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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 3872

02/28/2022 Authored by Bernardy and Lillie
The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy

1.1 A bill for an act
1.2 relating to higher education; providing for supplemental funding for the Office of
1.3 Higher Education, Minnesota State Colleges and Universities, and the University
1.4 of Minnesota; creating and amending financial aid programs; appropriating money;
1.5 requiring reports; amending Minnesota Statutes 2020, sections 136A.1796; 175.45,
1.6 subdivision 1; Minnesota Statutes 2021 Supplement, sections 136A.121, subdivision
1.7 9; 136A.1241, subdivision 5; 136A.1791, subdivision 5; Laws 2021, First Special
1.8 Session chapter 2, article 1, section 2, subdivisions 1, 2, 8, 21, 24, 25, 26, 27, 36;
1.9 proposing coding for new law in Minnesota Statutes, chapter 136A.

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

1.11 ARTICLE 1
1.12 APPROPRIATIONS

1.13 Section 1. HIGHER EDUCATION APPROPRIATIONS.

1.14 The sums shown in the columns marked "Appropriations" are in addition to the
1.15 appropriations in Laws 2021, First Special Session chapter 2, article 1, as amended in this
1.16 act, unless otherwise specified, and are appropriated to the agencies and for the purposes
1.17 specified in this act. The appropriations are from the general fund, or another named fund,
1.18 and are available for the fiscal years indicated for each purpose. The figures "2022" and
1.19 "2023" used in this act mean that the appropriations listed under them are available for the
1.20 fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal
1.21 year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and
1.22 2023.

Table with 2 columns: APPROPRIATIONS, Available for the Year. Sub-headers: Ending June 30, 2022, 2023.

2.1 **Sec. 2. MINNESOTA OFFICE OF HIGHER**
 2.2 **EDUCATION**

2.3 **Subdivision 1. Total Appropriation** \$ -0- \$ **16,925,000**

2.4 The amounts that may be spent for each
 2.5 purpose are specified in the following
 2.6 subdivisions.

2.7 **Subd. 2. Student Parent Support Initiative** -0- **6,925,000**

2.8 For grants to support student parents under
 2.9 Minnesota Statutes, section 136A.1251. Of
 2.10 this amount, up to five percent each year is
 2.11 for administration costs.

2.12 The base for fiscal year 2024 is \$6,440,000.

2.13 The base for fiscal year 2025 and later is
 2.14 \$5,940,000.

2.15 **Subd. 3. College Application Fee Waiver Grant** -0- **10,000,000**

2.16 For the Office of Higher Education to
 2.17 coordinate and administer an undergraduate
 2.18 college application fee waiver program to
 2.19 eligible Minnesota public postsecondary
 2.20 institutions, Tribal colleges, and private
 2.21 nonprofit institutions physically located in
 2.22 Minnesota and registered with the Office of
 2.23 Higher Education under Minnesota Statutes,
 2.24 section 136A.63.

2.25 This is a onetime appropriation.

2.26 Any balance does not cancel but is available
 2.27 until June 30, 2024.

2.28 **Sec. 3. BOARD OF TRUSTEES OF THE**
 2.29 **MINNESOTA STATE COLLEGES AND**
 2.30 **UNIVERSITIES**

2.31 **Subdivision 1. Total Appropriation** \$ -0- \$ **39,000,000**

3.1 The amounts that may be spent for each
 3.2 purpose are specified in the following
 3.3 subdivisions.

3.4 **Subd. 2. Operations and Maintenance** -0- 39,000,000

3.5 (a) \$15,000,000 in fiscal year 2023 is for
 3.6 protecting access and affordability for
 3.7 students; providing all students with access to
 3.8 a variety of mental health support options;
 3.9 addressing workforce gaps through innovative
 3.10 career, technical, and professional
 3.11 programming serving business and industry;
 3.12 and providing all students with access to a
 3.13 statewide basic needs resources hub to connect
 3.14 to resources on campus, in the local
 3.15 community, and nationally.

3.16 (b) \$39,000,000 is added to the operations and
 3.17 maintenance base for fiscal year 2024 and later
 3.18 established in Laws 2021, First Special
 3.19 Session chapter 2, article 1, section 3,
 3.20 subdivision 3, paragraph (1).

