

Subject Higher Education; Taxes: Emergency Assistance Grants

Authors Noor

Analyst Nathan Hopkins

Date March 1, 2022

Summary

The Emergency Assistance for Postsecondary Students (EAPS) grants provide funding and resources to Minnesota colleges and universities with a demonstrable homeless population. Grant funds are intended to meet immediate student needs related to housing, food, and transportation that would otherwise prevent students from completing their term. The legislature first created EAPS grants in 2017. A 2020 report on the program by the Office of Higher Education is available online [here](#).

Currently, EAPS grant money that a student receives and uses to pay for tuition and qualified education-related expenses (e.g. fees, books, supplies) would be tax-free. This bill makes any additional EAPS grant money that a student receives a subtraction from Minnesota taxable income. Subtractions are allowable deductions to adjusted gross income. Claiming subtractions reduces a person's income taxable to Minnesota.

The bill also increases the fiscal year 2023 EAPS grant appropriation from \$269,000 to \$800,000. And it increases the base appropriation for fiscal year 2024 and later from \$319,000 to \$800,000.