



S.F. No. 2483 – Office of Higher Education funding and policy related provisions modifications and appropriations (1st Engrossment)

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ARTICLE 1 APPROPRIATIONS

Article 1 appropriates money for operations of the Office of Higher Education, the State Grant Program, and for other expenditures specified on the spreadsheet prepared by Megan Bursch, Fiscal Analyst with the Office of Senate Counsel, Research, and Fiscal Analysis.

ARTICLE 2 HIGHER EDUCATION POLICY

Section 1 [120B.1251] requires public and charter high schools to participate in the direct admissions program by the 2029-2030 school year.

Section 2 (135A.052) permits Minnesota State Universities to offer applied doctoral degrees in cybersecurity.

Section 3 [135A.1367] requires the Minnesota State Colleges and Universities system, and requests the University of Minnesota system, to maintain two doses of opiate antagonists in each campus residential building. Opiate antagonists are drugs that can reverse the effects of an opioid overdose.

Sections 4 and 5 (135A.15) require postsecondary institutions to establish a sexual misconduct grievance process that complies with certain criteria.

Section 4 defines “retaliation.”

Sec. 5 amends Subdivision 2a by adding new requirements for sexual misconduct grievance processes.

Paragraph (a) requires postsecondary institutions to establish a sexual misconduct grievance process and provides potential remedial action.

Paragraph (c) requires postsecondary institutions to provide due process protections to a responding party who is a student and to provide certain details and materials to the responding party.

Paragraph (d) requires postsecondary institutions to provide academic and residential support, as needed and on a case-by-case basis, to both parties involved in a grievance process, including exam or assignment extensions, excused absences, or changes to the party's schedule or campus residence.

Paragraph (e) requires the process to provide an opportunity for reporting and responding parties to present and review evidence, including testimony and any investigation report.

Paragraph (f) requires postsecondary institutions to hold a hearing upon the request of either party.

Paragraph (g) lists specific requirements for any hearing or other proceeding held in connection with a grievance process.

Paragraph (h) requires that institutions use the grievance process required by this section when the reporting party is a student.

Section 6 (135A.1582) makes technical changes in the section of law that provides protections for pregnant and parenting students.

Section 7 (136A.01) permits the department to retain up to five percent of competitively awarded grants for administrative costs.

Section 8 [136A.054] consolidates into one report certain reports that the Office of Higher Education is required to provide to the legislature. The consolidated reports cover the below programs:

- Student-Parent Support Initiative (section 136A.1251)
- Student Loan Debt Counseling (section 136A.1788)
- Aviation Degree Loan Forgiveness Program (section 136A.1789)
- Teacher Shortage Loan Repayment Program (section 136A.1791)
- Agricultural Education Loan Forgiveness Program (section 136A.1794)
- Large Animal Veterinarian Loan Forgiveness Program (section 136A.1795)
- Intervention for College Attendance Program Grants (section 136A.861)
- Concurrent Enrollment Grants (section 136A.91)

Sections 9 to 13 [136A.0901 to 136A.0905] require the Office of Higher Education to create standard terminology and standard templates for colleges and universities to use when sending financial aid offers to prospective and current students.

Sec. 9, Subd. 1 names the sections created by this bill the “College Financing Literacy Act.”

Sec. 9, Subd. 2 requires OHE to develop the standardized terminology and forms, and permits OHE to develop separate forms for (1) undergraduate students, (2) graduate students, (3) first-time students, and (4) returning students.

Sec. 9, Subd. 3 requires OHE to consult with certain stakeholders when developing the terminology and forms, and sets a timeline for the consultation, and for publishing a draft for feedback.

Sec. 9, Subd. 4 requires OHE to publish the final form on its website with sufficient time for institutions to use it in the 2028-2029 academic year.

Sec. 9, Subd. 5 allows OHE to modify the terms and form from time to time.

Sec. 9, Subd. 6 requires higher education institutions to use the form for the 2028-2029 academic year.

Sec. 10, Subd. 1 requires the form to be titled “Financial Aid Offer”, to include the information provided in Section 2, to be in an easy-to-understand format, and to leave space for institutions to apply their own branding.

Sec. 10, Subd. 2 requires the form to provide an estimated cost of attendance and sets minimum information that must be included.

