

**Consolidated Fiscal Note – 2005-06 Session**

**Bill #:** S1384-0 **Complete Date:** 03/15/05

**Chief Author:** PAPPAS, SANDRA

**Title:** DEAF STUDENTS HI ED TUITION WAIVERS

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

**Agencies:** State Colleges & Universities (03/15/05)  
University Of Minnesota (03/15/05)

Higher Ed Services Office (03/15/05)

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
<b>Net Expenditures</b>					
-- No Impact --					
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
-- No Impact --					
<b>Total Cost &lt;Savings&gt; to the State</b>					

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

**Consolidated EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN  
Date: 03/15/05 Phone: 296-7316

**Fiscal Note – 2005-06 Session**

**Bill #:** S1384-0 **Complete Date:** 03/15/05

**Chief Author:** PAPPAS, SANDRA

**Title:** DEAF STUDENTS HI ED TUITION WAIVERS

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
<b>Expenditures</b>					
-- No Impact --					
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
-- No Impact --					
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
-- No Impact --					
<b>Total Cost &lt;Savings&gt; to the State</b>					

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

**Bill Description**

A bill providing tuition assistance to deaf individuals.

**Assumptions**

1. Minnesota State Colleges and Universities enrolls approximately 105 deaf students annually.
2. **Assume** that the number enrolled will increase by one-third with the enactment of this bill.
3. Average tuition and fees at Minnesota State Colleges and Universities is \$134 per credit.
4. The average credit load for a regular or transfer undergraduate student is 23 credits per year.
5. The average Pell and state grant award for a MnSCU student is approximately \$1,000.
6. **Assume** tuition increase 4% annually in FY2006 and FY2007.
7. MnSCU currently spends on average \$17,429 per deaf student.
8. **Assume** this average expenditure will continue with the increased number of students.
9. **Assume** the state appropriation to MnSCU will not increase to cover lost tuition revenue and the increased costs calculated here.
10. **Assume** that MnSCU will need to cover the lost revenue of \$307,500 and increased costs of \$603,900 through expenditure reductions and reallocations from other parts of the budget or through tuition increases to other students.
11. **Assume** that the initial calculation of a student's federal and state grants will not change significantly after the waiver is applied.

**Note:**

This bill waives tuition and fees remaining after deducting any federal or state grants. Federal and state grants are based on a student's educational costs, including tuition and fees. If the tuition and fee waiver is applied after deducting the state and federal grant, the educational cost calculation would have to be re-done to account for the waiver (the reduction in student's educational costs). As a result, the method described in this bill for applying the waiver may cause some confusion in how it should be applied and how much it is ultimately worth.

**Expenditure and/or Revenue Formula**

	<b>\$ per FYE</b>	<b>\$ per credit</b>		
<b>Lost Tuition revenue calculation</b>				
Average annual tuition and fees	\$4,016	\$134		
Average number of credits taken		23		
			<b>FY2005</b>	<b>FY2006</b>
Lost tuition and fee revenue			\$3,079	(\$3,202)
				<b>FY2007</b>
				(\$3,330)
<u>Less avg state and Pell grant</u>				<u>\$1,000</u>
Net tuition and fees				(\$2,202)
Number of students (increase 33% - FY06 & FY07)			105	140
<b>Total lost revenue</b>				<b>(\$307,522) (\$325,409)</b>
			<b>FY2005</b>	<b>FY2006</b>
<b>Increase in Costs</b>				<b>FY2007</b>
College and universities expenditures			\$1,830,000	\$1,830,000
Number of students			105	105
Expenditure per student			\$17,429	\$17,429
Increase in number of students				35
<b>Increase in costs</b>				<b>\$603,900 \$603,900</b>

**Long-Term Fiscal Considerations**

This will be an ongoing cost to the system that would need to be covered through reallocations or increases in other sources of revenue.

