

H.F. No. 2073 – Higher Education Conference Committee Report (SF2075) and Chapter 41

Author: Senator Omar Fateh

Prepared by: Joan White, Senate Counsel (651/296-3814)
Erik Olson, Fiscal Analyst (651/296-4047)

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Article 1 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 (135A.1365) requires the Minnesota State Colleges and Universities to provide students with access to menstrual products at no charge. The products must be available in restrooms used by students. The University of Minnesota is requested to do the same. “Menstrual products” is defined.

Section 3 (135A.137, subd 2) amends the hunger-free campus program by requiring the student advisory council established under current law to create an application process and make recommendations to the commissioner. The commissioner shall have final approval for the designation and the award amount.

Section 4 (135A.137, subd 3) expands the hunger-free grants to nonprofit private postsecondary institutions and increases the hunger-free campus maximum awards. The initial institution designation award is increased from \$8,000 to \$25,000 and the sustaining award is increased from \$5,000 to \$15,000. No more than 20% of the total grant awards shall be for grants to nonprofit private postsecondary institutions.

Section 5 (135A.161) Inclusive Higher Education Technical Assistance Center

Subd 1 defines terms for this section and section 6.

Subd 2 requires the commissioner to contract with the Institute on Community Integration at the University of Minnesota to establish the Inclusive Higher Education Technical Assistance Center. The purpose of the center is to increase access to postsecondary education for students with an intellectual disability to earn degrees or certificates leading to employment and independent living.

Subd 3 requires the center to name a director and appoint an advisory committee.

Subd 4 lists the responsibilities of the center, which include: advising institutions on federal requirements and accreditation standards, monitoring relevant federal and state law, providing technical assistance to institutions of higher education, and disseminating information listed in this section to students and their parents.

Section 6 (135A.162) Inclusive Higher Education Grants

Subd 1 requires the commissioner of the Office of Higher Education, in collaboration with the director of the center, to establish a competitive grant program for Minnesota higher education institutions to develop new or enhance existing initiatives to enroll and increase the enrollment of students with an intellectual disability.

Subd 2 specifies the criteria for eligible grantees, which include public and nonprofit postsecondary institutions.

Subd 3 specifies grant application procedures. The application must include a written plan that addresses the requirements listed in this section.

Subd 4 establishes an account in the special revenue fund for the grant program. The funds do not cancel, and the commissioner may use up to 5% of that amount deposited in the account for administrative expenses.

Subd 5 requires the commissioner to award grants on a competitive basis using the criteria established in collaboration with the center. Provides that an eligible institution may receive up to \$200,000 per year for four years and \$100,000 in subsequent years pending performance and funding limitations. Lists grantee requirements, which include a 25% match, either in-kind or monetary.

Subd 6 requires grantees to submit reports to the director with information listed in this section.

Subd 7 requires the director to evaluate the grantee initiatives and submit an annual report to the legislative committees with jurisdiction over higher education issues.

This section is effective July 1, 2023, except the report under subd 7 is effective July 1, 2024.

Section 7 (136A.031, subd 3) amends the duties of the student advisory council to include the new requirement in section 135A.137, subdivision 2, related to the review and recommendations of hunger-free campus applicants.

Section 8 (136A.101, subd 5a) 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 9 (136A.101, subd 7) 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 10 (136A.121, subd 6) increases the living and miscellaneous expense allowance from 109% to 115% of the federal poverty guidelines and amends the cost of attendance calculation for part-time students. 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 11 (136A.121, subd 9) 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 12 (136A.121, subd 13) changes the deadline to apply for the state grant to June 30 of the fiscal year, which aligns with federal financial aid deadlines.

Section 13 (136A.121, subd 19) requires the Office of Higher Education to provide spending projections for the North Star Promise. Current law requires spending projections only for the state grant program.

Sections 14 (136A.1241, subd 5), 15 (136A.125, subd 4), 17 (136A.126, subd 4), and 18 (136A.1312) make conforming amendments related to federal law changes to the federal need analysis in the following programs: 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 16 (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 institutions to allow students to identify as a parent or expectant parent on a form used to collect demographic data and provide that information to the commissioner.

Subd 4 requires the commissioner, in partnership with the Department of Health, to provide health related supports listed in this section.

Subd 5 requires a report by August 1 of each odd numbered year and specifies what must be included in the report.

Section 19 (136A.1465) establishes the North Star Promise, which is a last dollar tuition free program for students with a family adjusted gross income below \$80,000.

Subd 1 defines terms.

