

S.F. No. 2075 – Funding and policy related changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic

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Article 1 Office of Higher Education Appropriations

Article 2 Higher Education Provisions

Section 1 (135A.121) subd 1 establishes the American Indian Scholars program, which is a first-dollar tuition and fee free pathway for eligible Minnesota American Indian students to complete an undergraduate education.

Subd 2 provides the eligibility criteria for the program. The student must be enrolled in a public college or university, be a resident student and enrolled in a federally recognized Indian tribe or be an enrolled member of a Minnesota Tribal Nation.

Subd 3 requires the Minnesota State College and Universities, and requests that the University of Minnesota, provide a full tuition and fee waiver to eligible students. Funds may be used for the purposes specified in this subdivision.

Subd 4 requires each institution receiving funds to report annually to the Office of Higher Education, and using the data provided by the institutions, requires the office to provide on its website the information listed in this section.

Section 2 to 6 (136A.121) modify the state grant program.

Section 2 modifies the assigned family responsibility (AFR) to rectify an undesirable consequence of incorporating the new federal student aid index (SAI) into the calculation of the AFR. The SAI allows an income range from negative \$1,500 to \$99,999. Under current law, a negative SAI would

result in a reduction in the state grant award; the change in this section prevents a negative SAI from reducing the grant award.

Section 3 amends the definition of the term “student.” Current law requires enrollment in at least three credits per term; the modification to this section requires enrollment in at least one credit, which is consistent with other higher education programs and the federal Pell grant.

Section 4 amends the cost of attendance by changing the living and miscellaneous expense allowance from 109% to 130% of the federal poverty guidelines. Further, the cost of attendance calculation for part time students is modified. Under the calculation in current law, part time students are negatively affected; the new calculation changes the order in which the part time ratio is multiplied for purposes of determining the grant.

Section 5 increases the state grant lifetime eligibility to 180 credits (which is equivalent to 12 semesters) for which the student received a state grant. Current law is based on credits of enrollment, not credits of state grant receipt, capped at the equivalent of 8 semesters.

Section 6 changes the deadline to apply for the state grant to June 30 of the fiscal year, which aligns with federal financial aid deadlines.

Sections 7 (136A.1241), 8 (136A.125), 10 (136A.126), and 11 (136A.1312) make conforming amendments related to federal law changes in the following: the fostering independence higher education grants, childcare grants, Indian Scholarships, and the section of law relating to the professional judgment of financial aid administrators.

Section 9 (136A.1251) subd 1 establishes a new program to address the needs of expectant and parenting college students. This program requires the commissioner to award grants and provide support services to institutions and partnering entities that assist expectant parents and parents of young children. Grants are awarded to postsecondary institutions, professional organizations, community-based organizations, and other applicants deemed appropriate by the commissioner. This section specifies the services and costs that are eligible for grant funds.

Subd 2 requires the commissioner to develop a grant application.

Subd 3 requires the commissioner, in partnership with the Department of Health, to provide health related supports listed in this section.

Subd 4 requires a report by August 1 of each odd numbered year and specifies what must be included in the report.

Section 12 (136A.1796) amends the Tribal college supplemental grant assistance program by providing funding to beneficiary students, who are students enrolled in a Tribal college who are members of a federally recognized Indian tribe. Current law only provides grants to Tribal colleges for nonbeneficiary students. Further, the grant is changed from \$5,300 to an amount equal to the highest tuition and fees charged at a public two-year institution, which is currently \$6,484.

Sections 13 to 15 (136A.246) amend the dual training competency grants, which provide grants to employers to reimburse for expenses related to instruction towards their employees attaining an industry recognized degree, certificate, or credential.

Section 13 adds that, when determining grant awards, the commissioner must consider the employer's demonstrated ability to recruit, train, and retain employees who are employees of color, American Indian employees, and employees with disabilities.

Section 14 requires a large employer to pay for at least 25 percent of the cost of training.

Section 15 authorizes the office to allow a grantee to use up to ten percent of the grant for the cost of employee trainee supports and clarifies the cap on this is \$24,000.

Section 16 (136A.84) makes the direct admissions program, which is currently a pilot program, permanent. This program offers conditional admission to Minnesota public colleges and universities to high school seniors based on the students' high school performance.

Section 17 caps the living and miscellaneous expense allowance at 120 percent of the federal poverty guidelines for fiscal years 2024 and 2025.