



States can, and should, have a role in promoting service learning

by Minnesota Sen. Cal Larson

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Measurable results

Combining community service with learning, or "service learning," is becoming a more and more prevalent element of campus curricula — and for good reason. Service-learning projects not

only address a wide variety of community challenges, but also help inspire a lifelong ethic of community and public service in today's college students and help reinvigorate the civic purposes of higher education.

Over the past 10 years, several research studies have demonstrated the positive influence that service learning has on students' academic performance, civic development and workplace skills. Individual campus assessments have reinforced these studies. For example, a 2004 assessment of more than 400 students in 25 service-learning courses at the University of Minnesota revealed powerful results. The following percentage of students reported that their service-learning courses:

- "increased my ability to apply course material to new situations," 89.8%;
- "enhanced my understanding of the course material," 84.6%;
- "increased the meaningfulness of my academic work," 87.9%;
- "enriched my overall classroom experience," 89.5%;
- "allowed me to work with persons I might not otherwise interact with," 88.8%;
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FirstPerson

A forum for legislators and constitutional officers

States taking leadership

With bipartisan support from the beginning, our state Legislature has sponsored a modest, but highly effective, Post-Secondary Service-Learning Grant Program through our Minnesota Higher Education Services Office (MHESO) since 1989. Approximately \$2 million of total state investment since that time has leveraged impressive results, including:

- well over \$10 million in matching funds from campuses, federal, corporate and foundation sources;
- an increase in student participation in community service and service learning, from approximately 20,000 to more than 55,000 annually, in just the past 10 years; and
- over a million hours of community service provided each year.

These results have been achieved through a close partnership with Minnesota Campus Compact, which co-administers our Post-Secondary Service-Learning Grant Program with MHESO. This coalition is made up of 40 public and private college presidents committed to advancing the civic purposes of higher education. It provides invaluable training, technical assistance and information services that enable the success of our grant program. This state organization is also part of a growing 30-state Campus Compact network that includes more than 950 member presidents (see www.compact.org for more information).

Similar legislative partnerships have sprung up in other states.

- The Florida Legislature appropriates \$200,000 annually to Florida Campus Compact to promote and support service learning throughout Florida higher education. The Utah Legislature appropriates \$100,000 annually to Utah Campus Compact for the same purposes.
- With support from the California Legislature, the California State University System has expended more than \$7 million to support the development of service-learning courses and the creation or expansion of service-learning offices on all of the CSU campuses.
- With leadership from the vice chair of the House Higher Education Committee and Michigan Campus Compact, the state of Michigan has formed a Blue Ribbon Panel on the Civic Good of Higher Education to produce recommendations to the Legislature on promoting campus service learning and civic engagement.

Great return on investment

These partnerships and increasing support from a wide variety of national higher education associa-

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tions have resulted in tremendous increases in student civic engagement and related campus infrastructures. The national Campus Compact reports significant growth in campus commitments to civic engagement between 1998 and 2003, including adding over 350 presidents to its ranks; a 26 percent increase in the number of students involved in community service; a two-fold increase in the number of faculty who integrate service-learning into courses, from 10,800 to 22,000; and significant growth in the number of campus offices devoted to promoting service learning.

This impressive growth in student civic engagement is increasingly complemented by commitments of other campus resources to local community development. For example, Metropolitan State University's new library was co-developed with its community as a community-university library, bringing the first-ever branch library to the East Side neighborhood of St. Paul. The library also includes innovative programs for neighborhood children led by staff from the university's Center for Community-Based Learning and student service learners. More and more Minnesota campuses are exploring similar partnerships that mobilize student and institutional resources to make a difference in their local communities.

Campus civic engagement provides a rare three-for-one return on investment by:

- addressing a wide variety of immediate community needs,
- developing the next generation of community and philanthropic leaders, and
- deepening higher education's commitment to community engagement.

As a legislator, I'm always looking for programs that produce these kinds of short-term and long-term returns on investment. That's why I continue to actively support service learning and civic engagement at all of Minnesota's colleges and universities. ✎

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Minnesota | Campus Compact

Who are we?

Minnesota Campus Compact is a coalition of 48 college and university presidents committed to *strengthen communities through campus-community partnerships and education for informed and active citizenship*. See reverse for a list of our member campuses.

What do we do?

Minnesota Campus Compact engages college and university students in hands-on, practical community service and connects these experiences to academics and civic development. We also mobilize other human, financial, and material resources on campuses to make a difference on a wide range of issues in local communities.

What are the results of our work?

By annually engaging over 55,000 college students in community service experiences, Minnesota Campus Compact provides a three-for-one return on investment:

- We address a wide variety of immediate community needs.
- We develop the next generation of community and philanthropic leaders.
- We deepen higher education's commitment to community engagement.

Over the past ten years, Minnesota Campus Compact has helped fuel tremendous growth in student civic engagement. Since 1994:

- The number of college students engaged in community service activities has increased from approximately 20,000 to over 55,000 annually, now contributing well over 1 million hours of service in Minnesota communities each year.
- The number of faculty who integrate service-learning into courses and curricula has increased from approximately 200 to well over 800.
- Over 20 staff positions have been added at our 48 member campuses to mobilize even more student and institutional resources well into the future.

Minnesota Campus Compact Members 2004-05

MCC is the only statewide coalition that includes a critical mass of public and private, two-year and four-year, large and small, and urban, suburban, and rural colleges and universities. Approximately one-half of our members are located in the Twin Cities metropolitan area and one-half in Greater Minnesota.

Alexandria Technical College
Anoka Technical College
Augsburg College
Bemidji State University
Bethany Lutheran College
Bethel College & Seminary
Capella University
Carleton College
Century College
College of Saint Benedict
College of St. Catherine
College of St. Scholastica
Concordia College – Moorhead
Concordia University, Saint Paul
Crown College
Dakota County Technical College
Dunwoody College of Technology
Fond du Lac Tribal and Community College
Gustavus Adolphus College
Hamline University
Hennepin Technical College
Inver Hills Community College
Lake Superior College
Luther Seminary
Macalester College
Metropolitan State University
Minneapolis College of Art and Design
Minneapolis Community and Technical College
Minnesota State Community and Technical College
Minnesota State University, Mankato
Normandale Community College
North Hennepin Community College
Northeast Higher Education District
Northland Community and Technical College
Northwestern College
Northwestern Health Sciences University
Rochester Community and Technical College
St. Cloud State University
St. Cloud Technical College
Saint John's University
Saint Mary's University of Minnesota
St. Olaf College
South Central Technical College
Southwest Minnesota State University
University of Minnesota, Crookston
University of Minnesota, Duluth
University of Minnesota, Morris
University of Minnesota, Twin Cities
University of Saint Thomas
William Mitchell College of Law

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Monday

September 6, 2004

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Star Tribune

NEWSPAPER OF THE TWIN CITIES

Metro
Edition

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BACK TO SCHOOL | COLLEGES AND COMMUNITY SERVICE

You can't learn these lessons in a classroom or a textbook

By Mary Jane Smetanka
Star Tribune Staff Writer

Until now, Christine Beatty's Minneapolis has been glitzy downtown stores, cool Uptown restaurants and the affluent neighborhood where she had choir practice. The only discomfort the Eagan 18-year-old admitted feeling was a shiver of apprehension when she saw homeless men holding signs asking for money and work at freeway entrances.

So it was eye-opening last week to share meals with homeless people, hear immigrants talk about torture and wander blocks of Lake Street nowhere near a trendy restaurant.

Welcome to college.

Beatty is one of 12 incoming Gustavus Adolphus College freshmen who participated in a weeklong service learning project intended to get students to think about how they can change their community and learn something, too.

"It was a different Minneapolis than I'd seen," Beatty said with understatement.

Alternately gut-wrenching and thought-provoking, the Gustavus program is one of hundreds in Minnesota that exist partly because of the Minnesota Campus Compact, which marks its 10th anniversary this year.

About 337 campus-community collaborations have been funded with over \$3 million in grants awarded in the past decade. Presidents from 48 Minnesota schools, from the University of Minnesota to private colleges to community colleges, are involved with the compact, which is one of 30 such state organizations in the nation.

Projects range widely. Students at the College of St. Scholastica worked with an inner-city school in Duluth. Minneapolis Community and Technical College trained people who live near Abbott Northwestern Hospital to be nurses. At the Duluth campus of the University of Minnesota, an accounting class did tax returns for poor people and immigrants. A University of St. Thomas chemistry class tested paint chips from old houses for lead.

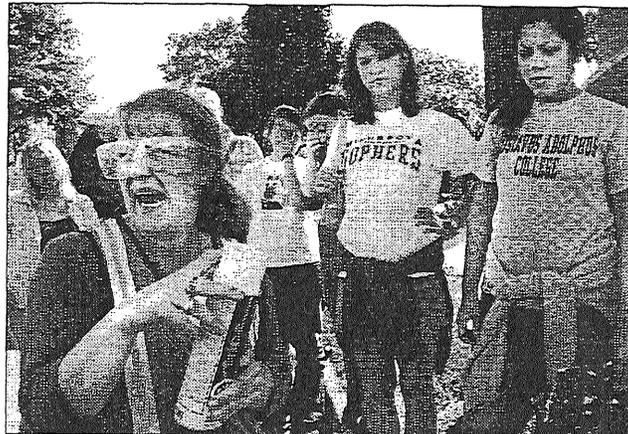
Lasting mind-set

The good works have an effect. The student testing saved Project for Pride in Living \$25,000 in lab costs. Test scores at the Duluth school went up, and so did the proportion of neighborhood people employed by the hospital.

"This is a way for students to be involved in something bigger than themselves," said compact executive director Mark Langseth. "This is good for the institution, good for students, good for the community, good for everybody."

Service learning has been around long enough that for some high schoolers, community service has become just another qualification to stick on a college application. But Langseth views college as the ideal place to catch curious young people and expose them to the kind of service that creates a mind-set that lasts beyond their college years.

At Gustavus, about two-thirds of students participate each year in some kind of service learning, and nine out of 10 take part by the time they graduate. The St. Peter school has a long list of partnerships with groups in surrounding communities. They include Habitat for Humanity and programs



Photographs by Bruce Bisping/Star Tribune

Beth Storey, Watershed Education Coordinator for the Friends of the Mississippi River, explained to Gustavus Adolphus College freshmen including Taren Reker and Samantha Costumbrado, right, how to paint anti-pollution signs on storm drains.

MINNESOTA CAMPUS COMPACT

In its 10th year, the organization encourages and provides grants for community service and development projects by colleges and universities.

that match Gustavus students with children who need help in school and adults who need education or help with English skills. Students volunteer at the local animal shelter, at nursing homes and assisted living centers, and at the state treatment facility.

Several Gustavus faculty members have incorporated service learning into their teaching. Leila Brammer, an associate professor of communications studies, views it as an extension of Gustavus' mission statement, which says the school prepares students for "fulfilling lives of leadership and service in society."

"It's one thing to go out on a Saturday and paint Mrs. Johnson's house, and another thing to think about issues that affect the rural elderly in our community," Brammer said.

Last spring, in a communication studies seminar, she asked students to find ways to use the concepts they'd learned in the community. One student worked to create publicity to reach people who needed to learn English. Another did an organizational analysis for a group that supports women who have lost a child.

SERVICE from A1

Projects vary from training nurses to doing tax returns

'What's out there'

Brammer hopes students continue to volunteer after they graduate. Students need to remember that they have skills that nonprofit organizations need on their boards or in planning for the future, she said. "I hope some students are on the forefront of changes. That's about more than stuffing envelopes, though you always need that. It's about community change ... letting them think about what's out there and what it means in the world, and how can I change that."

One way students get acquainted with Gustavus' emphasis on service learning is through the weeklong freshman program. For six intense days, students were exposed to new experiences. They marked storm drains for an environmental group, visited the humane society and a thrift store, visited the Resource Center of the Americas and the Center for Victims of Torture in Minneapolis, and played fleeing refugees in a forest in a chilling night recreation of the Cambodian killing fields.

Early in the week, a "homeless immersion" gave students new identities — a single man with a job who loses his apartment, a family with three kids that needs a place to stay — and forced them to figure out how to navigate the system in a single day. Working in groups, students rode city buses to shelters, found their way to the county offices to re-create lost ID cards and dealt with "police" who suspected them of criminal activity. They ate at a homeless shelter, talked with people and later helped make food at the shelter.

Ben Birks, from Sioux Center, Iowa, said it was all new to him.

"This is good for the institution, good for students, good for the community, good for everybody."

— Mark Langseth,
Minnesota Campus Compact

"Being from small-town Iowa, there are not many chances to investigate inner cities as we have," he said. "It's pretty amazing."

Beatty's views of homeless people changed. "When we wrote down what we thought homeless people were like, people said 'a man, unshaven, lazy.' But 66 percent of homeless people are women. It's shocking."

