

HOUSE RESEARCH

Bill Summary

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Authors: Rukavina

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Analyst: Kathy Novak

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Overview

This bill makes policy changes to higher education programs, including financial aid programs and regulation of private institutions administered by the Office of Higher Education (OHE). The bill authorizes certain transfers of revenue bond allocations and increases OHE's allocation for student loans. It also directs the Minnesota State Colleges and Universities (MnSCU) to improve credit transfers and establishes a central MnSCU system office in statute and directs the office to streamline service delivery.

Section

- 1** **Policy required.** Technical change to update cross-reference.
- 2** **Hazing policy.** Technical change to update cross-reference.
- 3** **Senior citizen.** Increases from 62 to 66 the age at which "senior citizens" can take postsecondary courses at MnSCU and the U of M, paying only an administrative fee.
- 4** **Responsibilities; Office of Higher Education (OHE).** Authorizes the office to match individual student enrollment information with financial aid information from specified programs to audit or evaluate public educational programs, to the extent allowed by federal law. Prohibits personally identifiable information from being known outside OHE.
- 5** **Eligible institution.** Replaces the current definition for the state funded grant programs with a reference to a new definition in section 7.
- 6** **Satisfactory academics progress.** Replaces the current definition with a reference to definitions in federal law for federal student loans.
- 7** **Institution eligibility requirements.** Provides that institutions are eligible to participate in state student aid programs if the institution is:

- operated by the state (MnSCU) or the Board of Regents (U of M);
- privately operated and has academic standards comparable to Minnesota institutions, is licensed or regulated by OHE, participates in federal financial aid programs by July 1, 2010, or has participated in state financial aid programs and requires signed disclosure forms from each enrolled student recognizing it does not participate in federal aid programs; or
- offers only graduate programs or programs too short for federal financial aid and the institution is registered or licensed by OHE.

A private institution that does not participate in the federal Pell program must participate within three years of an ownership change to continue as an eligible institution, subject to an appeal for a single one-year extension.

Any institution that loses eligibility for the federal Pell program is not an eligible institution for state grants.

- 8 Cost of attendance.** Sets the tuition and fee maximums used to calculate a state grant award for students at for-profit institutions equal to the average two-year and four-year MnSCU tuition and fee amounts. Makes it effective for grants beginning July 1, 2010.
- 9 Awarding procedures.** Establishes new procedures for making Indian scholarship grants:
- complete applications are ranked by date of receipt with further sorting for multiple applications with the same date
 - awards are made until all funds are spent
 - remaining applicants are placed on a waiting list in order of application date
- 10 Onetime grant for high school-to-college developmental transition program.** Establishes the “summer bridge” program enacted in 2009, as a separate statutory program with funding separate from the state grant program. This program gives grants to eligible students to attend programs in the summer between high school graduation and college enrollment. The grant uses one semester of the total eight semesters of eligibility for a state grant. Sets an annual maximum of \$1 million for grants under this section beginning in fiscal year 2012. The set aside for this program, within the state grant program, is repealed in section 39.
- 11 Legislative notice.** Adds a requirement that the OHE report to the legislature prior to making any material changes in the administration of any of the grant programs it administers, including the state grant, child care grants, Indian scholarships, and achieve scholarships. This is a parallel requirement to the legislative notice requirement for loan programs administered by OHE.
- 12 Eligible institution; loans.** Replaces the current “eligible institution” definition for the state loan programs with a reference to a new definition in section 13.
- 13 Additional institution eligibility requirements; loans.** Requires institutions eligible for the loan programs to meet the eligible institution requirements for the grant programs or the institution operates in another state, is approved by the U.S. Secretary of Education and

OHE determines that it meets standards comparable to similar Minnesota institutions.

