition Grant Funds Report.**
Requires the Owatonna Learn to Earn Coalition to provide a report by February 1, 2026, to OHE and the legislature on activities funded in article 1, section 2, subdivisions 8 and 9, which provides a variety of grants to Owatonna Learn to Earn in an effort to grow and retain a talented workforce in the Owatonna and Steele county region.

Section Description – Article 2: Policy

- 21 Allied Health Technician Scholarship Program.**
Establishes a new program to provide \$2,500 scholarships to students entering programs in specified health technician fields.
- Subd. 1. Establishment.** Establishes the program in MinnState and sets out its purpose.
- Subd. 2. Eligible student.** Lays out student eligibility criteria. The scholarships are for students newly entering the specified health technician programs and may be received only once per student.
- Subd. 3. Administration; award amount.** Requires MinnState to create an application process. Award amounts are \$5,000 single-payment awards.
- Subd. 4. Reporting.** Requires two annual reports to the legislature on the program.
- Subd. 5. Expiration.** Provides that the program expires June 30, 2025.
- 22 University of Minnesota: request to the Board of Regents.**
Requests the board to amend its policies to allow a tenured faculty member and/or a labor organization representative to serve as a regent, in connection with section 14 of this article. Currently, § VIII, subd. 2, of the board’s “Code of Conduct for Members of the Board of Regents” prohibits a regent from serving as a “compensated University employee.”
- 23 Revisor Instruction.**
Instructs the revisor to replace the term “remedial education” with “developmental education” when referring to noncredit, below-college-level courses at postsecondary institutions.
- 24 Repealer.**
Repeals the defunct Trustee Candidate Advisory Council that had been tasked with assisting the governor in identifying criteria and candidates for nonstudent membership on the MinnState board of trustees.
- Repeals a part in Minnesota Rules, chapter 4880 (regarding private career schools) that splits the schools into two categories and imposes different relicensure requirements. The underlying statute supporting this rule, section 136A.823, subdivision 2, was repealed in the 2021 higher education omnibus act. Note that most of chapter 141 has been renumbered as section 136A.82–834, the “Private Career School Act.”

Article 3: Minnesota Health and Education Facilities Authority

This article expands the existing Higher Education Facilities Authority by empowering it to also provide conduit capital financing to nonprofit health care organizations.

Section	Description
1	<p>Creation.</p> <p>Changes the name of the authority to the “Minnesota Health and Higher Education Facilities Authority,” to reflect its expanded role. See also, the revisor instruction at section 25 for clarity about the new name.</p>
2	<p>Memberships; officers; compensation; removal.</p> <p>Adds to the authority’s board of directors an additional member who must be affiliated with a health care organization. Makes the CEO of an association of nonprofit health care organizations a nonvoting, advisory member of the authority.</p>
3	<p>Policy.</p> <p>Amends this section to reflect the expanded role of the authority.</p>
4	<p>Definitions.</p> <p>Adds new definitions for “affiliate,” “health care organization,” “educational facility,” and “health care facility.” Amends the current definition of “project.” Makes other conforming changes to the definitions subdivision.</p>
5	<p>Purpose.</p> <p>Makes conforming changes to reflect the expanded role of the authority.</p>
6	<p>Employees.</p> <p>Moves authority employees to the managerial compensation and benefits plan.</p>
7	<p>Projects; generally.</p> <p>Requires authority-funded health care facility projects to comply with state laws regarding construction or modification of such facilities.</p>
8	<p>Revenue bonds; limit.</p> <p>Increases the total value of outstanding bonds the authority may issue from \$1.3 billion to \$4 billion, and allocates \$1.75 billion to fund higher education projects and \$2.25 billion to fund health care projects.</p>
9	<p>Revenue bonds; issuance, purpose, conditions.</p> <p>Makes conforming changes to reflect the expanded role of the authority.</p>

Section	Description
10	Rules for use of projects. Makes conforming changes to reflect the expanded role of the authority.
11	Surety. Makes a grammatical correction.
12	Sale, lease, and disposal of property. Makes grammatical changes.
13	Loans. Makes conforming changes to reflect the expanded role of the authority.
14	Costs, expenses, and other charges. Clarifies the authority's ability to charge participating institutions for the authority's administrative expenses.
15	Determination of affiliate status. Empowers the authority to determine whether an entity meets the new definition of "affiliate," added in section 4 of the article.
16	Bonds, generally. Provides that, before issuing bonds to finance a health care facility in a town of more than 100,000 people (currently: Minneapolis, St. Paul, and Rochester), the authority must obtain permission from the city.
17	Provisions of resolution authorizing bonds. Clarifies that the authority may contract with multiple entities to secure payment of revenue bonds.
18	Trust agreement. Makes grammatical changes.
19	Investment. Allows the authority to invest escrowed bond proceeds in money market funds that invest solely in federally-guaranteed debt obligations.
20	Additional purpose; improvements. Makes a clarifying correction. Section 136A.32, subdivision 7, permits bond proceeds to be deposited in time deposits or invested in repurchase agreements of certain banks.

Section	Description
21	Revenues. Allows the authority to charge different rates for education projects than for health care projects. Makes grammatical and conforming changes.
22	Bonds eligible for investment. Makes grammatical changes.
23	Conflict of interest. Makes conforming changes to reflect the expanded role of the authority.
24	Annual report. Requires the authority’s annual report to be sent to the Minnesota Historical Society and the Legislative Reference Library, instead of to the Office of Higher Education.
25	Revisor instruction. Recodifies statutes concerning the authority into a new statutory chapter, 16F, which is proximate to other chapters regarding state finance. Renames the authority as the “Minnesota Health and Higher Education Facilities Authority.”
26	Repealer. Repeals a subdivision related to sharing of staff, equipment, and office space between the authority and OHE.

Article 4: Minnesota Health and Education Facilities Authority: Conforming Amendments

This article contains conforming amendments in other statutory sections to reflect the changes to the Facilities Authority made in article 3.



**MN HOUSE
RESEARCH**

Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155