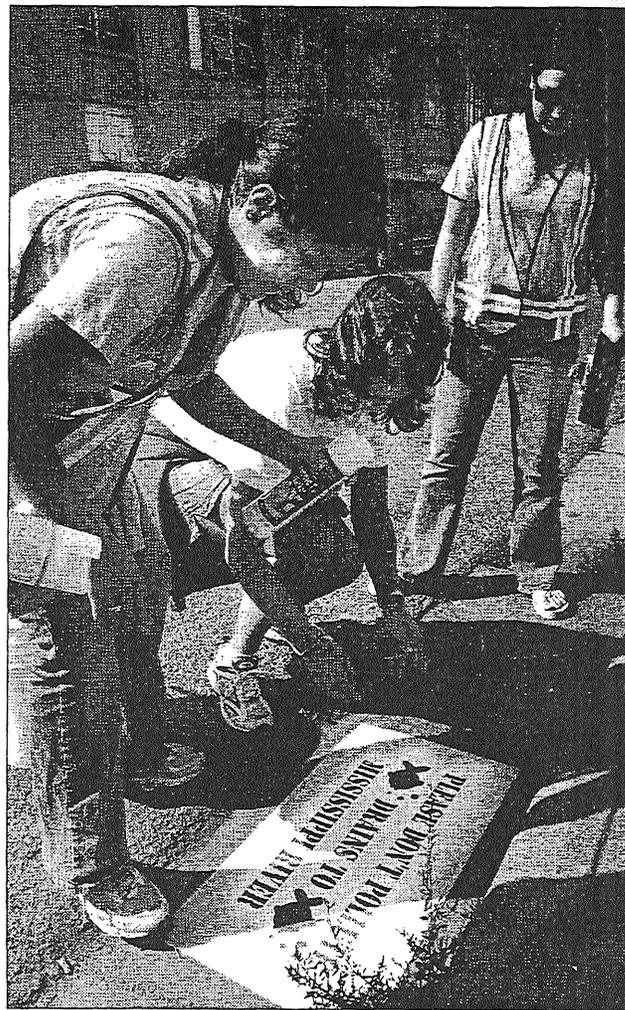
The exercise "pushed us way out of our comfort zone," said Courtney Covey, who is from Moorhead. "It's been intense and really challenging."

Told at lunchtime to eat and visit with some of the people at the shelter, Covey and Christa Saeger of Maple Grove said they struggled with "the border between being friendly and being patronizing." While they grew increasingly confident walking city streets and navigating the bus system, the two didn't eat. A long line of people was waiting for lunch, they reasoned, and if they ate they'd be taking food away from someone else. But then they worried that they looked snobby by not eating.

They were still thinking about that a day later.

"I wanted to expand and learn as much as I could," Saeger said. "It fit for me."

Mary Jane Smetanka is at
smetan@startribune.com.



After the coordinator's explanation, Gustavus freshmen Samantha Costumbrado, left, Taren Reker and Christine Beatty went to work painting the anti-pollution message on a storm drain near the old Sears building along Lake Street.

Minnesota Campus Compact

S N A P S H O T S

Below are brief descriptions of five projects that were developed with substantial support from Minnesota Campus Compact. On the reverse side are additional examples of how service-learning is integrated into courses in a variety of academic departments and programs.

A child suffers irreparable brain damage after ingesting paint chips laden with lead in a low-income housing unit in Minneapolis. The owner of the unit, who is concerned about lead content in several older buildings, partners with a Chemistry course at the University of St. Thomas to collect and analyze samples of paint, dust, dirt and water in and around those housing units. In just one semester, the partnership saves the nonprofit low-income housing developer over \$25,000 in collection and analysis costs and identifies units with lead problems.

Hmong and Latino families engage in unique, ongoing “learning circles” with students and faculty from the University of Minnesota, Twin Cities campus, and the College of St. Catherine, teaching each other their languages, preparing for citizenship tests, and working together on welfare-to-work issues.

A neighborhood on the East Side of St. Paul faces a number of social and economic challenges: lack of affordable housing and living wage jobs, inequitable access to information and public space, and a fast-growing population of non-English speakers, among others. Through a partnership with Metropolitan State University, students, faculty, staff and community leaders partner on a variety of projects: tutoring, family literacy and peer mediation with the local elementary school; a “capacity inventory” to identify small business development interests and skills; the creation of a community restaurant with adjoining new green space; and co-development of the neighborhood’s first community entrepreneur training program and community-university library.

Farming communities in northwestern Minnesota struggle with pesticide use. At the request of a local nonprofit organization, students from Concordia College conduct a series of experiments on the effectiveness of various sustainable agricultural practices. Data is disseminated to farmers and policy-makers throughout the area as part of a region-wide strategy to reduce pesticide use while maintaining profitable crop yield.

A 3rd grade student wraps his legs around his chair, puts his fingers in his ears and repeats “I don’t wanna read” several times upon meeting his new tutor, a student at Normandale Community College who is part of an America Reads literacy project. The 3rd grader is having trouble with both behavior and his reading and writing skills. The tutor says “OK, I’ll just read to myself” and proceeds to read aloud to herself throughout their first meeting. Just two months later, the 3rd grader is reading the last word of each line of poetry with his tutor, and after several months is reading and writing actively with his tutor and has vastly improved both his behavior and basic skills. ▶

An **Accounting** professor integrates service-learning into a course on tax accounting by having students assist low-income community residents and recent immigrants in accurately preparing their tax returns, providing a needed service to the residents and resulting in increased understanding of client-based tax accounting practices for the students.

Students in a **Studio Arts** course, along with hospice patients, transform a drab hospice unit entryway into a serene passageway affirming the journey from life to death, learning tremendous technical and human lessons related to studio arts in the process.

Education students in a social studies methods course help high school teachers design and implement service-learning experiences for the younger students. The Education students master service-learning methodology, while the high school students apply classroom learning about democratic governance.

Students in a **Mechanical Engineering** course help design accessible apartments for people with disabilities and create a human-powered food apparatus for a community in a developing country. Students gain deeper understandings about design, client interaction and project management, and the apparatus has enabled far greater food production in the developing community.

An **English** professor integrates a community service experience at a homeless shelter as part of his course on Shakespeare's tragedies. Students gain a powerful way to connect the story of King Lear with contemporary life, resulting in greatly increased student engagement and understanding of lessons available from all the tragedies.

Journalism students are assigned a community issue "beat" and volunteer time with a community organization addressing this issue. Students use their community experience and related research to contribute articles for community and campus newsletters, enhancing their journalistic knowledge and skills in the process.

Students in a **Marketing** course conduct research on the image of institution-wide service-learning and campus-community collaboration efforts. The students provide invaluable information for the university's planning efforts and increase their understanding of marketing research methods through this practical, hands-on experience and related discussions in class.

A **Political Science** professor teaching quantitative research methods requires student teams to work with community organizations, creating surveys and other research tools that both assist the organization in its work and more effectively equip students with research design and implementation skills.

Psychology students spend several hours each week as companions to homebound senior citizens in order to combat social isolation and understand the senior citizens' perspective on the psychology of aging.



State Grant Program
Recipients and Awards by Sector, FY1999-2004

		Fiscal Year:							
Sector	Data	1999	2000	2001	2002	2003	2004	% Change 1999-2004	
MnSCU	Recipients	31,377	33,400	35,603	37,947	37,685	36,599	16.6%	
	\$ Awards	\$35,000,869	\$35,770,050	\$38,572,111	\$40,132,000	\$41,502,000	\$35,341,122	1.0%	
	\$ Average Award	\$1,115	\$1,071	\$1,083	\$1,058	\$1,101	\$966	-13.4%	
University of Minnesota	Recipients	9,076	8,278	8,159	9,442	10,401	9,367	3.2%	
	\$ Awards	\$17,532,646	\$16,361,438	\$16,845,394	\$20,236,000	\$25,795,000	\$23,116,669	31.8%	
	\$ Average Award	\$1,932	\$1,976	\$2,065	\$2,143	\$2,480	\$2,468	27.8%	
MPCC-member Institutions	Recipients	11,058	10,792	10,679	11,266	11,215	10,470	-5.3%	
	\$ Awards	\$35,644,643	\$35,557,931	\$36,240,591	\$36,628,000	\$35,750,000	\$31,971,226	-10.3%	
	\$ Average Award	\$3,223	\$3,295	\$3,394	\$3,251	\$3,188	\$3,054	-5.3%	
Other Private Institutions	Recipients	10,107	10,332	10,831	12,619	13,095	13,196	30.6%	
	\$ Awards	\$20,753,666	\$21,845,162	\$24,107,839	\$28,650,000	\$30,539,000	\$24,892,976	19.9%	
	\$ Average Award	\$2,053	\$2,114	\$2,226	\$2,270	\$2,332	\$1,886	-8.1%	
Total Recipients		61,618	62,802	65,272	71,274	72,396	69,632	13.0%	
Total \$ Awards		\$108,931,824	\$109,534,581	\$115,765,935	\$125,646,000	\$133,586,000	\$115,321,993	5.9%	
Total \$ Average Award		\$1,768	\$1,744	\$1,774	\$1,763	\$1,845	\$1,656	-6.3%	

Source: MPCRF, based on data from the Minnesota Higher Education Services Office

Minnesota Farmer-Lender Mediation Must Continue

Current Status. The Farmer-Lender Mediation program is scheduled to sunset July 1, 2005. Minn. Stat. §§ 580.20 to 580.32. The legislature last extended the program in 2001.

Action Requested of the Legislature. The Minnesota Family Farm Law Project asks that the Minnesota legislature extend the program four years and preserve the structure of the existing statute.

What is Farmer-Lender Mediation? Farmer-Lender Mediation is a mandatory process where farmers and lenders must first mediate disputes over debts secured by agricultural property before lenders initiate enforcement actions. For more information see Farmers' Guide to Minnesota Lending Law at www.flaginc.org/pubs/mnlend.

How is the Program Funded? The University of Minnesota Extension Service operates the program out of its base funding with a significant matching grant from the United States Department of Agriculture as a certified state mediation program. So long as the federal matching grant continues, a line item appropriation for the program is not required for Farmer-Lender Mediation to continue.

Why does Minnesota Need the Farmer-Lender Mediation Program?

1. Historically low commodity prices, widespread crop disease including the potential for soybean rust in Minnesota, and increased production costs all have contributed to an ongoing agricultural crisis in Minnesota.
2. Congress has repeatedly allowed Chapter 12, the family farm bankruptcy law, to sunset leaving farmers with limited financial options.
3. The Mediation Program encourages settlement of farm financial difficulties instead of the unnecessary liquidation of distressed farm debtors. A settlement is better for farmers, lenders, and the rural communities that may lose employment opportunities, tax base, and lower living standards in the community.

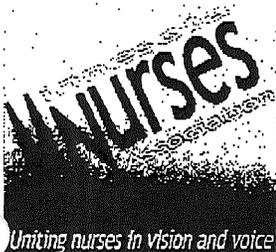
Why is the Farmer-Lender Mediation Program the Best Option?

1. Mediation encourages settlement and discussion instead of expensive litigation. The Minnesota legislature time after time adopts this policy through ADR, arbitration, and other mediation legislation.
2. Mediation facilitates communication by introducing a third-party neutral into the process; the neutral is trained in assessing each party's situation.
3. The statute has a ninety-day cooling-off period that allows farmers and lenders a chance to evaluate options and work things out without the pressure of an immediate need to act.
4. The Mediation Program puts the farmer in contact with the Extension Service, Minnesota Farm Advocates, legal services, and other trained professionals who can assist the farmer in understanding the details of the situation and all of the options that are available.

Prepared by the Farmers' Legal Action Group, Inc. (FLAG) on behalf of the Minnesota Family Farm Law Project (MFFLP) Task Force, December 29, 2004. MFFLP is a consortium of Minnesota legal services programs that provide assistance to financially distressed family farmers in the state. www.flaginc.org

The Farmer-Lender Mediation Act (Act), codified as Minnesota Statutes §583.20 to §583.32, instituted mediation of delinquent agricultural debts.
FARMER LENDER MEDIATION PROGRAM
Executive Summary of Program Results in Federal Year 2004

- 1,270 mediation cases were opened based on the receipt of a notice of mediation served on a farm debtor.
- 375 cases (30%) completed mediation.
- Estimated 11,430 program participants (an average of 9 participants per case) received the services of 15 mediators, 5 financial analysts, and 5 program staff.
- 69% of mediated cases reached some kind of settlement by the end of mediation while only 31% of mediated cases did not reach a settlement agreement by the end of mediation.
- 895 debtors waived mediation. Results of these cases may be that the debtor worked out a resolution without mediation. The following may have occurred; paid the debt current, bankruptcy or abandonment of the collateral.
- Geographically, Minnesota Agricultural Statistics Districts in descending order of creditor notices of mediation were: central, northwest, southeast, west central, south central, southwest, east central, north central and northeast.
- Creditors, who served notice of mediation, in descending order were: Implement Dealers and Manufacturers, Banks, Farm Credit Services, United States Department of Agriculture, other (Judgments, small business accounts), Farm Service Agency, and Contracts for Deed.
- The total amount of debt that was addressed in mediation case sessions was \$229,806,861. The approximate breakdown was as follows: banks \$130M, Farm Credit Services \$30M, contracts \$30M, main street suppliers and small business's \$21M, Farm Service Agency \$11M and implement companies \$7M.
- The commodity enterprise of the debtors, in descending order was: crop, dairy, hogs, cattle and other.
- The ownership of the farming entity was: 73% sole proprietors, 21% partnerships and 6% corporations.
- The average farm debtor in mediation was a 49-year-old sole proprietor with an average net worth of approximately \$304,067, average agricultural debt of approximately \$707,090, median non-farm income of \$28,800 and median family living expenses of \$31,101 per year.
- The total number of cases was 1270. The average cost per case was \$274.00.