Sec. 10, Subd. 3 requires the form to provide grants and scholarships that the student doesn’t have to repay, both as an aggregate amount and itemized, and to provide certain minimum information about the awards.

Sec. 10, Subd. 4 requires the form to provide the net price of attendance, and defines what that means.

Sec. 10, Subd. 5 requires the form to include specific information on any loans that are contained in the offer.

Sec. 10, Subd. 6 requires the form to include instructions for requesting an increase in the cost of attendance to account for a student’s special circumstances, or due to increased costs for housing, food, or other eligible expenses.

Sec. 10, Subd. 7 requires the form to include supplemental additional information for students with dependents.

Sec. 10, Subd. 8 requires the form to provide clear instructions for accepting or declining aid, for paying remaining costs, and for finding more information on student aid.

Sec. 11, Subd. 1 requires the form to include additional resources and information regarding student loans, work study, and financial aid.

Sec. 11, Subd. 2 provides further details about how the information required in the offer form should be presented and what it should contain.

Section 12 expressly permits institutions to include additional information in a form, or to omit otherwise required information if it does not apply to the student receiving the form.

Section 13 provides that the law created by this bill will become void if the federal government promulgates a required standard offer form.

Section 14 (136A.101, subd. 5a) amends the definition of Assigned Family Responsibility (“AFR”), which is used to calculate a student’s financial aid award under the State Grant Program. AFR is calculated as a percentage of either parental or student contribution—values that are generated by the Free Application for Federal Student Aid (“FAFSA”). Section 14 modifies the AFR for dependent students to be 90% of the parental contribution. Section 14 also changes AFR for students who have a negative parental or student contribution, providing that AFR is 100% of the negative parental or student contribution until a limit of negative \$1,500. This change will reduce the size of some state grant awards.

Section 15 (136A.103) amends the eligibility requirements for receiving state student financial aid for (1) private schools that do not participate in the Pell Grant program and (2) postsecondary institutions that fail to comply with state requirements or are terminated from the federal financial aid programs.

Section 16 (131A.121, subd. 6) amends the calculation for Cost of Attendance, a parameter that is part of the calculation for determining a student’s award under the State Grant Program. Section 16 reduces the allowance for living and miscellaneous expenses to 110 percent of the federal poverty guidelines. This change will reduce the size of some State Grant Awards.

Section 17 (131A.121, subd. 7) amends the statute that governs how State Grant awards should be reduced if the legislature has not appropriated sufficient money to fully fund the State Grant Program. Under current law, OHE must reduce awards by increasing the percentage of assigned student responsibility and adding a surcharge to the Assigned Family Responsibility (AFR). Section 17 clarifies that (i) the AFR may exceed 100% of the federal parental or student contribution, (ii) that OHE must apply the same AFR surcharge adjustment to dependent students, independent students with dependents, and independent students without dependents, and (iii) that OHE may not use any other methods to ration awards.

Section 18 (131A.121, subd. 7a) amends the statute that governs how State Grant awards should be increased if the program has money beyond what is required to fund awards under current law. Under current law, awards are increased by increasing the living and miscellaneous expense allowance for all students. Section 18 permits OHE to also recognize a lower negative AFR for students whose parental or student contribution is less than negative \$1,500 and requires OHE to fully recognize the lower AFR before increasing the living and miscellaneous expense allowances.

Section 19 (131A.121, subd.9) amends the State Grant Program to decrease the cap on how many credits a student can take using State Grant award funds over the student's lifetime. Section 19 reduces the credit limit from 180 credits to 120 credits.

Section 20 (131A.121, subd. 13) amends the State Grant Program to adjust the deadline by which students must apply to receive an award. The current deadline allows students to apply for a grant for a term at any time during the academic year, up until the June 30th following that academic year. Section 20 would require students to apply for a grant for a term by the 30th day of that term.

Sections 21 and 22 (136A.1465) modify the North Star Promise program to require the University of Minnesota and Minnesota State Colleges and Universities to charge resident tuition to enrolled students that are eligible for the program.

Section 23 (136A.1465) makes a technical change to the eligibility requirements for the North Star Promise program.

Section 24 (136A.155) makes a technical change to the institutional eligibility requirements for out of state colleges and universities to participate in certain state student loan programs.