**Local Government Costs**

**References/Sources**

FN Coord Signature: JUDY BORGEN  
Date: 03/15/05 Phone: 296-3544

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN  
Date: 03/15/05 Phone: 296-7316

**Fiscal Note – 2005-06 Session**

**Bill #:** S1384-0 **Complete Date:** 03/15/05

**Chief Author:** PAPPAS, SANDRA

**Title:** DEAF STUDENTS HI ED TUITION WAIVERS

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
<b>Expenditures</b>					
-- No Impact --					
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
-- No Impact --					
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
-- No Impact --					
<b>Total Cost &lt;Savings&gt; to the State</b>					

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

## Bill Description

This bill defines a "deaf person" and specifies that Minnesota State Colleges, Minnesota State Universities, and the University of Minnesota shall waive that portion of tuition and fees not covered by the combination Federal Pell Grants and Minnesota State Grants.

## Assumptions

Since the waiver is net of Minnesota State Grants, there will be no impact on the agency's budget.

## Expenditure/Revenue Formula

## Long-Term Fiscal Considerations

None, unless there is a large population of deaf persons, as defined, that would be drawn to attend one of the campuses.

## Local Government Costs

None

## References/Sources

**S.F. No. 1384, as introduced 84th Legislative Session (2005-2006)** Posted on Mar 02, 2005

- 1.1 A bill for an act
- 1.2 relating to higher education; providing tuition
- 1.3 assistance to deaf individuals; proposing coding for
- 1.4 new law in Minnesota Statutes, chapter 135A.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. [135A.165] [DEAF STUDENTS; TUITION WAIVER.]
- 1.7 (a) For the purpose of this section, a "deaf person" means
- 1.8 an individual whose sense of hearing is nonfunctioning for
- 1.9 understanding normal conversation after all necessary medical
- 1.10 treatment, surgery, and use of hearing aids.
- 1.11 (b) A deaf person is entitled to the waiver of tuition and
- 1.12 fees remaining after deducting any federal or state grants or
- 1.13 other public or private grants made to the person for the
- 1.14 purpose of paying the tuition and fees at a Minnesota state
- 1.15 college or university or the University of Minnesota. A deaf
- 1.16 person must apply for a federal Pell grant and a state grant
- 1.17 under section 136A.121 as a condition for receiving the waiver.

Agency Contact Name: GERALD SETTER (651-642-0590)  
FN Coord Signature: MARK MISUKANIS  
Date: 03/15/05 Phone: 642-0518

## EBO Comments

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: JAYNE RANKIN  
Date: 03/15/05 Phone: 296-7316

**Fiscal Note – 2005-06 Session**

**Bill #:** S1384-0 **Complete Date:** 03/15/05

**Chief Author:** PAPPAS, SANDRA

**Title:** DEAF STUDENTS HI ED TUITION WAIVERS

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
<b>Expenditures</b>					
-- No Impact --					
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
-- No Impact --					
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
-- No Impact --					
<b>Total Cost &lt;Savings&gt; to the State</b>					

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

**Bill Description**

This bill requires the waiver of tuition and fees remaining after deducting any federal or state grants or other public or private grants for any deaf person.

**Assumptions**

The University of Minnesota currently has 33 deaf students we provide with interpreting or captioning services.

We expect to see at least 30-50% increase in the number of deaf students due to this legislation.

**Expenditure and/or Revenue Formula**

Current expenditures for deaf/hard of hearing services for University of Minnesota community:

Staff interpreting including hourly	\$ 578,543
Staff Fringe	194,729
Freelance Captioning	113,279
Freelance Interpreting	66,597
<b>TOTAL</b>	<b>\$ 953,148 for 56 *clients served</b>

\*includes staff, students and guests

\$ 953,148 / 56 clients = \$ 17,020 average cost per client

\$ 17,020 \* 33 student clients current served = \$ 561,660 student related deaf services

**Increase in interpreting/captioning costs due to waiver program:**

\$ 17,020 \* 16 of additional students = \$ 272,320

**Estimated tuition & required fees based upon the Twin Cities undergraduate rate:**

\$ 8,029 \* 49 students = \$ 393,421

**Long-Term Fiscal Considerations**

The increase in interpreting/captioning costs and the lost tuition revenue will be recurring.