3.21 **Sec. 4. BOARD OF REGENTS OF THE**
 3.22 **UNIVERSITY OF MINNESOTA**

3.23 **Subdivision 1. Total Appropriation** **\$** **-0-** **\$** **43,000,000**

3.24 The amounts that may be spent for each
 3.25 purpose are specified in the following
 3.26 subdivisions.

3.27 **Subd. 2. Operations and Maintenance** **-0-** **43,000,000**

3.28 (a) \$38,000,000 in fiscal year 2023 is for aid
 3.29 to those students who most need support to
 3.30 offset tuition, fees, and other costs of
 3.31 attendance items and creating a new
 3.32 scholarship program specifically supporting
 3.33 students from greater Minnesota campuses.

4.1 (b) \$5,000,000 in fiscal year 2023 is for
 4.2 increased student supportive services to
 4.3 increase student outcomes including retention,
 4.4 graduation, mental health, and campus climate
 4.5 while addressing equity gaps that exist for
 4.6 low-income and Black, Indigenous, and People
 4.7 of Color students.

4.8 (c) \$43,000,000 is added to the operations and
 4.9 maintenance base for fiscal year 2024 and later
 4.10 established in Laws 2021, First Special
 4.11 Session chapter 2, article 1, section 4,
 4.12 subdivision 2, paragraph (f).

4.13 Sec. 5. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 1, is
 4.14 amended to read:

4.15			<u>274,269,000</u>
4.16	Subdivision 1. Total Appropriation	\$ 271,702,000	\$ <u>299,069,000</u>

4.17 The amounts that may be spent for each
 4.18 purpose are specified in the following
 4.19 subdivisions.

4.20 Sec. 6. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 2, is
 4.21 amended to read:

4.22			<u>210,037,000</u>
4.23	Subd. 2. State Grants	210,037,000	<u>224,851,000</u>

4.24 (a) If the appropriation in this subdivision for
 4.25 either year is insufficient, the appropriation
 4.26 for the other year is available for it.

4.27 (b) The base for this appropriation is
 4.28 \$234,289,000 for fiscal year 2024 and later.

4.29 Sec. 7. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 8, is
 4.30 amended to read:

4.31			<u>150,000</u>
4.32	Subd. 8. Tribal College Grants	150,000	<u>1,850,000</u>

5.1 For Tribal college assistance grants under
5.2 Minnesota Statutes, section 136A.1796.

5.3 The commissioner may use no more than three
5.4 percent of the appropriation for administration
5.5 of the program.

5.6 The base for this appropriation is \$1,850,000
5.7 in fiscal year 2024 and later.

5.8 Sec. 8. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 21, is
5.9 amended to read:

5.10	Subd. 21. Dual Training Competency Grants;		2,000,000
5.11	Office of Higher Education	2,000,000	<u>4,000,000</u>

5.12 (a) Of this appropriation, \$2,000,000 in fiscal
5.13 year 2022 and \$3,879,000 in fiscal year 2023
5.14 is for transfer to the Dual Training
5.15 Competency Grants account in the special
5.16 revenue fund under Minnesota Statutes,
5.17 section 136A.246, subdivision 10.

5.18 (b) Of this appropriation, \$121,000 in fiscal
5.19 year 2023 is appropriated to the commissioner
5.20 of labor and industry.

5.21 (c) The base for this appropriation is
5.22 \$4,000,000 in fiscal year 2024 and later.

5.23 Sec. 9. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 24, is
5.24 amended to read:

5.25	Subd. 24. Emergency Assistance for		269,000
5.26	Postsecondary Students		269,000 <u>1,000,000</u>

5.27 (a) This appropriation is for the Office of
5.28 Higher Education to allocate grant funds on a
5.29 matching basis to eligible institutions as
5.30 defined under Minnesota Statutes, section
5.31 136A.103, located in Minnesota with a
5.32 demonstrable homeless student population.

6.1 (b) This appropriation shall be used to meet
 6.2 immediate student needs that could result in
 6.3 a student not completing the term or their
 6.4 program including, but not limited to,
 6.5 emergency housing, food, and transportation.
 6.6 Institutions shall minimize any negative
 6.7 impact on student financial aid resulting from
 6.8 the receipt of emergency funds.

6.9 (c) The commissioner shall determine the
 6.10 application process and the grant amounts.
 6.11 The Office of Higher Education shall partner
 6.12 with interested postsecondary institutions,
 6.13 other state agencies, and student groups to
 6.14 establish the programs.