March 7, 2005

Senator Sandra Pappas, Chair
Higher Education Budget Division Committee
Minnesota Senate
120 Capitol
75 Rev Dr Martin Luther King Jr Blvd
St. Paul, MN 55155

VIA FACSIMILE: 651-225-7567

Dear Senator Pappas
and Members of the Higher Education Budget Division Committee:

Professional Distinction

The Minnesota Nurses Association, which represents over 17,400 nurses, supports House File 165 and Senate File 220, the bill that would allow state universities to offer applied doctoral programs.

Personal Dignity

There is currently a shortage of nurses and the problem is exacerbated by a shortage of nurse educators in place to prepare more nurses. This problem will worsen in the near future as the average age of nurse educators in Minnesota is now over 50 years of age.

Patient Advocacy

The state universities at Moorhead, Mankato, and Winona currently offer Masters level education in nursing. These universities offer high quality nurse education at a comparatively affordable price. They are geographically located to provide access to advanced education by practicing nurses in rural parts of the state.

The Minnesota Nurses Association encourages you to support Senate File 220.

Sincerely,

Erin Murphy, RN
Executive Director
Minnesota Nurses Association

CC: Mary Jo George, Staff Specialist, Governmental Affairs

1625 Energy Park Drive
St. Paul, MN 55108

Tel: 651-646-4807
800-536-4662

Fax: 651-647-5301

Email: mnnurses@
mnnurses.org

Web: www.mnnurses.org



Both MnSCU and the U of M suffer from expectations that are too broad and sometimes contradictory and unattainable. Examples of this disconnect include the need for open access at MnSCU, no matter how unprepared students are for higher education, and the need to promote "mission differentiation" at its campuses that focuses on specific educational attainment and high-skill, job-ready criteria. At the U of M, an example is the need to be Minnesota's only public research institution, and the expectation to be "the people's University," available and accessible to all Minnesotans. (A University president effectively lost his job in part over efforts to focus the institutions programming.)

Minnesota can't have it both ways. In a world of limited public resources, increased capacity from non-public providers and a greater need for achievement and workforce-ready outcomes, our public institutions cannot succeed without greater focus and clearer, more realistic expectations. This clarity will also support the measurable goals of a vision focused on student achievement.

THE UNIVERSITY OF MINNESOTA SHOULD CONTINUE TO ENHANCE ITS ROLE AND PROGRAMMATIC FOCUS ON BEING A WORLD-CLASS PUBLIC RESEARCH INSTITUTION.

This includes:

- Research, especially basic research and research-based outreach.
- Graduate and professional education, especially high-cost programs with a high public benefit, e.g. engineering, biological sciences, medical schools.
- Nationally-selective undergraduate education. This undergraduate education should continue to emphasize the demands for, and benefits of, strong liberal arts education.

* MnSCU should continue to promote specialization and centers-of-excellence among its campuses, focusing on:

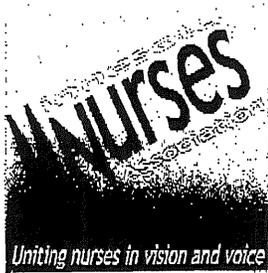
- Access to higher education for prepared students.
- Two and four-year degree programs that emphasize direct job training and workforce preparedness curricula.
- Development of "best in class" programs that demonstrate contributions to the local and regional economies, and to the broader global economy, through innovative partnerships with business and industry. The more job-relevant the curriculum, the more important the connection to local economies. The more innovative and responsive the programs are to new and emerging technologies, the higher the likelihood that the school is educating citizens in the skills necessary for Minnesota to succeed in a global knowledge-based economy.
- Programs that are based on unique access to regional populations or unique online access and capabilities.
- Potential connections with local K-12 systems to promote readiness for higher education and an improved use of student time in high school.
- Post-graduate, research and first professional degree programs that are relatively low-cost, applied, and/or are connected to high-growth employment fields, and that are closely coordinated to prevent unnecessary duplication and program overlaps.

Reforms

- Action: Both MnSCU and the U of M should be held accountable for these broad goals through the articulation of specific institutional outcomes tied to each goal, e.g. raising the six-year undergraduate graduation rate at the U of M, or increased leverage of private employer resources at MnSCU. The new Higher Education Performance Council, working with the Governor, the Legislature and the institutions themselves, should develop these specific and measurable expectations.
- Action: Establish an "incentive fund" or "emerging curriculum grant" with existing resources, which would be competitively awarded to MnSCU campuses that develop unique programming models, for example:
 - Readiness for higher education or partnerships with K-12 districts.
 - New business partnerships in the region or locality, including customized training for employees.
 - Unique programming/curricula opportunities that respond to the goals established in this strategy.

Funds could be redirected from existing workforce development programs (see below).

- Action: Improve the effectiveness and leverage of workforce development programs by increasing the coordination of these programs with MnSCU. This would apply to both continued and increased programmatic coordination between MnSCU and the Department of Employment and Economic Development, and the potential reallocation of economic development funds to support workforce training. For example, a portion of the "Workforce Development Fund" might be reallocated to support



March 7, 2005

Senator Sandra Pappas, Chair
 Higher Education Budget Division Committee
 Minnesota Senate
 120 Capitol
 75 Rev Dr Martin Luther King Jr Blvd
 St. Paul, MN 55155

VIA FACSIMILE: 651-225-7567

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 and Members of the Higher Education Budget Division Committee:

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The Minnesota Nurses Association encourages you to support Senate File 220.

Sincerely,

Erin Murphy, RN
 Executive Director
 Minnesota Nurses Association

1625 Energy Park Drive
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Tel: 651-646-4807

800-536-4662

Fax: 651-647-5301

Email: mnnurses@

mnnurses.org

Web: www.mnnurses.org

CC: Mary Jo George, Staff Specialist, Governmental Affairs



From: Mary R. Law [mailto:mrlaw@mnasa.org]
Sent: Monday, March 07, 2005 3:43 PM
To: john.ostrem@so.mnscu.edu
Cc: Charlie Kyte
Subject: Senate File 220

3

This email is in support of Senate File 220. The Minnesota Association of School Administrators (MASA) is concerned with the turnover rate of licensed superintendents and the availability of programs for potential superintendents to be licensed.

- * MASA supports the State University System licensure programs for administrators because the cost of these programs are more affordable.
- * MASA supports the State University System licensure programs because they are more geographically located throughout the state.
- * MASA supports the State University System licensure programs as their teaching staff is very talented.

Sincerely,
Charlie Kyte
Executive Director
Minnesota Association of School Administrators

--
Mary R. Law
Associate - Leadership Support
Minnesota Association of School Administrators
384 Como Avenue
St. Paul, MN 55108
651-645-6272 phone
651-645-7518 FAX

Mr. Ostrem,

The Minnesota School Counselors Association has watched with great interest the emergence of SF 220, the bill to allow MnSCU institutions to provide applied doctorate programs. ***MSCA is strongly in support of such an initiative, particularly in the area of Professional School Counseling.*** Many of our members have indicated an interest in pursuing post-masters degrees in our field, but cannot access such programs in-state. An applied doctorate in Professional School Counseling through MnSCU would allow for greater geographic accessibility at lower cost.

Thank you for this opportunity to share these thoughts with you. If you have questions, please do not hesitate to contact me.

Sincerely,
Tammy Roth, President
Minnesota School Counselors Association



THE INTER FACULTY ORGANIZATION

SERVING THE FACULTY OF THE MINNESOTA STATE UNIVERSITIES

March 7, 2005

To: Members of the Senate Higher Education Committee
 From: Nancy Black, Ph. D., President of the IFO *Nancy Black*
 Re: Support for Senate File 220

The Inter Faculty Organization, which represents the nearly 3000 full and part-time faculty at Minnesota's seven state universities, supports S. F. 220, the bill to allow state universities to offer applied doctoral plans.

Minnesota State Universities have the infrastructure to offer applied doctoral degrees. Almost all of the full time tenured state university faculty have terminal degrees. Many teach in the 163 graduate programs and six post-graduate certificate programs currently offered by MnSCU. Some of the faculty members have taught in applied doctoral programs offered by the University of Minnesota. Many of our faculty teach in areas such as psychology, education, and nursing where there is a high demand for doctoral programs.

Offering applied doctoral programs would give our faculty members the exciting opportunity to work with a group of highly motivated professionals who seek to become leaders in their field. It would offer depth and prestige to some of our programs. At the same time it would fulfill some of our state's needs for highly educated professionals.

We urge you to pass S. F. 220.



Position Statement on the Doctorate of Nursing Practice

by

MnSCU School of Nursing Deans and Directors

January 26, 2005

Position

The Minnesota State Colleges and Universities (MnSCU) Deans and Directors of Baccalaureate and Higher Degree programs in nursing support the practice-focused doctorate as a distinct model of doctoral nursing education that provides an additional option for attaining a terminal degree in nursing. The MnSCU Deans and Directors recommend that (MnSCU) institutions plan and initiate the delivery of a collaborative DNP program in Minnesota.

Background and Need

This recommendation is congruent with the national position endorsed on October 25, 2004 by the American Association of the Colleges of Nursing (AACN). During the past three decades, several trends have evolved that critically affect nursing education:

- First, the doctorate has become firmly established as the terminal degree in nursing.
- Second, master's degree programs in nursing have expanded the number of classroom and clinical hours in order to adequately prepare the advanced practice nurse. The expanded number of credits has reached up to 60 credits, far beyond the typical masters program.
- Third, the knowledge required to provide leadership in the discipline of nursing is so complex and rapidly changing that doctoral education is needed to meet education and care delivery demands.
- Finally, the options for the terminal degree in nursing are limited in the state of Minnesota and the numbers nationwide of doctoral graduates in nursing is extremely low (an average of 13 per year from 1999—2003).

The logical outcome when combining these trends is the development of the Doctorate in Nursing Practice.

Rationale for Development of the DNP degree by MnSCU Schools of Nursing

Strong master's degree programs in nursing already exist in four MnSCU schools (MSU Moorhead, MSU Mankato, Winona State, and Metropolitan State) and St. Cloud is in the planning stages of a graduate program. Existing faculty resources, infrastructure support (technology and library holdings) and clinical placement facilities already exist. Additionally, there is a strong collaborative relationship among all baccalaureate and higher degree schools that would be involved in the development of this degree. This collaborative program would increase the access to education for nurses throughout the state of Minnesota.

Action Plan

Based on the above, we recommend:

1. A statutory change, via legislative action, to enable MnSCU institutions to offer the practice doctorate degree;
2. That MnSCU baccalaureate and master's nursing programs develop a collaborative doctorate of nursing practice that effectively and efficiently utilizes the MnSCU human talent and fiscal resources.

Respectfully Submitted,

Mary Bliesmer, Interim Associate Dean
School of Nursing
Minnesota State University, Mankato

Timothy Gaspar, Dean
College of Nursing & Health Sciences
Winona State University

Jane Giedt, Director and Chair, Graduate Program
Tri-College University Nursing Consortium
North Dakota State University

Marilyn Loen, Executive Director
School of Nursing
Metropolitan State University

Barbara Matthees, Director, RN-BSN Program
Tri-College University Consortium
North Dakota State University

Rochelle Schella, Chair and Professor
Department of Nursing
Bemidji State University

Barbara Vellenga, Program Coordinator
Department of Nursing
Minnesota State University Moorhead

Susan Johnson Warner, Chair
Department of Nursing Science
Saint Cloud State University



Minnesota State College Faculty

MEMORANDUM

To: The Senate Higher Education Committee

From: Rick Nelson and Mike Lehn, Co-Chairs
Minnesota State College Faculty (MSCF)
Government Relations Committee

Date: March 7, 2005

Subject: S. F. 220, Allowing MnSCU Institutions to Offer Applied Doctoral Degrees

We are writing on behalf of the MSCF in support of S. F. 220, a bill to allow state universities to offer applied doctoral degrees.

Members of the MSCF teach at the MnSCU community colleges, technical colleges, and consolidated community-technical colleges. Many of our faculty members have Masters degrees and would be interested in obtaining a terminal degree in their field.

Currently, almost all doctoral level education is offered in the Twin Cities metropolitan area. State universities are more geographically accessible to many of our members, allowing them to further their educations without leaving their area. In addition, state universities are more affordable.

Your support of S. F. 220 would be appreciated.

