

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2932

(SENATE AUTHORS: OUMOU VERBETEN, Fateh and Draheim)		
DATE	D-PG	OFFICIAL STATUS
03/24/2025	1013	Introduction and first reading Referred to Higher Education
04/01/2025	1263	Author added Draheim See First Special Session, SF1

1.1

A bill for an act

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relating to higher education; requiring the creation and use of a standard financial

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aid offer form; proposing coding for new law in Minnesota Statutes, chapter 136A.

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

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Section 1. [136A.0901] STANDARD FINANCIAL AID OFFER FORM FOR HIGHER

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EDUCATION INSTITUTIONS.

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Subdivision 1. Citation. Sections 136A.0901 to 136A.0905 may be cited as the "College

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Financing Literacy Act."

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Subd. 2. Standard format and terminology. The commissioner must develop standard

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terminology and financial aid offer forms. The commissioner may develop separate financial

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aid offer forms for:

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(1) undergraduate students and graduate students; and

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(2) first-time students and returning students.

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Subd. 3. Consultation with stakeholders. In developing the financial aid offer form,

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the commissioner must consult with and consider the recommendations of stakeholders,

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including the student loan advocate in the Department of Commerce, representatives of

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students, institutions of higher education, financial aid administrators and counselors, school

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counselors, and any other relevant stakeholders as determined by the commissioner. The

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commissioner must begin consulting with and soliciting recommendations from stakeholders

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by September 1, 2025. By September 1, 2026, the commissioner must publish on the

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department's website a draft of the form created under subdivision 2 and solicit feedback

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from stakeholders regarding the form.

2.1 Subd. 4. **Final form.** The commissioner must publish on the department's website the
2.2 final financial aid offer form with sufficient time for institutions to implement use of the
2.3 form for the 2027-2028 academic year.

2.4 Subd. 5. **Authority to modify.** The commissioner may update and modify the definitions,
2.5 terms, formatting, and design of the financial aid offer form based on changes in laws, in
2.6 process, or for purposes of clarity.

2.7 Subd. 6. **Use of standard financial aid offer forms and terms.** (a) Beginning with the
2.8 2027-2028 academic year, institutions of higher education that receive state grant aid must:

2.9 (1) use the financial aid offer form developed under this section in providing official
2.10 and unofficial offers, including paper, mobile-optimized offers, or other electronic offers
2.11 to all students who are accepted at the institution and apply for aid; and

2.12 (2) use the standard terminology and definitions developed by the commissioner for all
2.13 communications from the institution related to financial aid offers.

2.14 (b) The Board of Regents of the University of Minnesota is requested to comply with
2.15 this section.

2.16 **Sec. 2. [136A.0902] REQUIRED CONTENTS FOR OFFER FORM.**

2.17 Subdivision 1. **General.** The financial aid offer form developed under section 136A.0901
2.18 must be a form titled "Financial Aid Offer" which includes the required information under
2.19 this section with costs listed first, followed by grants and scholarships clearly separated
2.20 with separate headings, and the additional information under section 136A.0903 included
2.21 last. The form must be in a consumer-friendly format that is simple to understand and must
2.22 allow for each institution to customize the form with the institution's own logo, branding,
2.23 or other identifiers.

2.24 Subd. 2. **Cost information.** The financial aid offer form must contain information on
2.25 the student's estimated cost of attendance including:

2.26 (1) total direct costs, including the totals for estimated tuition and fees charged by an
2.27 institution, including differential tuition if applicable, college or university-sponsored
2.28 housing, and food costs;

2.29 (2) total estimated other expenses, including estimated housing and food costs for students
2.30 who reside off-campus, and for all students, costs for books, materials, supplies,
2.31 transportation, and miscellaneous personal expenses, which must include the cost of health
2.32 insurance;

(3) the academic period covered by the financial aid offer and an explanation that the financial aid offered may change for academic periods not covered by the aid offer or by program;

(4) whether cost and aid estimates are based on full-time or part-time enrollment;

(5) whether tuition and fees cover a set range of credits or are per credit hour; and

(6) whether the tuition and fees are estimated based on the previous year or are set for the academic period indicated in accordance with clause (3).