6.15 (d) The base for this appropriation is ~~\$319,000~~
 6.16 \$1,000,000 in fiscal year 2024 and later.

6.17 Sec. 10. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 25,
 6.18 is amended to read:

6.19	Subd. 25. Grants to Student Teachers in		500,000
6.20	Shortage Areas	500,000	<u>3,500,000</u>

6.21 (a) For grants to student teachers in shortage
 6.22 areas under Minnesota Statutes, section
 6.23 136A.1275.

6.24 (b) The commissioner may use no more than
 6.25 ~~three~~ five percent of the appropriation for
 6.26 administration of the program.

6.27 (c) The base for this appropriation is
 6.28 \$3,500,000 in fiscal year 2024 and later.

7.1 Sec. 11. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 26,
7.2 is amended to read:

7.3	Subd. 26. Grants to Underrepresented Student		1,000,000
7.4	Teachers	1,000,000	<u>1,800,000</u>

7.5 For grants to underrepresented student teachers
7.6 under Minnesota Statutes, section 136A.1274.

7.7 The commissioner may use no more than ~~three~~
7.8 five percent of the appropriation for
7.9 administration of the program.

7.10 The base for this appropriation is ~~\$1,125,000~~
7.11 \$1,925,000 in fiscal year 2024 and later.

7.12 Sec. 12. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 27,
7.13 is amended to read:

7.14			200,000
7.15	Subd. 27. Teacher Shortage Loan Repayment	200,000	<u>900,000</u>

7.16 For transfer to the teacher shortage loan
7.17 repayment account in the special revenue fund
7.18 under Minnesota Statutes, section 136A.1791,
7.19 subdivision 8.

7.20 The commissioner may use no more than three
7.21 percent of the amount transferred under this
7.22 subdivision to administer the program.

7.23 The base for this appropriation is \$900,000 in
7.24 fiscal year 2024 and later.

7.25 Sec. 13. Laws 2021, First Special Session chapter 2, article 1, section 2, subdivision 36,
7.26 is amended to read:

7.27	Subd. 36. Fostering Independence Higher		3,759,000
7.28	Education Grants	238,000	<u>4,814,000</u>

7.29 (a) For grants to eligible students under
7.30 Minnesota Statutes, section 136A.1241. Of
7.31 this amount, \$238,000 in the first year is for

8.1 administration costs. The base for fiscal year
8.2 2024 and later is ~~\$3,761,000~~ \$4,816,000.

8.3 (b) Beginning in fiscal year 2023, the
8.4 commissioner of the Office of Higher
8.5 Education may use no more than three percent
8.6 of the appropriation to administer the grants
8.7 under Minnesota Statutes, section 136A.1241.

8.8 ARTICLE 2

8.9 FINANCIAL AID

8.10 Section 1. Minnesota Statutes 2021 Supplement, section 136A.121, subdivision 9, is
8.11 amended to read:

8.12 Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is
8.13 eligible to apply for and receive a grant in any year of undergraduate study unless the student
8.14 has obtained a baccalaureate degree or ~~previously has been enrolled full time or the equivalent~~
8.15 ~~for eight semesters or the equivalent~~ has previously received state grant funds for a period
8.16 of ten semesters or the equivalent, excluding (1) courses taken from a Minnesota school or
8.17 postsecondary institution which is not participating in the state grant program and from
8.18 which a student transferred no credit, and (2) courses taken that qualify as developmental
8.19 education or below college-level. A student enrolled in a two-year program at a four-year
8.20 institution is only eligible for the tuition and fee maximums established by law for two-year
8.21 institutions.

8.22 Sec. 2. Minnesota Statutes 2021 Supplement, section 136A.1241, subdivision 5, is amended
8.23 to read:

8.24 Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded
8.25 a foster grant based on the federal need analysis. Applicants are encouraged to apply for all
8.26 other sources of financial aid. The amount of the foster grant must be equal to the applicant's
8.27 recognized cost of attendance after deducting:

- 8.28 (1) the student aid index as calculated by the federal need analysis;
- 8.29 (2) the amount of a federal Pell Grant award for which the applicant is eligible;
- 8.30 (3) the amount of the state grant;
- 8.31 (4) the Federal Supplemental Educational Opportunity Grant;

9.1 (5) the sum of all Tribal scholarships;

9.2 (6) the amount of any other state and federal gift aid;

9.3 ~~(7) the Education and Training Voucher Program;~~

9.4 ~~(8)~~ (7) extended foster care benefits under section 260C.451;

9.5 ~~(9)~~ (8) the amount of any private grants or scholarships, excluding grants and scholarships
9.6 provided by the private institution of higher education in which the eligible student is
9.7 enrolled; and

9.8 ~~(10)~~ (9) for public institutions, the sum of all institutional grants, scholarships, tuition
9.9 waivers, and tuition remission amounts.