Mar05\legis SF220 .ms

From: Bob Meeks [bmeeks@mnmsba.org]

Sent: Monday, March 07, 2005 11:22 AM

To: john.ostrem@so.mnscu.edu

Dear Member of the Minnesota Legislature;

The Minnesota School Boards Association (MSBA) is requesting your support for S.F. 2020 (Hottinger)/H.F. 165 (Opatz) relating to the MNSCU system.

S.F. 2020/H.F. 165 provides MNSCU with the authority to offer an Applied Doctorate Degree in Education Administration. MSBA believes this legislation, if enacted, will provide Minnesota with an affordable option for the training of future school administrators a geographically based program to allow greater accessibility for students, degree programs that can use existing MNSCU college staff to provide the needed courses to complete the programs, and a degree program to assist Minnesota's public school districts with filling what we believe will be record setting vacancies in our administrative ranks.

Your support of S.F. 2020/H.F. 165 will benefit Minnesota's public school districts meet our future administrative staffing needs..

Bob Meeks
Executive Director
Minnesota School Boards Association
507-934-2450 800-324-4459

3/8/2005



MINNESOTA STATE UNIVERSITY STUDENT ASSOCIATION, INC.

March 8, 2005

To: The Senate Higher Education Committee
From: The Minnesota State University Student Association (MSUSA)
Re: S. F. 220, Applied Doctoral Programs at State Universities

The MSUSA strongly supports S. F. 220, which would allow state universities to offer applied doctoral degrees.

The recent Citizen's League Report on Higher Education recommended that MnSCU institutions focus on, among other things, post-graduate programs that are relatively low cost, applied, and connected to high-growth employment fields. S. F. 220 would allow state universities to do so by removing a statutory barrier that prevents them from offering applied doctoral degrees.

State universities are highly efficient, and therefore can offer programs at a much lower cost to students. Currently graduate level tuition at state universities ranges from \$209-\$245 per credit. At the U of M the cost is \$681 (at six credits) to \$341 (at 12 credits). Private institutions charge \$415 to \$750 per credit. Allowing state universities to offer applied doctoral programs could make these programs more financially accessible to students and could increase the supply of nurse educators, education administrators, and counselors available to fill social needs.

We urge you to pass S. F. 220.

For the Students

Brad Krasaway
State Chair
Minnesota State University Student Association

108 COMO AVENUE
SAINT PAUL, MN
5 03-1820

(P) 651.224.1518

(F) 651.224.9753

WWW.MSUSA.NET



State Grant Program
Recipients and Awards by Sector, FY1999-2004

		Fiscal Year:							
Sector	Data	1999	2000	2001	2002	2003	2004	% Change 1999-2004	
MnSCU	Recipients	31,377	33,400	35,603	37,947	37,685	36,599	16.6%	
	\$ Awards	\$35,000,869	\$35,770,050	\$38,572,111	\$40,132,000	\$41,502,000	\$35,341,122	1.0%	
	\$ Average Award	\$1,115	\$1,071	\$1,083	\$1,058	\$1,101	\$966	-13.4%	
University of Minnesota	Recipients	9,076	8,278	8,159	9,442	10,401	9,367	3.2%	
	\$ Awards	\$17,532,646	\$16,361,438	\$16,845,394	\$20,236,000	\$25,795,000	\$23,116,669	31.8%	
	\$ Average Award	\$1,932	\$1,976	\$2,065	\$2,143	\$2,480	\$2,468	27.8%	
MPCC-member Institutions	Recipients	11,058	10,792	10,679	11,266	11,215	10,470	-5.3%	
	\$ Awards	\$35,644,643	\$35,557,931	\$36,240,591	\$36,628,000	\$35,750,000	\$31,971,226	-10.3%	
	\$ Average Award	\$3,223	\$3,295	\$3,394	\$3,251	\$3,188	\$3,054	-5.3%	
Other Private Institutions	Recipients	10,107	10,332	10,831	12,619	13,095	13,196	30.6%	
	\$ Awards	\$20,753,666	\$21,845,162	\$24,107,839	\$28,650,000	\$30,539,000	\$24,892,976	19.9%	
	\$ Average Award	\$2,053	\$2,114	\$2,226	\$2,270	\$2,332	\$1,886	-8.1%	
Total Recipients		61,618	62,802	65,272	71,274	72,396	69,632	13.0%	
Total \$ Awards		\$108,931,824	\$109,534,581	\$115,765,935	\$125,646,000	\$133,586,000	\$115,321,993	5.9%	
Total \$ Average Award		\$1,768	\$1,744	\$1,774	\$1,763	\$1,845	\$1,656	-6.3%	

Source: MPCRF, based on data from the Minnesota Higher Education Services Office

**Senate Counsel, Research,
and Fiscal Analysis**

G-17 STATE CAPITOL
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.
ST. PAUL, MN 55155-1606
TEL: (651) 296-4791
FAX: (651) 296-7747
JO ANNE ZOFF SELLNER
DIRECTOR

Senate
State of Minnesota

**S.F. No. 173 - Modifying Financial Aid For Postsecondary
Students**

Author: Senator David J. Tomassoni
Prepared by: Maja Weidmann, Senate Research (651/296-4855)
Date: March 7, 2005

Section 1, Subdivision 1 authorizes the Minnesota Private College Council to administer financial aid programs for its member institutions.

Subdivision 2 directs the council to consult with its student association to develop guidelines to be used in identifying students who would be eligible to receive stipends to assist with the payment of the cost of attendance. The council would allocate money for the financial aid awards to its member institutions.

Subdivisions 3 and 4 direct the council to develop program guidelines and allocate money to its member institutions for a childcare assistance and a work-study program.

Subdivision 5 authorizes the council to transfer allocations between programs.

Subdivision 6 directs the council to report to HESO on the awards made to students.

Section 2 through 6 makes language changes consistent with the private college council's authority to award financial aid to students attending its member institutions.

Section 7, Subdivision 1 authorizes the Board of Trustees of the Minnesota State Colleges and Universities to administer financial aid programs for its institutions.

Subdivisions 2 through 5 delineate the procedures the board must follow in administering the programs. The procedures would be the same as described in section 1, subdivisions 2 through 6 above for the Private College Council.

Section 8 authorizes the Board of Regents of the University of Minnesota to administer financial aid programs for its institutions.

Subdivisions 2 through 5 delineate the procedures the board must follow in administering the programs. The procedures would be the same as described in section 1, subdivisions 2 through 6 above for the Private College Council.

Section 9 makes appropriations.

MW:rer

Consolidated Fiscal Note – 2005-06 Session

Bill #: S0173-0 **Complete Date:** 03/08/05

Chief Author: TOMASSONI, DAVID

Title: POSTSECONDARY ED STUDENT FINAN AID

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agencies: Higher Ed Services Office (03/08/05)
University Of Minnesota (03/08/05)

State Colleges & Universities (03/08/05)

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Net Expenditures					
General Fund		130	130	130	130
State Colleges & Universities		130	130	130	130
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund		130	130	130	130
State Colleges & Universities		130	130	130	130
Total Cost <Savings> to the State		130	130	130	130

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Consolidated EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN
Date: 03/08/05 Phone: 296-7316

Fiscal Note – 2005-06 Session

Bill #: S0173-0 **Complete Date:** 03/08/05

Chief Author: TOMASSONI, DAVID

Title: POSTSECONDARY ED STUDENT FINAN AID

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State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Higher Ed Services Office

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

S.F. 173 would divide the current state grant program, work study program and child care program into four separate programs. These programs would be established individually at the University of Minnesota, the MnSCU system, the private four year institutions that are members of the Private College Council, and the remaining private institutions. The programs at the last group would be administered through the Higher Education Services Office.

The bill does not change any of the current requirements or eligibility standards for any of the three programs. Instead, a block grant to each of the four entities is created. Each entity is directed to establish guidelines for each program to allocate the money to students. The standards identified in the bill to establish these guidelines are that the respective governing board consults with student associations and that they allocate the funds to students based on demonstrated financial need. Money may be transferred between programs. A report to HESO at the end of each term is required.

Assumptions

Since no eligibility requirements are changed it is assumed that the current base appropriation is used to fund the new program structure. This results in no new cost to the state. The current annual base appropriations for these programs are \$140.6 million for the state grant program, \$12.4 million for work study, and \$4.7 million for child care. These funds are allocated to institutions based on criteria in statute. However, annual aggregate spending for each of the four sectors does not necessarily add up to the appropriated amount for that year. This is true for three reasons. First, appropriations can be carried forward by HESO between fiscal years in a biennium. Second, moneys are reallocated between institutions a number of times each year for child care and work study based on changing needs. Third, institutions themselves can carry forward prior year grants.

The table below shows spending (in thousands) at the same sectoral level as defined in the bill for fiscal years 2002 through 2004 for the three programs. Spending is defined as either grants received or funds available. FY 2004 is the last year of actual data. These indicate the relative share of the appropriation that is spent at institutions in each sector.

<u>State Grant</u>	2002	2003	2004
University of Minnesota	20,236	25,795	23,117
MnSCU	40,132	41,502	35,335
Private College Council Institutions	36,628	35,749	31,978
Other Private Institutions	<u>28,650</u>	<u>30,540</u>	<u>24,893</u>
Total Grants Received	125,646	133,586	115,323

<u>Work Study*</u>	2002	2003	2004
University of Minnesota	2,190	0	2,072
MnSCU	6,168	0	6,089
Private College Council Institutions	3,994	0	3,474
Other Private Institutions	<u>462</u>	<u>0</u>	<u>434</u>
Total Funds Available	12,814	0	12,069

<u>Child Care Grant</u>	2002	2003	2004
University of Minnesota	254	44	213
MnSCU	4,192	944	3,976
Private College Council Institutions	435	84	353
Other Private Institutions	<u>42</u>	<u>12</u>	<u>35</u>
Total Funds Available	4,923	1,084	4,577

* Work study funding was rolled into the state grant spending in fiscal year 2003 due to budget constraints.

Expenditure formula
There is no state cost to the bill.

Long term considerations:
There are no long term fiscal implications of the bill.

Local govt costs
None

FN Coord Signature: MARK MISUKANIS
Date: 03/08/05 Phone: 642-0518

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN
Date: 03/08/05 Phone: 296-7316

Fiscal Note – 2005-06 Session

Bill #: S0173-0 **Complete Date:** 03/08/05

Chief Author: TOMASSONI, DAVID

Title: POSTSECONDARY ED STUDENT FINAN AID

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: University Of Minnesota

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

This bill version has no fiscal effect on our agency.

FN Coord Signature: SARAH DELANEY
Date: 03/08/05 Phone: 624-5572

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN
Date: 03/08/05 Phone: 296-7316

Fiscal Note – 2005-06 Session

Bill #: S0173-0 **Complete Date:** 03/08/05

Chief Author: TOMASSONI, DAVID

Title: POSTSECONDARY ED STUDENT FINAN AID

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: State Colleges & Universities

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		130	130	130	130
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		130	130	130	130
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund		130	130	130	130
Total Cost <Savings> to the State		130	130	130	130

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

A bill modifying financial aid for postsecondary students.

Assumptions

Assume Minnesota State Colleges and Universities will develop guidelines (i.e., eligibility requirements) to distribute financial aid to its students.

Assume that additional administrative functions will be required to manage the financial aid program for the approximately 36,000 state grant recipients in a consistent manner across 32 colleges and universities.

Assume a software program will need to be developed to project student need, distribute financial assistance and account for the use of over \$45 million in estimated state appropriation.

Assume hiring professional and technical staff.

Average compensation for MnSCU MAPE employee: \$65,000.

The \$130,000 represents approximately 0.3% of the financial aid dollars distributed.

Expenditure and/or Revenue Formula

	<u>FY2006</u>	<u>FY07</u>
Compensation: \$65,000 X 2 =	\$130,000	\$130,000

Long-Term Fiscal Considerations

Local Government Costs

References/Sources

FN Coord Signature: JUDY BORGEN
Date: 03/08/05 Phone: 296-3544

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN
Date: 03/08/05 Phone: 296-7316

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S.F. No. 173 - State Grant Programs

Author: Senator David J. Tomassoni
Prepared by: John C. Fuller, Senate Counsel (651/296-3914)
Date: January 12, 2005



OVERVIEW

Senate File No. 173 amends the current Minnesota state grant programs that provide financial aid grants, work-study grants, and child care assistance for postsecondary education students.

Current state law defines eligibility for those programs. S.F. No 173 provides that three classes of postsecondary education institutions shall set their own guidelines for these programs in consultation with student groups and makes a separate appropriation for those three sets of institutions. The three classes of institutions are the Minnesota State Colleges and Universities System, the University of Minnesota, and institutions that are members of the Minnesota Private Colleges Council (MPCC). The governing boards of these three entities may allocate funds between its members or campuses. Aid recipients are required to be Minnesota residents.

The current state program requirements would apply only to private post-secondary institutions that are not members of the MPCC.

The appropriation for the MPCC program would be transferred by grant through the Higher Education Services Office (HESO).

