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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 437

02/11/2013 Authored by Pelowski

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 education; postsecondary; establishing the governor's budget for
1.3 higher education; appropriating money to the Office of Higher Education, the
1.4 Board of Trustees of the Minnesota State Colleges and Universities, the Board of
1.5 Regents of the University of Minnesota, and the Mayo Clinic; making technical
1.6 changes; amending Minnesota Statutes 2012, sections 136A.121, subdivisions
1.7 2, 5; 136A.125, subdivisions 2, 4; 136A.126, subdivision 1; 136A.131, by
1.8 adding a subdivision; 136A.233, subdivision 2; repealing Minnesota Rules, part
1.9 4830.0100, subpart 5, item F.

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

1.11 ARTICLE 1

1.12 HIGHER EDUCATION APPROPRIATIONS

1.13 Section 1. SUMMARY OF APPROPRIATIONS.

1.14 Subdivision 1. Summary By Fund. The amounts shown in this subdivision
1.15 summarize direct appropriations, by fund, made in this article.

1.16 SUMMARY BY FUND

| | <u>2014</u> | <u>2015</u> | <u>Total</u> |
|--------------------------------|------------------|------------------|------------------|
| 1.17 <u>General</u> | \$ 1,359,963,000 | \$ 1,375,663,000 | \$ 2,735,626,000 |
| 1.18 <u>Health Care Access</u> | 2,157,000 | 2,157,000 | 4,314,000 |
| 1.19 <u>Total</u> | \$ 1,362,120,000 | \$ 1,377,820,000 | \$ 2,739,940,000 |

1.21 Subd. 2. Summary By Agency - All Funds. The amounts shown in this subdivision
1.22 summarize direct appropriations, by agency, made in this article.

1.23 SUMMARY BY AGENCY - ALL FUNDS

| | <u>2014</u> | <u>2015</u> | <u>Total</u> |
|--|----------------|----------------|----------------|
| 1.24 <u>Minnesota Office of Higher</u> | | | |
| 1.25 <u>Education</u> | \$ 236,403,000 | \$ 235,103,000 | \$ 471,506,000 |

| | | | | |
|-----|-------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| 2.1 | <u>Board of Trustees of the</u> | | | |
| 2.2 | <u>Minnesota State Colleges and</u> | | | |
| 2.3 | <u>Universities</u> | <u>576,865,000</u> | <u>593,865,000</u> | <u>1,170,730,000</u> |
| 2.4 | <u>Board of Regents of the</u> | | | |
| 2.5 | <u>University of Minnesota</u> | <u>547,501,000</u> | <u>547,501,000</u> | <u>1,095,002,000</u> |
| 2.6 | <u>Mayo Clinic</u> | <u>1,351,000</u> | <u>1,351,000</u> | <u>2,702,000</u> |
| 2.7 | <u>Total</u> | <u>\$ 1,362,120,000</u> | <u>\$ 1,377,820,000</u> | <u>\$ 2,739,940,000</u> |

2.8 **Sec. 2. HIGHER EDUCATION APPROPRIATIONS.**

2.9 The sums shown in the columns marked "Appropriations" are appropriated to the
 2.10 agencies and for the purposes specified in this article. The appropriations are from the
 2.11 general fund, or another named fund, and are available for the fiscal years indicated
 2.12 for each purpose. The figures "2014" and "2015" used in this article mean that the
 2.13 appropriations listed under them are available for the fiscal year ending June 30, 2014, or
 2.14 June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal
 2.15 year 2015. "The biennium" is fiscal years 2014 and 2015.

| | | | |
|------|--|--------------------------------------|--------------------|
| 2.16 | | <u>APPROPRIATIONS</u> | |
| 2.17 | | <u>Available for the Year</u> | |
| 2.18 | | <u>Ending June 30</u> | |
| 2.19 | | <u>2014</u> | <u>2015</u> |

2.20 **Sec. 3. MINNESOTA OFFICE OF HIGHER**
2.21 **EDUCATION**

| | | | |
|------|--|------------------------------|------------------------------|
| 2.22 | <u>Subdivision 1. Total Appropriation</u> | <u>\$ 236,403,000</u> | <u>\$ 235,103,000</u> |
|------|--|------------------------------|------------------------------|

2.23 The amounts that may be spent for each
 2.24 purpose are specified in the following
 2.25 subdivisions.

| | | | |
|------|-------------------------------------|--------------------|--------------------|
| 2.26 | <u>Subd. 2. State Grants</u> | <u>195,825,000</u> | <u>195,825,000</u> |
|------|-------------------------------------|--------------------|--------------------|

2.27 If the appropriation in this subdivision for
 2.28 either year is insufficient, the appropriation
 2.29 for the other year is available for it.

2.30 For the biennium, the tuition maximum is
 2.31 \$13,526 in each year for students in four-year
 2.32 programs, and \$5,865 in fiscal year 2014
 2.33 and \$6,040 in fiscal year 2015 for students
 2.34 in two-year programs.

