

# HOUSE RESEARCH

## Bill Summary

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### Section

#### Article 1: Higher Education Appropriations

- 1 **Summary of appropriations.** Summarizes higher education appropriations by fund and agency.
- 2 **Higher education appropriations.** Provides that appropriations are for fiscal years 2010 and 2011 from the general fund or another specified fund.
- 3 **Minnesota Office of Higher Education.** Appropriates money for OHE for state grants, other financial aid programs, and other programs administered by OHE. Authorizes the transfer of money between fiscal years to meet obligations in state financial aid programs.

**Subd. 2. State grants.** Increases the four-year program tuition maximums to \$9,938 in each year from \$9,838 in fiscal year 2009. Increases the living and miscellaneous allowance to \$6,900 each year from \$5,900 in fiscal year 2009.

**Subd. 7. Indian Scholarship.** Requires a contract with a knowledgeable person from the Bemidji area to help students with these scholarships and other financial aid. Requires Bemidji State University to provide free office space for administration of the Indian Scholarship program.

**Subd. 15. Power of You.** Appropriations are transferred to MnSCU for the existing program and an expansion to pilot programs.

**Subd. 16. Technical and community college emergency grants.** Appropriations are transferred to MnSCU campuses for emergency aid grants to help students avoid dropping out of school.

**Subd. 17. Veterinary loan forgiveness.** For a new student loan forgiveness program for certain veterinary students at the U of M.

**Subd. 19. Balances forward.** Allows any first-year appropriation in this section to be carried forward to the second year.

**Subd. 20. Transfers.** Authorizes the transfer of unencumbered balances from named financial aid programs to the state grant program with written approval from finance and notice to the legislature. Limits any transfers from child care or state work study to projected surplus appropriation amounts.

**Subd. 21. United Family Medicine Residency Program.** Provides a grant for up to 18 residents in family practice to prepare doctors for family care medicine in underserved areas. Requires seven of the residents to be at publicly owned rural hospitals with an attached nursing home.

**Subd. 22. TANF work study.** Waives the requirement for an employer match for work-study jobs funded by TANF.

**Subd. 24. Accreditation.** Requires OHE to assist small institutions to find ways to meet the accreditation requirements to participate in federal and state financial aid programs.

**4 Board of Trustees of the Minnesota State Colleges and Universities.** Makes general fund appropriations for fiscal year 2010 and 2011 for the central office and shared services, and operations and maintenance. With the following requirements for the biennium:

- Increasing the amount distributed to campuses through the allocation model; at least maintaining them at the current level and not charging campuses for cuts to the central office;
- Reporting on plans to meet the lower base appropriations;
- Leaving empty nonessential administrative and managerial vacancies and freezing salaries;
- Prohibiting spending on specified initiatives with savings distributed to campuses;
- Limiting technology spending to \$40 million and access initiatives to \$5 million with savings distributed to campuses;
- Directs funding to Cook County Higher Education Board, Northeast Minnesota Higher Education District, and for eFolio enhancements;
- Sets base appropriations for the next biennium.

**Subd. 4. Federal stimulus appropriation.** Appropriates federal stimulus money for fiscal years 2009, 2010, and 2011. Specifies that it must be used consistent with the federal purposes. Also requires:

- money to be used as a bridge to future cuts and permits its use for certain incentives and other cost reduction purposes; and
- a tuition increase cap for resident undergraduate students of 5 percent per year

bought down to 2 percent per year with federal funds.

**Subd. 5. System improvements.** Directs the Board to place a priority on improvements to the human resources system.

**5 Board of Regents of the University of Minnesota.** Makes appropriations for fiscal year 2009, 2010, and 2011. Makes appropriations for operations and maintenance:

- Prohibits funding to be used for new administrative positions or salary increases for these positions;
- Allows for a new scholarship; and
- Includes funding for Ojibwe and Dakota language programs and the Veterinary diagnostic laboratory.

Sets the appropriation base for the next biennium.