Subd. 3. **Grants and scholarships.** The financial aid offer form must include the aggregate amount of grants and scholarships itemized by source and type that the student does not have to repay, including grant aid:

(1) offered under title IV of the Higher Education Act of 1965, United States Code, title 20, section 1070, et seq.;

(2) offered through other federal programs;

(3) offered by the institution;

(4) offered by the state under section 136A.121; and

(5) from an outside source to the student for the academic period, if known, including a disclosure that the grants and scholarships do not have to be repaid. If institutional aid is included, the form must also note:

(i) the conditions under which the student can expect to receive similar amounts of financial aid for each academic period the student is enrolled at the institution; and

(ii) whether the institutional aid offer may change if grants or scholarships from outside sources are applied after the student receives the financial aid offer form and how the institutional aid will change, if applicable.

Subd. 4. **Net price.** The financial aid offer form must include:

(1) the estimated net price that the student, or the student's family on behalf of the student, is estimated to have to pay for the student to attend the institution for the academic period, equal to the cost of attendance as described in subdivision 2, clauses (1) and (2), for the student for the period indicated in subdivision 2, clause (3), minus the amount of grant and scholarship aid described in subdivision 3 that is included in the financial aid offer form; and

4.1 (2) a disclosure that the estimated net price is an estimate of the total expenses for the
4.2 year and not equivalent to the amount the student will owe directly to the institution.

4.3 Subd. 5. **Loans.** (a) The financial aid offer form must include:

4.4 (1) information on loans that are available to the student under part D or E of title IV of
4.5 the Higher Education Act of 1965, United States Code, title 20, section 1087a, et seq., and
4.6 United States Code, title 20, section 1087aa, et seq., except a Federal Direct PLUS Loan
4.7 under part D of that act;

4.8 (2) information on other loans under this chapter for the academic period covered by
4.9 the offer;

4.10 (3) a disclosure that the loans have to be repaid and a disclosure that the student can
4.11 borrow a lesser or, if applicable, greater amount than the recommended loan amount;

4.12 (4) a disclosure that the interest rates and fees on the loans are set annually and affect
4.13 total cost over time and a link to the Department of Education's and the Office of Higher
4.14 Education's websites that includes current information on interest rates and fees; and

4.15 (5) a link to the Department of Education's repayment calculator website for students
4.16 with instruction that the website contains customizable estimates of expected repayment
4.17 costs under different loan repayment plans.

4.18 (b) The offer must clearly use the word "loan" to describe the recommended loan amounts
4.19 and must clearly label subsidized and unsubsidized loans with a plain language explanation
4.20 of the difference between the two.

4.21 Subd. 6. **Supplemental information for students with dependents.** The financial aid
4.22 offer form must contain information on resources available to students with dependents
4.23 including:

4.24 (1) the dependent care allowance, including a disclosure that a student with a dependent
4.25 child in paid child care may request a dependent care allowance as part of the student's
4.26 financial aid calculation, which may result in a higher grant or loan amount; and

4.27 (2) information on the Minnesota child care grant program provided in section 136A.125
4.28 and instructions on how to apply.

4.29 Subd. 7. **Process for accepting or declining aid and next steps.** The financial aid offer
4.30 form must include:

(1) deadlines and a summary of the process for accepting the financial aid offered in the financial aid offer form, requesting higher loan amounts if recommended loan amounts were included, and declining aid offered in the form;

(2) information on when and how direct costs to the institution must be paid, including information on payment plans if available;

(3) a disclosure that verification of financial circumstances may require the student to submit further documentation; and

(4) information about where a student or the student's family can seek additional information regarding the financial aid offered, including contact information for the institution's financial aid office, the Department of Education's website on financial aid, and the Office of Higher Education's website.