**Local Government Costs**

**References/Sources**

Lisa L Seaman

Interpreter Coordinator





Senators Cohen, Kelley, Frederickson, Pogemiller and Pappas introduced--  
S.F. No. 1350: Referred to the Committee on Finance.

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A bill for an act

relating to higher education; appropriating money to  
the Board of Regents of the University of Minnesota.

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

Section 1. [APPROPRIATION; UNIVERSITY OF MINNESOTA.]

Subdivision 1. [TOTAL APPROPRIATION.] \$667,586,000 in  
fiscal year 2006 and \$651,612,000 in fiscal year 2007 are  
appropriated to the Board of Regents of the University of  
Minnesota for the purposes specified in this section.

Subd. 2. [OPERATIONS AND MAINTENANCE.] \$587,062,000 the  
first year and \$586,088,000 the second year are appropriated  
from the general fund for operations and maintenance. Of this  
appropriation, the legislature estimates that instructional  
expenditures will be \$..... in the first year and \$..... in  
the second year.

Subd. 3. [HEALTH CARE ACCESS FUND.] \$2,157,000 is  
appropriated each year from the health care access fund for  
primary care education initiatives.

Subd. 4. [SPECIAL APPROPRIATION.] \$78,367,000 the first  
year and \$63,367,000 the second year are appropriated from the  
general fund as provided in paragraphs (a) to (d).

(a) [AGRICULTURE AND EXTENSION SERVICE.] \$50,625,000 each  
year is for the Agricultural Experiment Station, Minnesota  
Extension Service. Any salary increases granted by the

1 university to personnel paid from the Minnesota extension  
2 appropriation must not result in a reduction of the county  
3 responsibility for the salary payments. During the biennium,  
4 the university shall maintain an advisory council system for  
5 each experiment station. The advisory councils must be broadly  
6 representative of the range in size and income distribution of  
7 farms and agribusiness and must not disproportionately represent  
8 those from the upper half of the size and income distributions.  
9 The university must continue to provide for the rapid  
10 agricultural response fund and sustainable and organic  
11 agricultural initiatives, including but not limited to, the  
12 alternative swine systems program.

13 (b) [HEALTH SERVICES.] \$19,929,000 the first year and  
14 \$4,929,000 the second year are for the rural physicians  
15 associates program, the Veterinary Diagnostic Laboratory, health  
16 sciences research, dental care, and the Biomedical Engineering  
17 Center. \$15,000,000 the first year is for the Mayo/University  
18 partnership.

19 (c) [INSTITUTE OF TECHNOLOGY.] \$1,387,000 each year is for  
20 the geological survey and the talented young mathematics program.

21 (d) [SYSTEM SPECIALS.] \$6,426,000 each year is for general  
22 research, student loans matching money, industrial relations  
23 education, Natural Resources Research Institute, Center for  
24 Urban and Regional Affairs, Bell Museum of Natural History, and  
25 the Humphrey exhibit.

26 Subd. 5. [ACADEMIC HEALTH CENTER.] The appropriation to  
27 the Academic Health Center under Minnesota Statutes, chapter  
28 297F, is anticipated to be \$21,594,000 the first year and  
29 \$21,379,000 in the second year.



**Senator Skoe introduced--**

**S.F. No. 1282: Referred to the Committee on Finance.**

1                                   A bill for an act  
2           relating to higher education; appropriating money to  
3           the Board of Regents of the University of Minnesota  
4           for student outreach.  
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  
6           Section 1. [APPROPRIATION.]  
7           \$6,500,000 in fiscal year 2006 and \$13,000,000 in fiscal  
8 year 2007 are appropriated from the general fund to the Board of  
9 Regents of the University of Minnesota for initiatives to  
10 attract and retain students.