3.1 This appropriation sets the living and
 3.2 miscellaneous expense allowance at \$8,300
 3.3 each year.

3.4 Subd. 3. **Child Care Grants** 6,684,000 6,684,000

3.5 Subd. 4. **State Work-Study** 14,502,000 14,502,000

3.6 Subd. 5. **Interstate Tuition Reciprocity** 5,500,000 4,200,000

3.7 If the appropriation in this subdivision for
 3.8 either year is insufficient, the appropriation
 3.9 for the other year is available to meet
 3.10 reciprocity contract obligations.

3.11 Subd. 6. **Safety Officer's Survivors** 100,000 100,000

3.12 This appropriation is to provide educational
 3.13 benefits under Minnesota Statutes, section
 3.14 299A.45, to eligible dependent children and
 3.15 to the spouses of public safety officers killed
 3.16 in the line of duty.

3.17 If the appropriation in this subdivision for
 3.18 either year is insufficient, the appropriation
 3.19 for the other year is available for it.

3.20 Subd. 7. **Indian Scholarships** 3,350,000 3,350,000

3.21 The director must contract with or employ
 3.22 at least one person with demonstrated
 3.23 competence in American Indian culture and
 3.24 residing in or near the city of Bemidji to
 3.25 assist students with the scholarships under
 3.26 Minnesota Statutes, section 136A.126, and
 3.27 with other information about financial aid for
 3.28 which the students may be eligible. Bemidji
 3.29 State University must provide office space
 3.30 at no cost to the Minnesota Office of Higher
 3.31 Education for purposes of administering the
 3.32 American Indian scholarship program under
 3.33 Minnesota Statutes, section 136A.126. This

| | | | |
|------|--|------------------|------------------|
| 4.1 | <u>appropriation includes funding to administer</u> | | |
| 4.2 | <u>the American Indian scholarship program.</u> | | |
| 4.3 | <u>Subd. 8. Intervention for College Attendance</u> | | |
| 4.4 | <u>Program Grants</u> | <u>671,000</u> | <u>671,000</u> |
| 4.5 | <u>For the intervention for college attendance</u> | | |
| 4.6 | <u>program under Minnesota Statutes, section</u> | | |
| 4.7 | <u>136A.861.</u> | | |
| 4.8 | <u>This appropriation includes funding to</u> | | |
| 4.9 | <u>administer the intervention for college</u> | | |
| 4.10 | <u>attendance program grants.</u> | | |
| 4.11 | <u>Subd. 9. Student-Parent Information</u> | <u>122,000</u> | <u>122,000</u> |
| 4.12 | <u>Subd. 10. Get Ready</u> | <u>180,000</u> | <u>180,000</u> |
| 4.13 | <u>Subd. 11. Midwest Higher Education Compact</u> | <u>95,000</u> | <u>95,000</u> |
| 4.14 | <u>Subd. 12. Minnesota Minority Partnership</u> | <u>45,000</u> | <u>45,000</u> |
| 4.15 | <u>Subd. 13. United Family Medicine Residency</u> | | |
| 4.16 | <u>Program</u> | <u>351,000</u> | <u>351,000</u> |
| 4.17 | <u>Subd. 14. MnLINK Gateway and Minitex</u> | <u>5,605,000</u> | <u>5,605,000</u> |
| 4.18 | <u>Subd. 15. Statewide Longitudinal Education</u> | | |
| 4.19 | <u>Data System</u> | <u>882,000</u> | <u>882,000</u> |
| 4.20 | <u>\$582,000 in fiscal year 2014 and \$582,000</u> | | |
| 4.21 | <u>in fiscal year 2015 are appropriated to the</u> | | |
| 4.22 | <u>Office of Higher Education for transfer</u> | | |
| 4.23 | <u>to the Office of Enterprise Technology to</u> | | |
| 4.24 | <u>maintain infrastructure of the Statewide</u> | | |
| 4.25 | <u>Longitudinal Education Data System and</u> | | |
| 4.26 | <u>to acquire additional data through purchase</u> | | |
| 4.27 | <u>and development. This transfer to the Office</u> | | |
| 4.28 | <u>of Enterprise Technology is onetime. Any</u> | | |
| 4.29 | <u>ongoing information technology support</u> | | |
| 4.30 | <u>or costs for the Statewide Longitudinal</u> | | |
| 4.31 | <u>Education Data System will be incorporated</u> | | |
| 4.32 | <u>into the service level agreement and will be</u> | | |
| 4.33 | <u>paid to the Office of Enterprise Technology</u> | | |
| 4.34 | <u>by the Office of Higher Education under</u> | | |

5.1 the rates and mechanism specified in that
 5.2 agreement. The base for this appropriation
 5.3 beginning in fiscal year 2016 is \$300,000.

5.4 Subd. 16. **Agency Administration** 2,491,000 2,491,000

5.5 Subd. 17. **Balances Forward**

5.6 A balance in the first year under this section
 5.7 does not cancel, but is available for the
 5.8 second year.

5.9 Sec. 4. **BOARD OF TRUSTEES OF THE**
 5.10 **MINNESOTA STATE COLLEGES AND**
 5.11 **UNIVERSITIES**

5.12 Subdivision 1. **Total Appropriation** \$ 576,865,000 \$ 593,865,000

5.13 The amounts that may be spent for each
 5.14 purpose are specified in the following
 5.15 subdivisions.

5.16 Subd. 2. **Central Office and Shared Services**
 5.17 **Unit** 33,074,000 33,074,000

5.18 For the Office of the Chancellor and the
 5.19 Shared Services Division.

5.20 Subd. 3. **Operations and Maintenance** 539,676,000 556,676,000

5.21 \$4,000,000 in fiscal year 2014 and
 5.22 \$8,000,000 in fiscal year 2015 are for an
 5.23 internship and apprenticeship program.