9.10 (b) The foster grant shall be paid directly to the eligible institution where the student is
9.11 enrolled.

9.12 (c) An eligible private institution may opt out of participating in the foster grant program
9.13 established under this section. To opt out, the institution shall provide notice to the office
9.14 by September 1 for the next academic year.

9.15 (d) An eligible private institution that does not opt out under paragraph (c) and accepts
9.16 the student's application to attend the institution must provide institutional grants,
9.17 scholarships, tuition waivers, or tuition remission in an amount equal to the difference
9.18 between:

9.19 (1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b),
9.20 clause (1); and

9.21 (2) the sum of the foster grant under this subdivision and the sum of the amounts in
9.22 paragraph (a), clauses (1) to (9).

9.23 (e) An undergraduate student who is eligible may apply for and receive a foster grant
9.24 in any year of undergraduate study unless the student has obtained a baccalaureate degree
9.25 or previously has been enrolled full time as defined in section 136A.101, subdivision 7a,
9.26 or the equivalent for eight semesters or the equivalent, or received a foster grant for five
9.27 years, whichever occurs first. A foster grant must not be awarded to a student for more than
9.28 three years for a two-year degree, certificate, or diploma, or five years for a four-year
9.29 undergraduate degree.

9.30 (f) Foster grants may be awarded to an eligible student for four quarters, three semesters,
9.31 or the equivalent during the course of a single fiscal year. In calculating the award amount,
9.32 the office must use the same calculation it would for any other term.

10.1 Sec. 3. [136A.1251] STUDENT-PARENT SUPPORT INITIATIVE.

10.2 Subdivision 1. Grants. (a) To address the needs and support the educational goals of
10.3 expectant and parenting college students across Minnesota, the commissioner shall award
10.4 grants and provide support services to institutions and partnering entities that assist parents
10.5 of young children and expectant parents. Grants shall be awarded to postsecondary
10.6 institutions, professional organizations, community-based organizations, or other applicants
10.7 deemed appropriate by the commissioner. Grants must be used to offer services to support
10.8 the academic goals, health, and well-being of student parents. Services and costs eligible
10.9 for grant funding include but are not limited to:

10.10 (1) program development costs;

10.11 (2) costs related to the start-up of on-campus child care;

10.12 (3) evaluation and data collection; and

10.13 (4) direct assistance to student parents including:

10.14 (i) scholarships;

10.15 (ii) basic needs support; and

10.16 (iii) expenses related to child care.

10.17 (b) Postsecondary institutions may act as the fiscal agents in partnership with a local
10.18 nongovernmental agency, childcare center, or other organization that serves student parents.

10.19 Subd. 2. Application process. The commissioner shall develop a grant application
10.20 process. The commissioner shall support projects in a manner that attempts to ensure eligible
10.21 students throughout the state have access to program services.

10.22 Subd. 3. Health-related supports. The commissioner, in partnership with the Department
10.23 of Health, shall provide health-related supports. Activities for health-related supports include:

10.24 (1) ensuring programs, services, and materials are medically accurate, age appropriate,
10.25 culturally and linguistically appropriate, and inclusive of all populations;

10.26 (2) working with community health care providers and other service support organizations
10.27 that serve the target population for this program; and

10.28 (3) providing technical assistance and training for institutional parent support center
10.29 staff on how to conduct screenings and referrals for the health concerns of student parents,
10.30 including alcohol misuse, substance use disorders, depression, anxiety, intimate partner
10.31 violence, tobacco and nicotine, and other health concerns.

11.1 Subd. 4. Report and evaluation. By August 1 of each odd-numbered year, the
 11.2 commissioner shall submit a report to the chairs and ranking minority members of the
 11.3 legislative committees with jurisdiction over higher education finance regarding the grant
 11.4 recipients and their activities. The report shall include information about the students served,
 11.5 the organizations providing services, program activities, program goals, and outcomes.