Senator Pogemiller introduced--

S.F. No. 1461: Referred to the Committee on Finance.

1                                   A bill for an act  
2           relating to higher education; appropriating money to  
3           the Board of Regents of the University of Minnesota  
4           for competitive compensation.  
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  
6           Section 1. [APPROPRIATION.]  
7           \$5,000,000 in fiscal year 2006 and \$10,000,000 in fiscal  
8 year 2007 are appropriated from the general fund to the Board of  
9 Regents of the University of Minnesota to award faculty  
10 compensation increases differentially.

Senators Robling, Solon, Larson, Tomassoni and Pogemiller introduced--  
S.F. No. 1196: Referred to the Committee on Finance.

1                                   A bill for an act  
2           relating to higher education; appropriating money to  
3           the Board of Regents of the University of Minnesota  
4           for research support.  
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  
6           Section 1. [APPROPRIATION.]  
7           \$20,000,000 in fiscal year 2006 and \$15,000,000 in fiscal  
8 year 2007 are appropriated from the general fund to the Board of  
9 Regents of the University of Minnesota for research support.  
10 The funding base for this initiative in fiscal years 2008 and  
11 2009 is \$15,000,000 each year.

Senator Pogemiller introduced--

S.F. No. 1518: Referred to the Committee on Finance.

1. A bill for an act

2 relating to higher education; providing funding for  
3 new technology investments at the University of  
4 Minnesota; appropriating money.

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

6 Section 1. [APPROPRIATION; UNIVERSITY OF MINNESOTA.]

7 \$7,000,000 in fiscal year 2006 and \$14,000,000 in fiscal  
8 year 2007 are appropriated from the general fund to the Board of  
9 Regents of the University of Minnesota for investments in a new  
10 finance system, core functions of high-performance national  
11 research networks, accelerated document imaging efforts, a  
12 strategic data storage system, classrooms, and new advising and  
13 portal systems.



1 Senator ..... moves to amend S.F. No. 1384 as follows:

2 Page 1, delete lines 8 to 10, and insert, "an individual  
3 with a hearing loss of such severity that the individual must  
4 depend primarily on visual communication, such as writing, lip  
5 reading, manual communication, and gestures."

**Senators Pappas and Kierlin introduced--**  
**S.F. No. 1384: Referred to the Committee on Finance.**

1                                   A bill for an act  
2           relating to higher education; providing tuition  
3           assistance to deaf individuals; proposing coding for  
4           new law in Minnesota Statutes, chapter 135A.  
5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:  
6           Section 1. [135A.165] [DEAF STUDENTS; TUITION WAIVER.]  
7           (a) For the purpose of this section, a "deaf person" means  
8           an individual whose sense of hearing is nonfunctioning for  
9           understanding normal conversation after all necessary medical  
10           treatment, surgery, and use of hearing aids.  
11           (b) A deaf person is entitled to the waiver of tuition and  
12           fees remaining after deducting any federal or state grants or  
13           other public or private grants made to the person for the  
14           purpose of paying the tuition and fees at a Minnesota state  
15           college or university or the University of Minnesota. A deaf  
16           person must apply for a federal Pell grant and a state grant  
17           under section 136A.121 as a condition for receiving the waiver.

Senators Pappas, Pogemiller, Tomassoni, Kierlin and Larson introduced--  
S.F. No. 1522: Referred to the Committee on Finance.

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A bill for an act

relating to the University of Minnesota; providing  
funds to match a grant for the Immigration History  
Research Center; appropriating money.

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

Section 1. [APPROPRIATION; UNIVERSITY OF MINNESOTA  
IMMIGRATION HISTORY RESEARCH CENTER.]

\$500,000 is appropriated from the general fund in fiscal  
year 2006 to the Board of Regents of the University of Minnesota  
for the purpose of providing matching funds for a grant from the  
National Endowment for the Humanities for the purpose of  
building an endowment for the Immigration History Research  
Center.