Sec. 3. **[136A.0903] ADDITIONAL REQUIREMENTS FOR THE OFFER FORM.**

Subdivision 1. **Repayment resources; private student loans; work study.** In addition to the information described in section 136A.0902, the financial aid offer form must, in a concise format determined by the commissioner, include:

(1) at the institution's discretion, additional options and potential resources for paying the amount listed in section 136A.0902, subdivision 4, such as tuition payment plans;

(2) the following information relating to private student loans:

(i) a statement that students considering borrowing to cover the cost of attendance should consider available federal and state student loans prior to applying for private education loans, including an explanation that federal and state student loans offer generally more favorable terms and beneficial repayment options than private loans;

(ii) the impact of a proposed private education loan on the student's potential eligibility for other financial assistance, including federal financial assistance under title IV of the Higher Education Act of 1965, United States Code, title 20, section 1070, et seq.; and

(iii) a statement explaining the student's ability to select a private educational lender of the student's choice; and

(3) information on work-study employment opportunities under section 136A.233, and work-study offered in accordance with part C of title IV of the Higher Education Act of 1965, United States Code, title 20, section 1087-51, et seq., including a disclosure that the work-study aid offered is subject to the availability of qualified employment opportunities and is disbursed over time as earned by the student. Work-study employment opportunities

6.1 must not be included in the category of financial aid described under section 136A.0902,
6.2 subdivision 3.

6.3 Subd. 2. **Additional requirements.** The financial aid offer form must meet the
6.4 requirements of this section and section 136A.0902 by:

6.5 (1) including, in addition to the requirements described in subdivision 1 and section
6.6 136A.0902, a concise summary in plain language of:

6.7 (i) the terms and conditions of financial aid under subdivision 1, clause (3), and section
6.8 136A.0902, subdivisions 3 and 5, and a method to provide students with additional
6.9 information about the terms and conditions, such as links to the supplementary information;
6.10 and

6.11 (ii) federal, state, or institutional conditions required to receive and renew financial aid
6.12 and a method to provide students with additional information about these conditions, such
6.13 as links to the supplementary information;

6.14 (2) clearly distinguishing between aid offered under subdivision 1, clause (3), and section
6.15 136A.0902, subdivisions 3 and 5, by including a subtotal for the aid offered and by refraining
6.16 from commingling the different types of aid described;

6.17 (3) using standard terminology and definitions, as determined by the commissioner, and
6.18 using plain language where possible;

6.19 (4) providing additional information on federal student loans, including the types and
6.20 amounts for which the student is eligible in an attached document or web page, if an
6.21 institution's recommended federal student loan aid offered under section 136A.0902,
6.22 subdivision 5, is less than the federal maximum available to the student;

6.23 (5) including a delivery confirmation for electronic financial aid offer forms, except that
6.24 receipt of the financial aid offer form shall not be considered an acceptance or rejection of
6.25 aid by the student; and

6.26 (6) accompanying any reference to private education loans, with respect to dependent
6.27 students, with:

6.28 (i) information about the availability of and terms and conditions associated with Federal
6.29 Direct PLUS Loans under section 455 of the Higher Education Act of 1965, United States
6.30 Code, title 20, section 1087e, for the student's parents regardless of family income; and

6.31 (ii) a notification of the student's increased eligibility for unsubsidized Federal student
6.32 loans under title IV of the Higher Education Act of 1965, United States Code, title 20,

7.1 section 1070, et seq., if the student's parents are rejected under the Federal Direct PLUS
7.2 Loan program.

7.3 Sec. 4. **[136A.0904] SUPPLEMENTAL INFORMATION; REMOVAL OF**
7.4 **INFORMATION.**

7.5 (a) Nothing in sections 136A.0901 to 136A.0903 precludes an institution from
7.6 supplementing the financial aid offer form with additional information if the additional
7.7 information supplements the financial aid offer form and is not located on the financial aid
7.8 offer form and if the information utilizes the same standard terminology developed by the
7.9 commissioner under this act.

7.10 (b) Nothing in sections 136A.0901 to 136A.0903 precludes an institution from deleting
7.11 a required item if the student is ineligible for that aid.

7.12 Sec. 5. **[136A.0905] SUPERSEDING FEDERAL LAW.**

7.13 Sections 136A.0901 to 136A.0904 are null and void upon the effective date of a federal
7.14 law or regulation establishing a uniform financial aid offer form and requiring institutions
7.15 of higher education to use it.