Section 1 requires HESO to make grants to the MPCC for a financial aid program to provide aid for the cost of attendance, child care assistance, and work-study programs.

The aid can only be given to Minnesota residents subject to guidelines established by the MPCC. Aid is to be based on financial need. The MPCC may allocate funds among its members. The MPCC must report on its aid activity to HESO.

Sections 2 through 6 make the technical changes necessary to the current state grant, work-study, and child care programs to clarify that the statutes only apply to private postsecondary institutions that are not members of the MPCC.

Section 7 is identical to section 1 in the powers and duties that it grants to the Board of Trustees of the Minnesota State Colleges and Universities to administer programs of financial aid, work-study, and child care. The only state directive is that programs be need based and that assistance be provided only to Minnesota residents.

Section 8 is identical to section 1 in the powers and duties that it grants to the Board of Regents of the University of Minnesota to administer programs of financial aid, work-study, and child care. The only state directive is that programs be need based and that assistance be provided only to Minnesota residents.

Section 9 is a series of appropriations specific to the various systems for the purposes of financial aid, child care and work study.

JCF:cs

Fiscal Note – 2005-06 Session

Bill #: S0454-0 **Complete Date:** 03/08/05

Chief Author: PAPPAS, SANDRA

Title: HI ED STATE GRANT PRGM; FORECASTED

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Higher Ed Services Office

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund	0	(13,410)	(4,760)	(1,060)	(2,840)
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund	0	(13,410)	(4,760)	(1,060)	(2,840)
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund	0	(13,410)	(4,760)	(1,060)	(2,840)
Total Cost <Savings> to the State	0	(13,410)	(4,760)	(1,060)	(2,840)

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Fiscal Note Senate File 454

Bill Description

Currently, Minnesota State Grants are financed with a fixed appropriation with some latitude to shift monies between fiscal years within a biennium. This bill would finance Minnesota State Grants as a forecast program. This bill also eliminates the rationing mechanism currently in statute that is to be used if the agency projects spending in excess of available appropriations.

Assumptions

For the revenue base, the current state appropriation base of \$140.5 million plus the federal LEAP and SLEAP grants of \$1.58 million in Fiscal Year 2005 was used.

Expenditures were projected on the base of Fiscal Year 2004 applicants in the agency's data base. Two changes were incorporated: tuition and fee changes and enrollment changes.

The tuition and fee increases incorporated in the current law budget were used for Fiscal Years 2006 and 2007. It was assumed that MnSCU would increase tuition and fees 6.5 percent per year, the University of Minnesota, 8.0 percent per year, and all other participating institutions, 5 percent per year. Tuition and fee increases of 2.1 percent in Fiscal Year 2008 and 2.2 percent in Fiscal Year 2009 were used as well.

Enrollment projections provided by MnSCU and the University of Minnesota through Fiscal Year 2009 were used to adjust the expected number of applicants. For other participating institutions, the patterns projected for Fiscal Years 2006 and 2007 were continued through Fiscal Year 2009.

Two assumptions regarding the Federal Need Analysis for Fiscal Years 2006-2009 were used to calculate two separate estimates of the fiscal impact. The first scenario incorporates the changes in the State and Other Taxes table set to take place in Fiscal Year 2006. The second scenario is based on a continuation of the Fiscal Year 2005 rules for the Federal Need Analysis. In both cases, it was assumed that there would be no other changes in the calculation of Federal Pell Grants during the period.

Expenditure/Revenue Formula

A projection model that incorporates the features of the existing Minnesota State Grant program and incorporates changes in assumed changes in tuition and fees and number of applicants was used to project the spending impacts for the period. The results based on the two scenarios discussed in the prior section are shown on the next table.

Year	Incorporating State and Other Taxes Table in the Federal Need Analysis		Without Incorporating State and Local Taxes Table in the Federal Need Analysis	
	Projected Spending (million)	Difference from Base (million)	Projected Spending (million)	Difference from Base (million)
Base	142.08		142.08	
2006	128.67	-13.41	135.34	-6.74
2007	137.32	-4.76	144.33	2.24
2008	141.03	-1.06	148.16	6.08
2009	144.92	2.84	152.20	10.12

Long-Term Fiscal Considerations

Minnesota State Grants respond to changes in tuition and fees. To the extent that the assumptions used in this analysis vary from future rates, projected spending could be either high or low. Also, the calculation of these grants respond to the demographics and financial conditions of applicants. Any changes in the population of applicants will affect long-term spending if this bill were incorporated into statute. Further, since Minnesota State Grants are coordinated with Federal Pell Grants, further changes in the calculation of Federal Pell Grants could affect future Minnesota State Grant amounts. These calculations assume that the federal government continues to provide LEAP and SLEAP grants to the state to be used as part of the revenue base for Minnesota State Grants.

Local Government Costs

None

References/Sources

Agency Contact Name: JERRY SETTER (651-642-0590)
FN Coord Signature: MARK MISUKANIS
Date: 03/07/05 Phone: 642-0518

EBO Comments

The General Fund savings shown in the fiscal impact table for S.F. 454 are the combined result of several factors:

1. HESO's expectation under current law that the State Grant program spending will be around \$135 million in FY06, or \$5 million under the annual base, and \$145 million in FY07, or \$5 million over the annual base. If the program were to be forecasted, HESO would not need to rely on its authority to shift money between years of the biennium fund both years. As a result it would not carry the extra \$5 million in the program's FY06 funding that it is carrying in its budget and expects to use in FY07.
2. Reductions in the State Grant program expenditures from a federal change that has updated the exclusion for state and local taxes in the federal calculation of financial aid need. Overall this change will result in reduced eligibility for the federal Pell program. Because the State Grant program uses the same calculation of need, the federal change results in General Fund savings to the State Grant program of \$6.9 million in FY 06 and \$7.4 million in each year from FY 07 through FY 09.
3. HESO's assumptions about the size of tuition and fee increases. These assumptions affect the average tuition and fees numbers that HESO uses in its funding model. When tuition and fees increase, more students become eligible for a State Grant.

EBO Signature: JAYNE RANKIN
Date: 03/08/05 Phone: 296-7316

Fiscal Note – 2005-06 Session

Bill #: S1383-0 **Complete Date:** 03/07/05

Chief Author: PAPPAS, SANDRA

Title: HIGHER ED STATE GRANT PRGM SURPLUSES

Fiscal Impact	Yes	No
State		X
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Higher Ed Services Office

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
-- No Impact --					
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
-- No Impact --					
Revenues					
-- No Impact --					
Net Cost <Savings>					
-- No Impact --					
Total Cost <Savings> to the State					

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill description

S.F 1383 provides that an unspent and unencumbered balance in an appropriation made for the purpose of the state grant program , the child care grant program, and the work study program does not cancel at the end of a biennium but is appropriated in equal shares to the Board of Regents of the University of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities.

Assumptions

It is assumed that the appropriations in future years in these programs will be fully spent. While there have been cancellations at the end of the 2000-01 and 2002-03 biennia, and there is an expected cancellation at the end of the current biennium, estimates by the Higher Education Services Office for the 2006-07 budget period anticipate no cancellation of base appropriations. For information purposes only, historical cancellations are shown in the table below:

	FY 2000-01	FY 2002-03
State Grants	\$11,585,343	\$220,414
Child Care*	475,608	0
Work Study*	145,564	0

*There was a shortfall in fiscal year 2003 in the state grant program so other funds (work study, child care) were transferred to State Grants.

Revenue
No cost

FN Coord Signature: MARK MISUKANIS
Date: 03/07/05 Phone: 642-0518

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN
Date: 03/07/05 Phone: 296-7316

Fiscal Note – 2005-06 Session

Bill #: S0446-0 **Complete Date:** 03/07/05

Chief Author: KIERLIN, BOB

Title: CHILD CARE GRANTS MAXIMUM AMOUNT INC

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Higher Ed Services Office

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund	0	824	824	824	824
Less Agency Can Absorb					
General Fund	0	0	0	0	0
Net Expenditures					
General Fund	0	824	824	824	824
Revenues					
General Fund	0	0	0	0	0
Net Cost <Savings>					
General Fund	0	824	824	824	824
Total Cost <Savings> to the State	0	824	824	824	824

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Bill Description

S.F. 446 would increase the maximum award for the child care grant program at post secondary institutions from \$2,200 to \$2,600.

Assumptions

The bill does not contain an appropriation section for additional funding. This fiscal note presents two scenarios for cost consideration, one with an increased appropriation over the base and one without such an increase. The current base appropriation for the child care program is \$4,743,000

Scenario 1

The Higher Education Services Office does not collect individual student data at the level of detail needed to precisely estimate the impact of this change. However, data on average awards and knowledge about students at the maximum can be used to establish an estimate. The average award for the child care program in fiscal year 2004 was \$1,679, or about 76.3 percent of the maximum allowance of \$2,200. This is the most recent year of complete data. Although most participants in the program are the maximum allowance, the average amount is lower because the maximum is prorated for students that enroll on a part time basis. For this reason it is assumed that the ratio of 76.3 percent can be applied to a new maximum of \$2,600 to arrive at a new estimated average grant award, or \$1,984. The difference between the 2004 average and an estimated new average is \$305.

The number of recipients in fiscal year 2004 was 2,537. The largest number of award recipients was 2,736 in fiscal year 2001, a year when the grant maximum was \$2,600. For the purpose of this cost estimates it is assumed that 2,700 recipients would receive the awards at the higher level in the future.

Scenario 2

Without additional funding there will be an increase in the waiting list for the program. As of the end of February, 2005 there were 224 students on waiting lists at the various campuses. A similar change in the maximum award has occurred in the past. In fiscal year 2001 the maximum award was increased from \$2,000 to \$2,600 without an increase in the appropriation. At the end of the following fiscal year there were 312 students on a waiting list for a grant.

Expenditure formula

Based on scenario 1, an increase in the maximum allowance would increase spending on awards to students annually by the following:

$$\$305 * 2,700 = \$823,500$$

Based on scenario 2 there is an increase in waiting lists but no additional cost to the state.

Long term considerations:

There are no long term costs beyond those identified above. Under scenario 2, any change in waiting lists would depend on a change in the number of students qualifying for child care assistance.

Local govt costs

None

Agency Contact Name: GINNY DODDS (651-642-0567) ext 3410

FN Coord Signature: MARK MISUKANIS

Date: 03/07/05 Phone: 642-0518

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN

Date: 03/07/05 Phone: 296-7316

Fiscal Note – 2005-06 Session

Bill #: S0458-0 **Complete Date:** 03/07/05

Chief Author: TOMASSONI, DAVID

Title: STATE GRANT APPLICATION DEADLINE EXT

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Higher Ed Services Office

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		530	590	590	590
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		530	590	590	590
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund		530	590	590	590
Total Cost <Savings> to the State		530	590	590	590

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Fiscal Note Senate File 458

Bill Description

Currently, to be eligible to receive a Minnesota State Grant, the applicant must make an initial application by filing a FAFSA, Free Application for Federal Student Aid, within 14 days of the official start of the term at the institution for which a student is applying. If a student misses the deadline for fall semester, for example, the student could still be eligible for a Grant during the spring semester if he or she files by the deadline for spring semester at the institution attending.

This bill simply changes the length of time after the start of a term that a student can apply and be eligible for a Minnesota State Grant from 14 to 30 days.

Assumptions

For the revenue base, the current state appropriation base of \$140.5 million plus the federal LEAP and SLEAP grants of \$1.58 million in Fiscal Year 2005 was used.

Expenditures were projected on the base of Fiscal Year 2004 applicants in the agency's data base. Two changes were incorporated: tuition and fee changes and enrollment changes.

The tuition and fee increases incorporated in the Governor's proposed budget were used for Fiscal Years 2006 and 2007. It was assumed that MnSCU would increase tuition and fees 6.5 percent per year, the University of Minnesota, 8.0 percent per year, and all other participating institutions, 5 percent per year.

Enrollment projections provided by MnSCU and the University of Minnesota through Fiscal Year 2009 were used to adjust the expected number of applicants. For other participating institutions, the patterns projected for Fiscal Years 2006 and 2007 were continued through Fiscal Year 2009.

Two assumptions regarding deadlines were used to calculate two separate estimates of the fiscal impact. The first scenario sets the deadline at 30 days in the Fiscal Year 2004 data base. The second scenario sets the deadline at the end of the fiscal year. In both cases, it was assumed that there would be no other changes. Under current rules, students applying on the 15th day or later in the fall semester, for example, would be treated the same for consideration in the spring semester as someone who files on the 14th day of spring semester. Thus, there is no incentive for the student missing the deadline for one term to apply in the next 16 days to be eligible in subsequent terms. Thus, the first scenario should be considered as a low estimate of the impact of this bill. The second scenario provides a high estimate. The low estimate is shown on the cover sheet.

Expenditure/Revenue Formula

A projection model that incorporates the features of the existing Minnesota State Grant program and incorporates changes in assumed changes in tuition and fees and number of applicants was used to project the spending impacts for the period. The results based on the two scenarios discussed in the prior section are shown on the next table.