Makes appropriations from the health care access fund, and special appropriations for agriculture, health sciences, the Institute of Technology, and the research partnership with the Mayo Foundation. The agriculture and extension service appropriation:

- Requires an advisory group convened by the extension service and experiment stations;
- Includes research efforts on production agriculture with specified priorities;
- Includes research and outreach on renewable energy from Minnesota biomass with specified priorities;
- Authorizes other uses of the funds; and
- Requires a report to the legislature by February 1, 2011.

**Subd. 5. Federal stimulus appropriation.** Appropriates federal stimulus money for fiscal years 2009, 2010, and 2011. Specifies that it must be used consistent with the federal purposes. Also requires money to be used as a bridge to future cuts and permits its use for certain incentives and other cost reduction purposes.

Requires a tuition increase cap for resident undergraduate students of \$300 per year using federal funds.

**Subd. 7. NRRI research.** Authorizes mineral revenues to fund research at the Coleraine Mineral Research Laboratory by laid off taconite engineers.

**Subd. 8. Enrollment increases.** Requires an increase in Minnesota undergraduate enrollment to achieve the same proportion of Minnesota undergraduates as in the 2006-2007 academic year.

**6 Mayo Clinic.** Makes appropriations for a capitation rate at the medical school for Minnesota residents to increase the number of doctors in rural areas and a stipend to support up to 27 residents each year in family practice and graduate residency.

## Article 2: Related Higher Education

- 1 Course equivalency information requirement.** Under current law, the UMN and MnSCU are required to develop and maintain course equivalency guides, for use in considering transferring between higher educational institutions. This section directs that such guides must include information on course equivalency and credit for learning acquired for completion of formal military courses and occupational training.
- 2 Responsibilities; textbook information.** Updates the requirements for OHE to provide information on textbook publishers.
- 3 American made clothing in college bookstores.** Requires bookstores on the campuses of public higher education institutions to sell only clothing manufactured in the United States.
- 4 Federal funds.** Adds a cross-reference to the legislative review of federal funds.
- 5 Definition; reciprocity agreements.** Adds a definition of resident student to the reciprocity program that is the same definition used in the state financial aid programs (a definition that requires students to meet one of eight listed criteria).
- 6 Appeal; resident status.** Establishes a statutory appeals process for students who do not meet the definition of a resident student in the reciprocity program (section 2) after living in Minnesota for 12 months. The director of OHE may grant resident status if the student presents documents that show a reason for living in Minnesota that is other than education.
- 7 Eligible institution.** Adds an eligibility condition for an institution to be eligible to participate in the state grant program. An eligible institution must require all entering students to complete an application for federal student aid (FAFSA).
- 8 Grant stipends.** Lowers the student share used to calculate a state grant award to 45 percent from 46 percent.
- 9 Cost of attendance.** Establishes a statutory tuition and fee maximum used to calculate the state grant award for students in two-year programs. The maximum is set at the highest of the two-year MnSCU institutions.
- 10 Awards.** Increases the eligibility period for the state grant award to ten semesters from eight semesters.
- 11 -12 SELF loan revenue bonds annual certificate of need.** Provides for a potential general fund budget request as a backup for bonds issued for the SELF loan program. Requires OHE to annually certify to the governor any amount needed to:
- restore the loan capital fund to a minimum level required on outstanding bonds;
  - provide for the payment of principal and interest due and payable in the year; and
  - restore debt service funds securing outstanding bonds as required.
- Requires the governor to include these amounts in the next regular or supplemental budget

request.

**13 Large animal veterinarian loan forgiveness program.**

**Subd. 1. Definitions.** Defines key program terms including “veterinarian” and “designated rural area.”

**Subd. 2. Establishment; administration.** Directs OHE to establish and administer the program. Prescribes eligibility criteria, including a full-time practice in designated underserved rural areas with at least half-time caring for food animals. States that appropriations for the program do not cancel but are available until spent.

**Subd. 3. Eligibility.** Requires an application by a current student or recent graduate of the U of M College of Veterinary Medicine. Requires each successful applicant to sign a five-year service obligation contract.

**Subd. 4. Loan forgiveness.** Authorizes OHE to select up to five applicants each year for the loan forgiveness program within the limits of appropriations. OHE must prioritize applicants who are most suitable to practice in a designated area and who are closest to completing their training. If a participant submits an annual affidavit certifying that the participant is practicing as required, the OHE may issue an annual payment of up to \$15,000 for up to 5 years, not to exceed the amount owed.