Subd 2 lists the eligibility requirements. The student must be an “eligible student” as defined in subdivision 1 and must:

- complete the FAFSA;
- not have earned a baccalaureate degree;
- have an adjusted gross household income below \$80,000;
- be enrolled in at least one credit; and
- be making satisfactory academic progress.

Subd 3, paragraph (a) provides that the scholarship shall not exceed 100% of tuition and fees after grants and other scholarships are deducted. The scholarships begin in the 2024-2025 academic year. Under **paragraph (b)**, if funds remain, for three academic years beginning with the 2024-2025 academic year, grants up to 50 percent of the amount of a Pell grant the student would receive after other gift aid is deducted must be awarded to eligible students. The commissioner may adjust the grant amount based on the availability of funds.

Subd 3a requires post-secondary institutions to maintain institutional gift aid offered or awarded to a student who is eligible for this program.

Subd 4 provides that the scholarships are for one semester and may be renewed provided the student continues to meet the eligibility requirements, up to a maximum of 120 credits. The scholarship must be paid directly to the institution.

Subd 5 terminates the scholarship for failure to meet satisfactory progress or for substantial noncompliance with program requirements.

Subd 5a requires institutions to provide to the Office of Higher Education information that is necessary to accurately complete the spending projection report required under section 13.

Subd 6 establishes an account in the special revenue fund for purposes of this program.

Subd 7 authorizes the Office of Higher Education to administer the program.

Subd 8 requires a preliminary report in September, 2025, and an annual report beginning February 15, 2026, and specifies what must be included in the report.

This section is effective July 1, 2024.

Section 20 (136A.1791, subd 3a) amends the teacher shortage loan repayment program by prioritizing funds for teachers who belong to a racial or ethnic group underrepresented in the Minnesota workforce. To the extent funds are available, eligibility extends to teachers who teach in a rural district or in a license shortage area.

Section 21 (136A.246, subd 4) modifies dual training competency grants by adding to the cost of training “recommended” books and materials in addition to required books and materials.

Section 22 (136A.246, subd 5) adds that, when determining dual training competency 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 23 (136A.246, subd 6) requires a large employer in the dual training competency grant program to pay for at least 25 percent of the cost of training.

Section 24 (136A.246, subd 8) authorizes the office to allow a dual training competency grantee to use up to ten percent of the grant for the cost of training, capping the maximum total grant per application at \$165,000. Clarifies the maximum per employee is \$24,000, not to exceed \$6,000 per year.

Section 25 (136A.84) makes the direct admissions program, which is currently a pilot program, permanent. This program offers conditional admission to public and nonprofit Minnesota colleges and universities to high school seniors based on the students’ high school performance. An annual report is required by February 1.

Section 26 (136F.04, subd 1) strikes a reference to a section of law that is being repealed in section 35.

Section 27 (136F.38, subd 3) amends the workforce development scholarship program by expanding the programs of study to include construction, education, and public safety.

Section 28 (175.45, subd 1) amends the dual training competency training in the Department of Labor and Industry statutes to include transportation and child care.

Section 29 (268.193) makes the University of Minnesota, Minnesota State Colleges and Universities, and Tribal colleges eligible to receive unemployment insurance aid from the state. This section is effective for aid beginning in fiscal year 2024.

Section 30 (354B.23, subd 3) increases the employer contribution rate for Minnesota State Higher Education Individual Retirement Account Plan (IRAP) to 8.75 percent of salary. This section is effective the day following final enactment.

Section 31 establishes the paramedic scholarship program. This program provides up to 600 scholarships in the amount of \$5000 to students entering paramedic programs by 2026. The scholarship must be paid to the institution in which the student is enrolled. Specifies eligibility for the scholarship and requires a report.

Section 32 requires the University of Minnesota, the Minnesota State Colleges and Universities, and Office of Higher Education to provide unemployment insurance aid reports to the higher education committees of the legislature. The report must include balances in unemployment insurance aid accounts and information about annual changes in costs for higher education workers receiving unemployment insurance benefits.

Section 33 requires the commissioner of the Office of Higher Education to convene a working group on postsecondary student basic needs. Specifies who is included in the working group and sunsets the working group on September 1, 2026. The duties include reviewing, assessing, and making specific recommendations on strategies to meet the basic needs of higher education students, and providing a report that includes a comprehensive plan on how to identify, assess, and support students who are experiencing housing and food insecurity. The report is due by September 1, 2024.

Section 34 requires the Office of Higher Education to complete a report on the Minnesota State Colleges and Universities course placement practices. The preliminary report is due February 1, 2024, with a final report containing recommendations and findings due February 1, 2025.

Section 35 repeals the MnState Trustee Candidate Advisory Council, which has not met since 2012.