Fiscal Year	Using Data Base with Deadline of 30 Days		Eliminating Deadlines	
	Projected Spending (million)	Difference from Base (million)	Projected Spending (million)	Difference (million)
No Change--2006	128.67		128.67	
Change Deadlines --2006	129.20	0.53	130.41	1.74
No Change—	137.32		137.32	

2007				
Change Deadlines--2007	137.91	0.59	139.25	1.93

Long-Term Fiscal Considerations

Minnesota State Grants respond to changes in tuition and fees. To the extent that the assumptions used in this analysis vary from future rates, projected spending could be either high or low. Also, the calculation of these grants responds to the demographics and financial conditions of applicants. Any changes in the population of applicants will affect long-term spending if this bill were incorporated into statute. Further, since Minnesota State Grants are coordinated with Federal Pell Grants, further changes in the calculation of Federal Pell Grants could affect future Minnesota State Grant amounts.

Local Government Costs

None

References/Sources

Agency Contact Name: GERALD SETTER (651-642-0590)
 FN Coord Signature: MARK MISUKANIS
 Date: 03/07/05 Phone: 642-0518

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN
 Date: 03/07/05 Phone: 296-7316

Fiscal Note – 2005-06 Session

Bill #: S1449-0 **Complete Date:** 03/08/05

Chief Author: SKOE, ROD

Title: STUDENT GRANT PROGRAM MODIFICATIONS

Fiscal Impact	Yes	No
State	X	
Local		X
Fee/Departmental Earnings		X
Tax Revenue		X

Agency Name: Higher Ed Services Office

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
Expenditures					
General Fund		26,840	34,070	34,070	34,070
Less Agency Can Absorb					
-- No Impact --					
Net Expenditures					
General Fund		26,840	34,070	34,070	34,070
Revenues					
-- No Impact --					
Net Cost <Savings>					
General Fund		26,840	34,070	34,070	34,070
Total Cost <Savings> to the State		26,840	34,070	34,070	34,070

	FY05	FY06	FY07	FY08	FY09
Full Time Equivalents					
-- No Impact --					
Total FTE					

Fiscal Note Senate File 1449

Bill Description

This bill changes four parameters inside the calculation of Minnesota State Grants. First, the Assigned Student Responsibility Percentage is decreased one point to 45% of the Recognized Price. Second, the Living and Miscellaneous Expense Allowance is increased \$200 to \$5,405. Third, the Four-Year Tuition and Fee Maximum is increased to \$9,477 for Fiscal Year 2006 and \$9,998 for Fiscal Year 2007. Fourth, the period of eligibility is extended from 8 to 10 semesters of full-time equivalent attendance.

Assumptions

For the revenue base, the current state appropriation base of \$140.5 million plus the federal LEAP and SLEAP grants of \$1.58 million in Fiscal Year 2005 was used.

Expenditures were projected on the base of Fiscal Year 2004 applicants in the agency's data base. Three changes were incorporated: the changes in the State and Other Taxes table set to take place in Fiscal Year 2006, tuition and fee changes, and enrollment changes.

The tuition and fee increases incorporated in the Governor's proposed budget were used for Fiscal Years 2006 and 2007. It was assumed that MnSCU would increase tuition and fees 6.5 percent per year, the University of Minnesota, 8.0 percent per year, and all other participating institutions, 5 percent per year

Enrollment projections provided by MnSCU and the University of Minnesota through Fiscal Year 2009 were used to adjust the expected number of applicants. For other participating institutions, the patterns projected for Fiscal Years 2006 and 2007 were continued through Fiscal Year 2009.

The first three changes can be incorporated into the projection model and run directly. The last change has to be an outside the model change because the only students currently reported to HESO as applicants are those who have not exceeded the 8 semester limit.

Expenditure/Revenue Formula

A projection model that incorporates the features of the existing Minnesota State Grant program and incorporates the assumed changes in tuition and fees and number of applicants was used to project the spending impacts for the period. The estimate for the change in the length of eligibility is based on the estimated impact based on a 2002 survey and general tuition and fee increases since then. This is a preliminary number provided for purposes of examining the bill. The results are shown on the next table.

	Fiscal Year 2006		Fiscal Year 2007	
	Projected Spending (million)	Difference from Base (million)	Projected Spending (million)	Difference (million)
No Change--2006	128.67		137.32	
Decrease the ASR Percentage one point to 45%	135.50	6.83	144.61	7.29
Add increase in LME by \$200	142.18	6.68	151.57	6.96
Add increase in 4-Year Tuition and Fee Maximum	145.51	3.33	161.39	9.82
Impact of Setting Limit at 10 Semesters		10.00		10.00
Total	155.51	26.84	171.39	34.07

Long-Term Fiscal Considerations

Minnesota State Grants respond to changes in tuition and fees. To the extent that the assumptions used in this analysis vary from future rates, projected spending could be either high or low. Also, the calculation of these grants responds to the demographics and financial conditions of applicants. Any changes in the population of applicants will affect long-term spending if this bill were incorporated into statute. Further, since Minnesota State Grants are coordinated with Federal Pell Grants, further changes in the calculation of Federal Pell Grants could affect future Minnesota State Grant amounts.

Local Government Costs

None

References/Sources

S.F. No. 1449, as introduced 84th Legislative Session (2005-2006) Posted on Mar 03, 2005

- 1.1 A bill for an act
- 1.2 relating to higher education; regulating the state
- 1.3 grant program; amending Minnesota Statutes 2004,
- 1.4 section 136A.121, subdivisions 5, 6, 9.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2004, section 136A.121,
- 1.7 subdivision 5, is amended to read:
- 1.8 Subd. 5. [GRANT STIPENDS.] The grant stipend shall be
- 1.9 based on a sharing of responsibility for covering the recognized
- 1.10 cost of attendance by the applicant, the applicant's family, and
- 1.11 the government. The amount of a financial stipend must not
- 1.12 exceed a grant applicant's recognized cost of attendance, as
- 1.13 defined in subdivision 6, after deducting the following:
- 1.14 (1) the assigned student responsibility of at least ~~46~~ 45
- 1.15 percent of the cost of attending the institution of the
- 1.16 applicant's choosing;
- 1.17 (2) the assigned family responsibility as defined in
- 1.18 section 136A.101; and
- 1.19 (3) the amount of a federal Pell grant award for which the
- 1.20 grant applicant is eligible.
- 1.21 The minimum financial stipend is \$100 per academic year.
- 1.22 Sec. 2. Minnesota Statutes 2004, section 136A.121,
- 1.23 subdivision 6, is amended to read:
- 1.24 Subd. 6. [COST OF ATTENDANCE.] (a) The recognized cost of
- 1.25 attendance consists of ~~allowances specified in law~~ an allowance
- 2.1 for living and miscellaneous expenses of \$5,405, and an
- 2.2 allowance for tuition and fees equal to the lesser of the
- 2.3 average tuition and fees charged by the institution, or ~~the~~
- 2.4 tuition and fee maximums ~~established in law~~ of \$9,477 for fiscal
- 2.5 year 2006 and \$9,998 for fiscal year 2007 for four-year
- 2.6 institutions and maximums set by law for two-year institutions.
- 2.7 (b) For a student registering for less than full time, the
- 2.8 office shall prorate the cost of attendance to the actual number
- 2.9 of credits for which the student is enrolled.
- 2.10 The recognized cost of attendance for a student who is
- 2.11 confined to a Minnesota correctional institution shall consist
- 2.12 of the tuition and fee component in paragraph (a), with no
- 2.13 allowance for living and miscellaneous expenses.
- 2.14 For the purpose of this subdivision, "fees" include only
- 2.15 those fees that are mandatory and charged to full-time resident

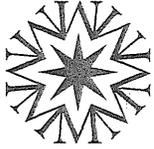
- 2.16 students attending the institution.
- 2.17 Sec. 3. Minnesota Statutes 2004, section 136A.121,
- 2.18 subdivision 9, is amended to read:
- 2.19 Subd. 9. [AWARDS.] An undergraduate student who meets the
- 2.20 office's requirements is eligible to apply for and receive a
- 2.21 grant in any year of undergraduate study unless the student has
- 2.22 obtained a baccalaureate degree or previously has been enrolled
- 2.23 full time or the equivalent for eight ~~ten~~ semesters or the
- 2.24 equivalent, excluding courses taken from a Minnesota school or
- 2.25 postsecondary institution which is not participating in the
- 2.26 state grant program and from which a student transferred no
- 2.27 credit. A student enrolled in a two-year program at a four-year
- 2.28 institution is only eligible for the tuition and fee maximums
- 2.29 established by law for two-year institutions.
- 2.30 Sec. 4. [EFFECTIVE DATE.]
- 2.31 Sections 1 to 3 are effective July 1, 2005.

Agency Contact Name: GERALD SETTER (651) 642-0590
FN Coord Signature: MARK MISUKANIS
Date: 03/08/05 Phone: 642-0518

EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN
Date: 03/08/05 Phone: 296-7316



Minnesota
STATE COLLEGES
& UNIVERSITIES

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March 2, 2005

The Honorable Sandra Pappas
Minnesota State Senate
120 State Capital Building
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

Dear Senator Pappas:

At Tuesday's hearing of the Senate Higher Education Committee, you raised the question regarding the difference between the Repair and Replacement (R&R) funding request contained in the Enrollment Adjustment and the R&R request contained under our Initiatives.

The R&R contained in the Enrollment Adjustment is a one-time allocation of \$10.8 million. Funds would be allocated to each campus in the System based on the physical size of the campus, i.e. prorated by square footage. This amounts to approximately 50 cents per square foot on average. Funds would be directed at either backlog reduction or renewal projects necessary to keep the campus infrastructure in modern condition. I would require each institution to identify the specific project to be accomplished prior to allocation of funds.

The R&R contained in the Initiatives is a continuing baseline adjustment of \$11.0 million over the biennium. This too would be allocated by campus size at approximately 25 cents per square foot per year. As part of each campus' annual operating budget, these funds would be used to "keep up" with facilities repair and renewal requirements on a continuing basis. On average, our campuses budget and spend approximately 75 cents per square foot annually on R&R. The requested increase would allow a more robust campus-based R&R program, thereby helping to minimize deferred maintenance and growth in the backlog. We track annual R&R expenditures at the campus level, allowing each president the discretion to prioritize work within the overall context of the institution's operating budget.

Our R&R program complements major repairs and replacements funded under the Higher Education Asset Preservation and Replacement (HEAPR) program through the biennial capital budget and bonding bill. HEAPR projects are usually of a scope well beyond the funding capacity of individual campuses, and frequently are "capitalized" on the books of the institution. These projects typically include

replacement of entire roofs, major tuckpointing of building exteriors, and replacement of boilers, chillers and mechanical systems. Our HEAPR program has been aimed primarily at tackling the backlog of facilities renewal needs. While the funding appropriation in the bonding bill is usually non-specific as to campus, we provide the committee chairs our project lists and campus priorities to back-up our requests.

I trust this answers your questions. Please contact me should you need additional information.

Sincerely,



Laura M. King
Vice Chancellor – Chief Financial Officer

c: Senator David J. Tomassoni
Chancellor James H. McCormick
John Ostrem

Senators Larson, Ruud, Tomassoni, Robling and Kierlin introduced--
S.F. No. 1200: Referred to the Committee on Finance.

1 A bill for an act
2 relating to higher education; appropriating money to
3 the Higher Education Services Office for the
4 service-learning program.
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
6 Section 1. [APPROPRIATION.]
7 \$230,000 is appropriated from the general fund for the
8 fiscal biennium ending June 30, 2007, to the Higher Education
9 Services Office for service-learning grants. Each \$1 of state
10 grants awarded under this appropriation must be matched by \$2 of
11 nonstate funds.

Senators Vickerman, Sams and Koering introduced--

S.F. No. 550: Referred to the Committee on Agriculture, Veterans and Gaming.

1 A bill for an act

2 relating to agriculture; extending and codifying the

3 expiration date of the farmer-lender mediation

4 program; proposing coding for new law in Minnesota

5 Statutes, chapter 583; repealing Laws 1986, chapter

6 398, article 1, section 18, as amended.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. [583.215] [EXPIRATION.]

9 Sections 336.9-601, subsections (h) and (i); 550.365;

10 559.209; 582.039; and 583.20 to 583.32, expire June 30, 2009.

11 Sec. 2. [REPEALER.]

12 Laws 1986, chapter 398, article 1, section 18, as amended,

13 is repealed.

14 Sec. 3. [EFFECTIVE DATE.]

15 Sections 1 and 2 are effective the day following final

16 enactment.