**Subd. 5. Penalty for nonfulfillment.** Requires repayment of all payments received plus interest calculated in the same manner as interest due on delinquent state taxes from a recipient who fails to complete the necessary service commitment. Allows a waiver for emergency circumstances.

**Subd. 6. Rules.** Allows the OHE to adopt program rules.

**14 -17 Board of trustee nomination and election.** Changes the process for nominating and electing the members of the Board of Trustees of the Minnesota State Colleges and Universities to be similar to the election process used for the Board of Regents. Vacancies are filled by election of a joint convention of the legislature in the odd-numbered years. Nominations are considered and recommendations made at meetings of a joint committee of the house and senate higher education committees. Requires student and labor organizations to make recommendations for certain vacancies to the joint committee. The joint committee may recommend two candidates for each vacancy to the joint convention.

**18 Solicitation.** Technical change.

**19 Undergraduate tuition guarantee.** Guarantees a stable tuition rate for up to four consecutive academic years for university undergraduate students and two consecutive years for college students at MnSCU institutions. Students who enroll for the first time in the fall of 2010 or later are eligible for the tuition guarantee. The guaranteed tuition rate is set at the rate charged in the student’s first semester of enrollment. After either four years at a university or two years at a college, the student’s tuition rate resets to the rate for new students at the institution.

**20 University scholarship.** Authorizes the Board of Regents to establish a middle income scholarship for students from families that not eligible for the federal Pell grant and have annual family incomes below \$100,000.

- 21 Regent nomination joint committee.** Eliminates recommendations by the advisory council which is repealed in this article, and increases to two the number of candidates that the committee can recommend to the joint convention. Eliminates any restrictions on the number or purpose of meetings of the joint committee.
- 22 Appropriations not for buildings.** Authorizes state appropriations to the U of M to be made in 12 monthly payments.
- 23 Undergraduate tuition guarantee.** Guarantees a stable tuition rate for up to four consecutive academic years for undergraduate students at the University of Minnesota for students who enroll for the first time in the fall of 2010 or later. The guaranteed tuition rate is set at the rate charged in the student's first semester of enrollment. After four years, the student's tuition rate resets to the rate for new students at the institution.
- 24 University neighborhood development.** Directs the University of Minnesota, the city of Minneapolis, and the city of Duluth to establish organizations to support and create good quality environments, neighborhoods, and business development surrounding the university campus in each city. Requires a report to the legislature by January 15, 2010.
- 25 Peace officers survivor grants.** Increases the eligibility period for the postsecondary grant awards to ten semesters from eight semesters.
- 26 State-owned recreation; entertainment facilities.** Provides that a liquor license may only be issued to the Board of Regents for a stadium or arena facility if legal liquor sales are available throughout the facility and not limited to premium seating areas. Makes a technical change. Effective for applications made after December 1, 2008.
- 27 Report; federal textbook information requirements.** Requires OHE to report to the legislature on implementation of federal textbook information requirements. The report with recommendations must be done in conjunction with representatives of students, publishers, and public and private postsecondary education.
- 28 Minnesota State College, Southeast Technical – Aviation Training Center.** Appropriates proceeds of sale of the center to MnSCU for a capital project at Winona State University.
- 29 Minnesota State Colleges and Universities degree requirements.** Until July 2, 2012, provides a moratorium for associate of applied science degrees from the Board of Trustees policy limiting two-year degrees to 60 credits. Authorizes waivers from the credit limit criteria for innovative and emerging programs. Requires a report to the legislature on the degree limit requirements for associate of applied science degrees by January 2, 2012.
- 30 Power of You pilot programs.** Establishes two pilot programs to provide financial aid and attendance assistance to qualifying low-income students for campuses in the MnSCU system in a suburban and a rural area with a multicampus college.
- 31 Repealer.** Repeals the Achieve scholarship program (§ 136A.127), the Trustee Advisory Council (§ 136F.03); and the Regent Advisory Council (§ 137.0245).