- 14 **Notes.** Technical changes adding the names of predecessor offices to OHE.
- 15 **School.** Clarifies that public and private institutions outside of Minnesota that offer courses or programs to Minnesota residents are included in the registration requirements.
- 16 **School closure.** Defines closure to mean an unscheduled nonemergency closing for more than 24 hours, an announcement that the school is closed, or a bankruptcy filing.
- 17 **Additional security.** Adds an alternative to the bond required for schools that have fallen below minimum financial standards. Authorizes the institution to deposit with Minnesota management and budget an amount equal to the bond, or securities equal to the value of the required bond.
- 18 **Central system office.** Establishes a central system office for MnSCU in statute to provide support for the institutions. The office is under the direction of the chancellor. Its duties are specified, with a requirement that services are coordinated with institutional services so as not to duplicate functions provided by the institutions.
- 19 **Issuance of bonds.** Increases to \$275 million from \$200 million, the total amount of revenues bonds that can be issued by MnSCU for capital projects on two-year and four-year campuses funded with revenues bonds.
- 20 **Refunds.** Requires a full refund of money received from a student or on behalf of a student if a contract with that student is unenforceable because the school is not licensed. The refund must be made within 30 days of a written demand from OHE.
- 21 **Minimum standards.** Technical change.
- 22 **Schools licensed by another state agency or board.** Adds a cross-reference to OHE's licensing of private institutions for participation in state financial aid programs.
- 23 **Conditions.** Technical changes.
- 24 **Unlawful designation.** Eliminates an exception to the prohibition against licensed schools using "college" or "university" in their name. Schools operating prior to November 15, 1969, are the only remaining exception.
- 25 **Entitlement transfers.** Authorizes three state agencies (Minnesota Housing Finance, Office of Higher Education, and the Rural Finance Authority), as entitlement issuers of bonds through the bond allocation to transfer their individual allocated authority to each other prior to December 1 of each year.
- 26 **Allocation procedure.** Increases the total amount of the allocations for student loan bonds from the unified pool to \$25 million per year from \$10 million.
- 27 **Operations and maintenance.** Corrects the base amount for MnSCU that was set in H.F. 1671 (chapter 215).
- 28 **Effective date.** Modifies the effective date for the change in the semesters of eligibility for the state grant program in H.F. 1671 (chapter 215). The change clarifies that the eight semester limit applies to grants awarded on or after July 1, 2010.

- 29** Study of certificates and diplomas; educational career path. Requires the Minnesota State Colleges and Universities, in conjunction with business and industry groups and labor unions, to study options for lower credit credentials recognized by employers that could be combined into an educational career path leading to a diploma or degree. The study must recognize the need for workers and other job training programs. A report to the legislature is required.
- 30** **Streamlined MnSCU system office.** Requires the board to reduce expenditures through the streamlined delivery of centrally delivered services. Specifies divisions to be eliminated and responsibilities to be transferred from the central system office.
- 31** **Credit transfer.** Requires the board to develop and implement a plan to improve credit transfer, including improved information, training of relevant staff, methods to address intellectual property barriers, and improvement in uniform treatment of credit transfers. Requires working groups to develop actions to remove barriers to credit transfer. Requires a progress report to the legislature by January 15, 2012, and prohibits any mandatory common course numbering system until after the report.
- 32** Postretirement health insurance premium reimbursement. Requires MnSCU to waive certain premium reimbursement payments on overdue health insurance premiums if the college has failed to appropriately bill the retiree. Applies only to certain retirees who became MnSCU employees on July 1, 1995.
- 33** **Pilot project; local deposit of MnSCU reserves.** Requires the MnSCU board to implement a project on eight campuses for the local deposit of reserves that are currently held in the state treasury. Establishes a process for selecting campuses and financial institutions. Requires separate reports to the legislature by the MnSCU board and the commissioner of management and budget.
- 34** **Nanotechnology report.** Requires the U of M and MnSCU to report to the legislature by February 1, 2011, on nanotechnology research and education, including ethical issues and principles for the responsible use to protect health, environment, and workers safety.
- 35** **Surgical technologists pilot project.** Directs MnSCU to establish a pilot project with participating health care facilities for the training, education, and employment of certified surgical technologist through partnerships between MnSCU institutions with accredited surgical technologist programs and health care facilities within 25 miles of the institution. Requires a report to the legislature by January 1, 2013.
- 36** **Appropriation reduction.** Prohibits any reductions to the central office of MnSCU from being passed through or charged back to any institution or campus.
- 37** **University Mayo partnership.** Prohibits reductions to the U of M operation and maintenance appropriations from being passed through to the University Mayo partnership.
- 38** **Federal health care reform.** Requests the U of M to conduct public education on the 2010 federal health care reform legislation through the extension service explaining the potential benefits for Minnesota citizens, employers, and health care providers.
- 39** **Repealer.** Repeals the subdivision of the state grant program that establishes grants for the high school-to-college developmental transition program.