**Senators Hottinger, Kierlin, Frederickson, Langseth and Pappas introduced--
S.F. No. 220: Referred to the Committee on Finance.**

1 A bill for an act

2 relating to higher education; Minnesota State Colleges
3 and Universities; authorizing applied doctoral degrees
4 at state universities; amending Minnesota Statutes
5 2004, section 135A.052, subdivision 1.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

7 Section 1. Minnesota Statutes 2004, section 135A.052,
8 subdivision 1, is amended to read:

9 Subdivision 1. [STATEMENT OF MISSIONS.] The legislature
10 recognizes each type of public postsecondary institution to have
11 a distinctive mission within the overall provision of public
12 higher education in the state and a responsibility to cooperate
13 with each other. These missions are as follows:

14 (1) the technical colleges shall offer vocational training
15 and education to prepare students for skilled occupations that
16 do not require a baccalaureate degree;

17 (2) the community colleges shall offer lower division
18 instruction in academic programs, occupational programs in which
19 all credits earned will be accepted for transfer to a
20 baccalaureate degree in the same field of study, and remedial
21 studies, for students transferring to baccalaureate institutions
22 and for those seeking associate degrees;

23 (3) consolidated community technical colleges shall offer
24 the same types of instruction, programs, certificates, diplomas,
25 and degrees as the technical colleges and community colleges

1 offer;

2 (4) the state universities shall offer undergraduate and
3 graduate instruction through the ~~master's~~ applied doctoral
4 degree, including specialist certificates, in the liberal arts
5 and sciences and professional education; and

6 (5) the University of Minnesota shall offer undergraduate,
7 graduate, and professional instruction through the doctoral
8 degree, and shall be the primary state supported academic agency
9 for research and extension services.

10 It is part of the mission of each system that within the
11 system's resources the system's governing board and chancellor
12 or president shall endeavor to:

13 (a) prevent the waste or unnecessary spending of public
14 money;

15 (b) use innovative fiscal and human resource practices to
16 manage the state's resources and operate the system as
17 efficiently as possible;

18 (c) coordinate the system's activities wherever appropriate
19 with the activities of the other system and governmental
20 agencies;

21 (d) use technology where appropriate to increase system
22 productivity, improve customer service, increase public access
23 to information about the system, and increase public
24 participation in the business of the system;

25 (e) utilize constructive and cooperative labor-management
26 practices to the extent otherwise required by chapters 43A and
27 179A; and

28 (f) recommend to the legislature appropriate changes in law
29 necessary to carry out the mission of the system.

30 [EFFECTIVE DATE.] This section is effective the day
31 following final enactment.

Senator Tomassoni introduced--

S.F. No. 173: Referred to the Committee on Finance.

1 A bill for an act

2 relating to higher education; modifying financial aid
3 for postsecondary students; appropriating money;
4 amending Minnesota Statutes 2004, sections 136A.101,
5 subdivision 4; 136A.125, subdivisions 1, 3; 136A.232;
6 136A.233; proposing coding for new law in Minnesota
7 Statutes, chapters 136A; 136F; 137.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

9 Section 1. [136A.096] [FINANCIAL AID; PRIVATE COLLEGES.]

10 Subdivision 1. [GRANTS; FINANCIAL ASSISTANCE.] The Higher
11 Education Services Office shall make grants to the Minnesota
12 Private Colleges Council to administer financial aid programs
13 based on the financial needs of students attending member
14 institutions. The programs must include aid for the cost of
15 attendance, child care assistance, and work-study assistance.

16 Subd. 2. [FINANCIAL ASSISTANCE STIPENDS.] The council, in
17 consultation with its student association, must develop
18 guidelines to identify men and women of the state who are
19 economically disadvantaged and to provide financial assistance
20 to encourage their educational development. The council must
21 allocate money appropriated for this purpose to its member
22 institutions to provide stipends to assist undergraduate
23 students with the cost of attendance based on a student's
24 demonstrated financial need. An eligible student must be a
25 resident of Minnesota as defined in section 136A.101,
26 subdivision 8. Money provided for financial assistance must be

1 used only for this purpose.

2 Subd. 3. [WORK-STUDY ASSISTANCE.] The council shall
 3 develop program guidelines and allocate money appropriated for
 4 this purpose to its member institutions for assistance to
 5 students based on demonstrated financial need through work-study
 6 payments. Eligible students must be Minnesota residents as
 7 defined in section 136A.101, subdivision 8.

8 Subd. 4. [CHILD CARE ASSISTANCE.] The council shall
 9 develop program guidelines and allocate money appropriated for
 10 this purpose to its member institutions for assistance to reduce
 11 the cost of child care for students with demonstrated financial
 12 need. Eligible students must be Minnesota residents as defined
 13 in section 136A.101, subdivision 8.

14 Subd. 5. [TRANSFERS.] The council may transfer allocations
 15 for financial aid between programs in this section to meet the
 16 needs of Minnesota undergraduate students attending member
 17 institutions.

18 Subd. 6. [REPORTS.] The council must report, in a timely
 19 manner, at the end of each academic term to the Higher Education
 20 Services Office on students receiving assistance under this
 21 section. The report must include, but is not limited to, the
 22 number and types of grants and payments made to students at each
 23 member institution, the amount of the award, the educational
 24 status of the grant recipient, and demographic information on
 25 each recipient.

26 Sec. 2. Minnesota Statutes 2004, section 136A.101,
 27 subdivision 4, is amended to read:

28 Subd. 4. [ELIGIBLE INSTITUTION.] "Eligible institution"
 29 means a private postsecondary educational institution located in
 30 this state or in a state with which the office has entered into
 31 a higher education reciprocity agreement on state student aid
 32 programs that either (1) is operated by this state, or (2) is
 33 operated publicly or privately and, as determined by the office,
 34 maintains academic standards substantially equivalent to those
 35 of comparable institutions operated in this state that is not a
 36 member of an organization that allocates postsecondary financial

1 aid to its member institutions through state-funded grants.

2 Sec. 3. Minnesota Statutes 2004, section 136A.125,
3 subdivision 1, is amended to read:

4 Subdivision 1. [ESTABLISHMENT.] A child care grant program
5 is established under the supervision of the Higher Education
6 Services Office. The program makes money available to eligible
7 students to reduce the costs of child care while attending an
8 eligible private postsecondary institution. The office shall
9 develop policies and adopt rules as necessary to implement and
10 administer the program.

11 Sec. 4. Minnesota Statutes 2004, section 136A.125,
12 subdivision 3, is amended to read:

13 Subd. 3. [ELIGIBLE INSTITUTION.] A Minnesota-~~public~~
14 ~~postsecondary-institution~~7-a Minnesota private, baccalaureate
15 degree granting college or university that is an eligible
16 institution under section 136A.101, subdivision 4, or a
17 Minnesota nonprofit two-year vocational technical school
18 granting associate degrees is eligible to receive child care
19 funds from the office and disburse them to eligible students.

20 Sec. 5. Minnesota Statutes 2004, section 136A.232, is
21 amended to read:

22 136A.232 [ADMINISTRATION; AGREEMENTS WITH EDUCATIONAL
23 FACILITIES.]

24 The Higher Education Services Office shall develop and
25 administer a work-study program. The office shall enter into
26 agreements with eligible private institutions of postsecondary
27 education.

28 Sec. 6. Minnesota Statutes 2004, section 136A.233, is
29 amended to read:

30 136A.233 [WORK-STUDY GRANTS.]

31 Subdivision 1. [ALLOCATION TO INSTITUTIONS.] The Higher
32 Education Services Office shall allocate work-study money to
33 eligible private postsecondary institutions according to the
34 resident full-time equivalent enrollment of all eligible private
35 postsecondary institutions that apply to participate in the
36 program, and the amount of the allocation that an institution

1 spent during the previous academic year. Each institution
2 wishing to participate in the work-study program must submit, in
3 accordance with policies and procedures established by the
4 office, an estimate of the amount of funds needed by the
5 institution. Any funds allocated to an institution that exceed
6 the actual need of the institution shall be reallocated by the
7 office to other institutions. An institution may carry forward
8 or backward the same percentage of its initial allocation that
9 is authorized under federal work-study provisions.

10 Subd. 2. [DEFINITIONS.] For purposes of sections 136A.231
11 to 136A.233, the words defined in this subdivision have the
12 meanings ascribed to them.

13 (a) "Eligible student" means a Minnesota resident enrolled
14 or intending to enroll at least half time in a degree, diploma,
15 or certificate program in a an eligible Minnesota private
16 postsecondary institution.

17 (b) "Minnesota resident" means a student who meets the
18 conditions in section 136A.101, subdivision 8.

19 (c) "Financial need" means the need for financial
20 assistance in order to attend a postsecondary institution as
21 determined by a an eligible private postsecondary institution
22 according to guidelines established by the Higher Education
23 Services Office.

24 (d) "Eligible employer" means any eligible postsecondary
25 institution, any nonprofit, nonsectarian agency or state
26 institution located in the state of Minnesota, a handicapped
27 person or a person over 65 who employs a student to provide
28 personal services in or about the person's residence, or a
29 private, for-profit employer employing a student as an intern in
30 a position directly related to the student's field of study that
31 will enhance the student's knowledge and skills in that field.

32 (e) "Eligible postsecondary institution" means any private
33 postsecondary institution eligible for participation in the
34 Minnesota state grant program as specified in section 136A.101,
35 subdivision 4.

36 (f) "Independent student" has the meaning given it in the

1 Higher Education Act of 1965, United States Code, title 20,
2 section 1070a-6, and applicable regulations.

3 (g) "Half-time" for undergraduates has the meaning given in
4 section 136A.101, subdivision 7b, and for graduate students is
5 defined by the institution.

6 Subd. 3. [PAYMENTS.] Work-study payments shall be made to
7 eligible students by eligible private postsecondary institutions
8 as provided in this subdivision.

9 (a) Students shall be selected for participation in the
10 program by the eligible private postsecondary institution on the
11 basis of student financial need.

12 (b) In selecting students for participation, priority must
13 be given to students enrolled for at least 12 credits.

14 (c) Students will be paid for hours actually worked and the
15 maximum hourly rate of pay shall not exceed the maximum hourly
16 rate of pay permitted under the federal college work-study
17 program.

18 (d) Minimum pay rates will be determined by an applicable
19 federal or state law.

20 (e) The office shall annually establish a minimum
21 percentage rate of student compensation to be paid by an
22 eligible employer.

23 (f) Each private postsecondary institution receiving money
24 for state work-study grants shall make a reasonable effort to
25 place work-study students in employment with eligible employers
26 outside the institution. However, a public employer other than
27 the institution may not terminate, lay off, or reduce the
28 working hours of a permanent employee for the purpose of hiring
29 a work-study student, or replace a permanent employee who is on
30 layoff from the same or substantially the same job by hiring a
31 work-study student.

32 (g) The percent of the institution's work-study allocation
33 provided to graduate students shall not exceed the percent of
34 graduate student enrollment at the participating institution.

35 (h) An institution may use up to 30 percent of its
36 allocation for student internships with private, for-profit

1 employers.

2 Subd. 4. [COOPERATION WITH LOCAL SCHOOLS.] Each campus
3 private postsecondary institution using the state work study
4 program is encouraged to cooperate with its local public
5 elementary and secondary schools to place college work study
6 students in activities in the schools, such as tutoring.
7 Students must be placed in meaningful activities that directly
8 assist students in kindergarten through grade 12 in meeting
9 graduation standards including the profiles of learning.
10 College students shall work under direct supervision; therefore,
11 school hiring authorities are not required to request criminal
12 background checks on these students under section 123B.03.

13 Sec. 7. [136F.29] [FINANCIAL AID GRANTS.]

14 Subdivision 1. [FINANCIAL ASSISTANCE; STIPENDS.] The Board
15 of Trustees, in consultation with the statewide student
16 associations, shall develop guidelines to identify men and women
17 of the state who are economically disadvantaged, and to provide
18 financial assistance to encourage their educational
19 development. The board must allocate money appropriated for
20 this purpose to its institutions to provide stipends to assist
21 undergraduate students with the cost of attendance based on a
22 student's demonstrated financial need. An eligible student must
23 be a resident of Minnesota as defined in section 136A.101,
24 subdivision 8. Money appropriated for financial assistance must
25 be used only for this purpose.

26 Subd. 2. [WORK-STUDY ASSISTANCE.] The board shall develop
27 program guidelines and allocate money appropriated for this
28 purpose to its institutions for assistance to students based on
29 demonstrated financial need through work-study payments.
30 Eligible students must be Minnesota residents as defined in
31 section 136A.101, subdivision 8, attending an institution under
32 the control of the board.

33 Subd. 3. [CHILD CARE ASSISTANCE.] The board shall develop
34 program guidelines and allocate money appropriated for this
35 purpose to its institutions for assistance to reduce the cost of
36 child care for students with demonstrated financial need.

1 Eligible students must be Minnesota residents as defined in
2 section 136A.101, subdivision 8, attending an institution under
3 the control of the board.

4 Subd. 4. [TRANSFERS.] The board may transfer
5 appropriations for financial aid between programs in this
6 section to meet the needs of Minnesota undergraduate students
7 attending institutions of the Minnesota State Colleges and
8 Universities.