Section 25 (136A.162) amends the law governing the handling of data collected in the Minnesota supplemental loan program to prohibit the Office of Higher Education from providing the number of late payments the student made to consumer credit reporting agencies.

Section 26 (136A.1796) makes technical changes to the law governing grants to Tribally controlled colleges.

Sections 27 and 28 (136A.246) make technical changes to the law regarding dual training competency grants.

Sections 29 to 32 (136A.65 to 136A.69) amend the laws regulating private and out-of-state public postsecondary institutions to make technical changes and adjust the fee structure.

Sec. 29 makes a technical change.

Sec. 30 makes clarifying and technical changes.

Sec. 31 increases the fees OHE charges in-state institutions to approve participation by an institution in an interstate reciprocity agreement.

Sec. 32 modifies and increases the fees that OHE charges Tribally controlled, private, and out-of-state public postsecondary institutions to register to operate a physical location in Minnesota. Section 32 changes the fee structure from being based on the type of degrees offered to being based on full-time-equivalent students enrolled in an institution.

Sections 33 to 53 (136A.82 to 136A.834) amend the laws regulating private career schools to modify the registration requirements and adjust the fee structure.

Sec. 33 exempts certain types of schools from the requirement to register under the private career school law.

Sec. 34 amends the definition of “private career school” to exempt a number of kinds of institutions. Under current law, these institutions were included under the definition of private career school, but were exempt from registration under section 136A.833.

Sections 35 to 42 add definitions and make technical changes.

Sec. 43 strikes a reference to schools that were required to be licensed due to the use of certain words in their names. The law would no longer use naming as a criteria for registration.

Sec. 44 makes a technical change.

Sec. 45 provides for a limited licensure requirement for certain private career schools.

Sections 46 to 49 adjust the fee structure for certain private career schools and make technical changes.

Sec. 50 deletes several exemptions that are moved to section 34 and adds other exemptions from the licensure requirement.

Sections 51 and 52 make technical changes.

Section 53 (136A.87) deletes a requirement that the Office of Higher Education share certain information with middle school and high school students.

Section 54 (136A.901) clarifies that postsecondary institutions, nonprofit organizations, and for-profit organizations are eligible to receive grants under the Spinal Cord Injury and Traumatic Brain Injury Research Grant Program.

Sections 55 and 56 (137.022) amend the statute governing how funds are distributed out of the permanent university fund, which receives royalties from mining under state mineral

leases. Section 56 reallocates funds and raises the cap on how much money can be provided to the Natural Resources Research Institute-Duluth and Coleraine facilities.

Section 57 (151.37, subd. 12) adds employees of secondary institutions to the list of individuals who may be authorized to administer opiate antagonists.

Section 58 (474A.061) increases the amount that is available to the Office of Higher Education through the small pool bond allocation program from \$10 million to \$25 million.

Sections 59 and 60 amend session law to permanently extend a program to provide scholarships to students entering paramedics programs and the attendant reporting requirement.

Section 61 prohibits OHE from distributing any surplus State Grant funding under section 136A.121, subdivision 7a at the end of the 2026 – 2027 biennium. Article 1, section 2, subdivision 2 gives OHE authority to instead carry any remaining balance forward into the 2028-2029 biennium.

Section 62 establishes a working group to develop policy recommendations to prevent fraudulent enrollment in online courses.

Section 63 directs the revisor of statute to codify the Paramedic Scholarship Program amended by article 2, sections 58 and 59 of this bill in statute.

Section 64 provides technical directions to the revisor of statutes.

Section 65 repeals certain sections of statute:

- **Paragraph (a)** repeals statutory language related to the Hunger Free Campus program, which is being enacted as an appropriation in session law in Article 1, section 2, subdivision 24 of this bill. Paragraph (b) also repeals fee language as part of the modification in Article 2, sections 29 to 32 of this bill.
- **Paragraph (b)** repeals session law language in conjunction with codifying the Paramedic Scholarship Program in statute.
- **Paragraph (c)** repeals the statutory language requiring the individual reports combined in Article 1, Section 9, as well as language requiring reporting on study abroad programs (section 5.41), and related to student transfers (section 136A.057).
- **Paragraph (d)** repeals a rule setting a \$500 minimum SELF loan amount and a rule regarding multiple SELF loans.



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