11.6 Sec. 4. Minnesota Statutes 2021 Supplement, section 136A.1791, subdivision 5, is amended
 11.7 to read:

11.8 Subd. 5. **Amount of loan repayment.** (a) To the extent funding is available, the annual
 11.9 amount of teacher shortage loan repayment for an approved applicant shall not exceed
 11.10 ~~\$1,000~~ \$2,000 or the cumulative balance of the applicant's qualified educational loans,
 11.11 including principal and interest, whichever amount is less.

11.12 (b) Recipients must secure their own qualified educational loans. Teachers who graduate
 11.13 from an approved teacher preparation program or teachers who add a licensure field,
 11.14 consistent with the teacher shortage requirements of this section, are eligible to apply for
 11.15 the loan repayment program.

11.16 (c) No teacher shall receive more than five annual awards.

11.17 Sec. 5. Minnesota Statutes 2020, section 136A.1796, is amended to read:

11.18 **136A.1796 TRIBAL COLLEGE SUPPLEMENTAL GRANT ASSISTANCE.**

11.19 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the
 11.20 meanings given them.

11.21 (b) "Beneficiary student" means a resident of Minnesota who is enrolled in a certificate,
 11.22 diploma, or degree program in a tribally controlled college and is an enrolled member of a
 11.23 federally recognized Indian tribe.

11.24 (c) "Nonbeneficiary student" means a resident of Minnesota who is enrolled in a
 11.25 certificate, diploma, or degree program in a tribally controlled college but is not an enrolled
 11.26 member of a federally recognized Indian tribe.

11.27 ~~(e)~~ (d) "Tribally controlled college" means an accredited institution of higher education
 11.28 located in this state that is formally controlled by or has been formally sanctioned or chartered
 11.29 by the governing body of a federally recognized Indian tribe, or a combination of federally
 11.30 recognized Indian tribes. Tribally controlled college does not include any institution or
 11.31 campus subject to the jurisdiction of the Board of Trustees of the Minnesota State Colleges
 11.32 and Universities or the Board of Regents of the University of Minnesota.

12.1 Subd. 2. **Eligibility; grant assistance.** (a) A tribally controlled college is eligible to
 12.2 receive supplemental grant assistance from the office, as provided in this section, for
 12.3 beneficiary and nonbeneficiary student enrollment ~~if the college is not otherwise eligible~~
 12.4 ~~to receive federal grant funding for those students under United States Code, title 25, section~~
 12.5 ~~1808.~~

12.6 (b) The office shall make grants to tribally controlled colleges to defray the costs of
 12.7 education associated with the enrollment of beneficiary and nonbeneficiary students. Grants
 12.8 made pursuant to this section must be provided directly to the recipient college.

12.9 Subd. 3. **Grant application.** To receive a grant under this section, a tribally controlled
 12.10 college must submit an application in the manner required by the office. Upon submission
 12.11 of a completed application indicating that the tribally controlled college is eligible, the office
 12.12 shall distribute to the college, during each year of the biennium, a grant of ~~\$5,300~~ equal to
 12.13 the highest tuition and fees charged at a public two-year institution for each beneficiary and
 12.14 nonbeneficiary student on a full-time equivalent basis. If the amount appropriated for grants
 12.15 under this section is insufficient to cover the total amount of grant eligibility, the office
 12.16 shall distribute a prorated amount per nonbeneficiary student on a full-time equivalent basis.

12.17 Subd. 4. **Reporting by recipient institutions.** Each tribally controlled college receiving
 12.18 a grant under this section shall provide to the office, on an annual basis, an accurate and
 12.19 detailed account of the expenditures of the grant funds received by the college, and a copy
 12.20 of the college's most recent audit report and documentation of the enrollment status and
 12.21 ethnic status of each beneficiary and nonbeneficiary student for which grant assistance is
 12.22 sought under this section.

12.23 Sec. 6. Minnesota Statutes 2020, section 175.45, subdivision 1, is amended to read:

12.24 Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene
 12.25 industry representatives, identify occupational competency standards, and provide technical
 12.26 assistance to develop dual-training programs. The competency standards shall be identified
 12.27 for employment in occupations in advanced manufacturing, health care services, information
 12.28 technology, ~~and~~ agriculture, transportation, and childcare. Competency standards are not
 12.29 rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in
 12.30 section 14.386 concerning exempt rules do not apply.