9 Subd. 5. [REPORTS.] The board must report, in a timely
10 manner at the end of each academic term, to the Higher Education
11 Services Office on students receiving assistance under this
12 section. The report must include, but is not limited to, the
13 number and types of grants and payments made to students at each
14 institution or campus, the amount of the award, the educational
15 status of the grant recipient, and demographic information on
16 each recipient.

17 Sec. 8. [137.25] [FINANCIAL AID GRANTS.]

18 Subdivision 1. [FINANCIAL ASSISTANCE; STIPENDS.] The Board
19 of Regents, in consultation with its student associations, shall
20 develop guidelines to identify men and women of the state who
21 are economically disadvantaged, and to provide financial
22 assistance to encourage their educational development. The
23 Board of Regents must allocate money appropriated for this
24 purpose to its campuses to provide stipends to assist students
25 with the cost of attendance, based on a student's demonstrated
26 financial need. An eligible student must be a resident of
27 Minnesota as defined in section 136A.101, subdivision 8. Money
28 appropriated for financial assistance must be used only for this
29 purpose.

30 Subd. 2. [WORK-STUDY ASSISTANCE.] The board shall develop
31 program guidelines and allocate money appropriated for this
32 purpose to its institutions for assistance to students based on
33 demonstrated financial need through work-study payments.
34 Eligible students must be Minnesota residents as defined in
35 section 136A.101, subdivision 8, attending a campus under the
36 control of the board.

1 Subd. 3. [CHILD CARE ASSISTANCE.] The board shall develop
 2 program guidelines and allocate money appropriated for this
 3 purpose to its institutions for assistance to reduce the cost of
 4 child care for students with demonstrated financial need.
 5 Eligible students must be Minnesota residents as defined in
 6 section 136A.101, subdivision 8, attending a campus under the
 7 control of the board.

8 Subd. 4. [TRANSFERS.] The board may transfer
 9 appropriations for financial aid between programs in this
 10 section to meet the needs of Minnesota undergraduate students
 11 attending the University of Minnesota.

12 Subd. 5. [REPORTS.] The board must report, in a timely
 13 manner at the end of each academic term, to the Higher Education
 14 Services Office on students receiving assistance under this
 15 section. The report must include, but is not limited to, the
 16 number and types of grants and payments made to students at each
 17 institution or campus, the amount of the award, the educational
 18 status of the grant recipient, and demographic information on
 19 each recipient.

20 Sec. 9. [APPROPRIATIONS.]

21 Subdivision 1. [FINANCIAL ASSISTANCE FOR THE COST OF
 22 ATTENDANCE.] (a) \$... for fiscal year 2006 and
 23 \$... for fiscal year 2007 is appropriated from the
 24 general fund for aid for Minnesota undergraduate students to
 25 assist with the cost of attendance at a Minnesota postsecondary
 26 institution as provided in this subdivision.

27 (b) \$... for fiscal year 2006 and \$... for
 28 fiscal year 2007 is appropriated to the Board of Regents of the
 29 University of Minnesota for financial aid under section 8,
 30 subdivision 1.

31 (c) \$... for fiscal year 2006 and \$... for
 32 fiscal year 2007 is appropriated to the Board of Trustees of the
 33 Minnesota State Colleges and Universities for financial aid
 34 under section 7, subdivision 1.

35 (d) \$... for fiscal year 2006 and \$... for
 36 fiscal year 2007 is appropriated to the Higher Education

1 Services Office for financial aid under section 1 and Minnesota
 2 Statutes, sections 136A.101 to 136A.121. Of this amount,
 3 \$..... in fiscal year 2006 and \$..... in fiscal year
 4 2007 is for a grant to the Minnesota Private Colleges Council
 5 for the purposes of section 1, subdivision 2.

6 Subd. 2. [WORK STUDY.] (a) \$..... for fiscal year
 7 2006 and \$..... for fiscal year 2007 is appropriated from
 8 the general fund for assistance for work-study aid for Minnesota
 9 residents attending postsecondary institutions in Minnesota, as
 10 provided in this subdivision.

11 (b) \$..... for fiscal year 2006 and \$..... for
 12 fiscal year 2007 is appropriated to the Board of Regents of the
 13 University of Minnesota for work-study aid under section 8,
 14 subdivision 2.

15 (c) \$..... for fiscal year 2006 and \$..... for
 16 fiscal year 2007 is appropriated to the Board of Trustees of the
 17 Minnesota State Colleges and Universities for work-study aid
 18 under section 7, subdivision 2.

19 (d) \$..... for fiscal year 2006 and \$..... for
 20 fiscal year 2007 is appropriated to the Higher Education
 21 Services Office for work-study aid under Minnesota Statutes,
 22 section 136A.232. Of this amount, \$..... for fiscal year
 23 2006 and \$..... for fiscal year 2007 is for a grant to the
 24 Minnesota Private Colleges Council for the purposes of section
 25 1, subdivision 3.

26 Subd. 3. [CHILD CARE ASSISTANCE.] (a) \$..... for
 27 fiscal year 2006 and \$..... for fiscal year 2007 is
 28 appropriated from the general fund for child care assistance for
 29 Minnesota residents attending postsecondary institutions in
 30 Minnesota, as provided in this subdivision.

31 (b) \$..... for fiscal year 2006 and \$..... for fiscal
 32 year 2007 is appropriated to the Board of Regents of the
 33 University of Minnesota for child care assistance under section
 34 8, subdivision 3.

35 (c) \$..... for fiscal year 2006 and \$..... for
 36 fiscal year 2007 is appropriated to the Board of Trustees of the

1 Minnesota State Colleges and Universities for child care
2 assistance under section 7, subdivision 3.

3 (d) \$...,... for fiscal year 2006 and \$...,... for fiscal
4 year 2007 is appropriated to the Higher Education Services
5 Office for child care assistance under Minnesota Statutes,
6 section 136A.125. Of this amount, \$...,... for fiscal year 2006
7 and \$...,... for fiscal year 2007 is for a grant to the Minnesota
8 Private Colleges Council for the purposes of section 1,
9 subdivision 4.

Senators Pappas and Solon introduced—

S. F. No. 454 Referred to the Committee on Finance

1 A bill for an act

2 relating to higher education; making the state grant
3 program a forecasted expenditure program; amending
4 Minnesota Statutes 2004, section 136A.121, subdivision
5 3, by adding a subdivision; repealing Minnesota
6 Statutes 2004, section 136A.121, subdivision 7.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. Minnesota Statutes 2004, section 136A.121,
9 subdivision 3, is amended to read:

10 Subd. 3. [ALLOCATION.] Grants must be awarded on-a-funds
11 available-basis to those applicants who meet the office's
12 requirements.

13 Sec. 2. Minnesota Statutes 2004, section 136A.121, is
14 amended by adding a subdivision to read:

15 Subd. 18. [FORECASTED PROGRAM.] The commissioner of
16 finance shall forecast expenditures under section 16A.103 for
17 the state grant program governed by this section.

18 Sec. 3. [REPEALER.]

19 Minnesota Statutes 2004, section 136A.121, subdivision 7,
20 is repealed.

21 Sec. 4. [EFFECTIVE DATE.]

22 Sections 1 and 3 are effective July 1, 2006. Section 2 is
23 effective July 1, 2005.

APPENDIX
Repealed Minnesota Statutes for 05-1468

136A.121 GRANTS.

Subd. 7. **Insufficient appropriation.** If the amount appropriated is determined by the office to be insufficient to make full awards to applicants under subdivision 5, awards must be reduced by:

(1) adding a surcharge to the applicant's assigned family responsibility, as defined in section 136A.101, subdivision 5a; and

(2) a percentage increase in the applicant's assigned student responsibility, as defined in subdivision 5.

The reduction under clauses (1) and (2) must be equal dollar amounts.

Senator Pappas introduced--

S.F. No. 1383: Referred to the Committee on Finance.

1 A bill for an act

2 relating to higher education; directing state grant
3 program surpluses equally to the University of
4 Minnesota and to Minnesota State Colleges and
5 Universities; appropriating money; proposing coding
6 for new law in Minnesota Statutes, chapter 136A.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

8 Section 1. [136A.123] [NONCANCELLATION OF CERTAIN STATE
9 APPROPRIATIONS.]

10 An unspent and unencumbered balance in an appropriation
11 made by law for the purpose of the state grant program under
12 section 136A.121, the child care grant program under section
13 136A.125, and the work study program under section 136A.231 does
14 not cancel at the end of a biennium but is appropriated in equal
15 shares to the Board of Regents of the University of Minnesota
16 and the Board of Trustees of the Minnesota State Colleges and
17 Universities. An appropriation made under this section is not
18 subject to cancellation. Appropriations made by this section
19 must be used so as to minimize any tuition increases that would
20 otherwise occur.

21 Sec. 2. [EFFECTIVE DATE.]

22 Section 1 is effective July 1, 2005, and applies to
23 appropriations made on or after that date.

Senators Kierlin, Olson and Larson introduced—

S. F. No. 446 Referred to the Committee on Finance

1 A bill for an act

2 relating to higher education; increasing the maximum
3 amount for a child care grant; amending Minnesota
4 Statutes 2004, section 136A.125, subdivision 4.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. Minnesota Statutes 2004, section 136A.125,
7 subdivision 4, is amended to read:

8 Subd. 4. [AMOUNT AND LENGTH OF GRANTS.] The amount of a
9 child care grant must be based on:

10 (1) the income of the applicant and the applicant's spouse;

11 (2) the number in the applicant's family, as defined by the
12 office; and

13 (3) the number of eligible children in the applicant's
14 family.

15 The maximum award to the applicant shall be ~~\$2,200~~ \$2,600
16 for each eligible child per academic year, except that the
17 campus financial aid officer may apply to the office for
18 approval to increase grants by up to ten percent to compensate
19 for higher market charges for infant care in a community. The
20 office shall develop policies to determine community market
21 costs and review institutional requests for compensatory grant
22 increases to ensure need and equal treatment. The office shall
23 prepare a chart to show the amount of a grant that will be
24 awarded per child based on the factors in this subdivision. The
25 chart shall include a range of income and family size.

1 Sec. 2. [EFFECTIVE DATE.]

2 Section 1 is effective July 1, 2005.

Senators Skoe, Pappas, Larson and Pogemiller introduced--
S.F. No. 1449: Referred to the Committee on Finance.

1 A bill for an act

2 relating to higher education; regulating the state
3 grant program; amending Minnesota Statutes 2004,
4 section 136A.121, subdivisions 5, 6, 9.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. Minnesota Statutes 2004, section 136A.121,
7 subdivision 5, is amended to read:

8 Subd. 5. [GRANT STIPENDS.] The grant stipend shall be
9 based on a sharing of responsibility for covering the recognized
10 cost of attendance by the applicant, the applicant's family, and
11 the government. The amount of a financial stipend must not
12 exceed a grant applicant's recognized cost of attendance, as
13 defined in subdivision 6, after deducting the following:

14 (1) the assigned student responsibility of at least ~~46~~ 45
15 percent of the cost of attending the institution of the
16 applicant's choosing;

17 (2) the assigned family responsibility as defined in
18 section 136A.101; and

19 (3) the amount of a federal Pell grant award for which the
20 grant applicant is eligible.

21 The minimum financial stipend is \$100 per academic year.

22 Sec. 2. Minnesota Statutes 2004, section 136A.121,
23 subdivision 6, is amended to read:

24 Subd. 6. [COST OF ATTENDANCE.] (a) The recognized cost of
25 attendance consists of ~~allowances-specified-in-law~~ an allowance

1 for living and miscellaneous expenses of \$5,405, and an
2 allowance for tuition and fees equal to the lesser of the
3 average tuition and fees charged by the institution, or the
4 tuition and fee maximums established-in-law of \$9,477 for fiscal
5 year 2006 and \$9,998 for fiscal year 2007 for four-year
6 institutions and maximums set by law for two-year institutions.

7 (b) For a student registering for less than full time, the
8 office shall prorate the cost of attendance to the actual number
9 of credits for which the student is enrolled.

10 The recognized cost of attendance for a student who is
11 confined to a Minnesota correctional institution shall consist
12 of the tuition and fee component in paragraph (a), with no
13 allowance for living and miscellaneous expenses.

14 For the purpose of this subdivision, "fees" include only
15 those fees that are mandatory and charged to full-time resident
16 students attending the institution.

17 Sec. 3. Minnesota Statutes 2004, section 136A.121,
18 subdivision 9, is amended to read:

19 Subd. 9. [AWARDS.] An undergraduate student who meets the
20 office's requirements is eligible to apply for and receive a
21 grant in any year of undergraduate study unless the student has
22 obtained a baccalaureate degree or previously has been enrolled
23 full time or the equivalent for eight ten semesters or the
24 equivalent, excluding courses taken from a Minnesota school or
25 postsecondary institution which is not participating in the
26 state grant program and from which a student transferred no
27 credit. A student enrolled in a two-year program at a four-year
28 institution is only eligible for the tuition and fee maximums
29 established by law for two-year institutions.

30 Sec. 4. [EFFECTIVE DATE.]

31 Sections 1 to 3 are effective July 1, 2005.