5.24 Fiscal year 2015 funds will be released when
 5.25 the Board of Trustees of the Minnesota State
 5.26 Colleges and Universities demonstrates to
 5.27 the commissioner of management and budget
 5.28 that \$3,000,000 in nonstate matching funds
 5.29 have been secured for the program.

5.30 \$12,500,000 in fiscal year 2014 and
 5.31 \$13,500,000 in fiscal year 2015 are for a
 5.32 leveraged equipment program. The leveraged
 5.33 equipment program will support funding for
 5.34 awards to purchase high-skill equipment and

6.1 training opportunities for students. Fiscal
 6.2 year 2015 funds will be released when the
 6.3 Board of Trustees of the Minnesota State
 6.4 Colleges and Universities demonstrates to
 6.5 the commissioner of management and budget
 6.6 that \$7,500,000 in nonstate matching funds
 6.7 have been secured for the program.

6.8 \$4,000,000 in fiscal year 2014 and
 6.9 \$4,000,000 in fiscal year 2015 are for a
 6.10 faculty-driven innovations program. The
 6.11 faculty-driven innovations program will
 6.12 enable faculty to enhance the quality of
 6.13 instruction and accelerate student progress
 6.14 through technology-driven learning.

6.15 \$11,000,000 in fiscal year 2014 and
 6.16 \$23,000,000 in fiscal year 2015 are to retain
 6.17 high-quality faculty and staff.

6.18 Subd. 4. **Learning Network of Minnesota** 4,115,000 4,115,000

6.19 Sec. 5. **BOARD OF REGENTS OF THE**
 6.20 **UNIVERSITY OF MINNESOTA**

6.21 Subdivision 1. **Total Appropriation** \$ 547,501,000 \$ 547,501,000

6.22 Appropriations by Fund

| | | | |
|------|---------------------------|--------------------|--------------------|
| 6.23 | | <u>2014</u> | <u>2015</u> |
| 6.24 | <u>General</u> | <u>545,344,000</u> | <u>545,344,000</u> |
| 6.25 | <u>Health Care Access</u> | <u>2,157,000</u> | <u>2,157,000</u> |

6.26 The amounts that may be spent for each
 6.27 purpose are specified in the following
 6.28 subdivisions.

6.29 Subd. 2. **Operations and Maintenance** 483,881,000 483,881,000

6.30 This appropriation includes funding for
 6.31 operation and maintenance of the system.

6.32 The regents of the University of Minnesota
 6.33 must transfer \$645,000 in fiscal year 2014
 6.34 and \$645,000 in fiscal year 2015 from the

7.1 appropriations made to it for operations
 7.2 and maintenance to the Hennepin County
 7.3 Medical Center for graduate family medicine
 7.4 education programs at Hennepin County
 7.5 Medical Center.

7.6 **Subd. 3. Primary Care Education Initiatives** 2,157,000 2,157,000

7.7 This appropriation is from the health care
 7.8 access fund.

7.9 **Subd. 4. Special Appropriations**

7.10 **(a) Agriculture and Extension Service** 42,922,000 42,922,000

7.11 For the Agricultural Experiment Station and
 7.12 the Minnesota Extension Service:

7.13 (1) the agricultural experiment stations
 7.14 and Minnesota Extension Service must
 7.15 convene agricultural advisory groups to
 7.16 focus research, education, and extension
 7.17 activities on producer needs and implement
 7.18 an outreach strategy that more effectively
 7.19 and rapidly transfers research results and best
 7.20 practices to producers throughout the state;

7.21 (2) this appropriation includes funding for
 7.22 research and outreach on the production of
 7.23 renewable energy from Minnesota biomass
 7.24 resources, including agronomic crops, plant
 7.25 and animal wastes, and native plants or trees.

7.26 The following areas should be prioritized and
 7.27 carried out in consultation with Minnesota
 7.28 producers, renewable energy, and bioenergy
 7.29 organizations:

7.30 (i) biofuel and other energy production from
 7.31 perennial crops, small grains, row crops,
 7.32 and forestry products in conjunction with
 7.33 the Natural Resources Research Institute
 7.34 (NRRI);

- 8.1 (ii) alternative bioenergy crops and cropping
8.2 systems; and
- 8.3 (iii) biofuel coproducts used for livestock
8.4 feed;
- 8.5 (3) this appropriation includes funding
8.6 for the College of Food, Agricultural, and
8.7 Natural Resources Sciences to establish and
8.8 provide leadership for organic agronomic,
8.9 horticultural, livestock, and food systems
8.10 research, education, and outreach and for
8.11 the purchase of state-of-the-art laboratory,
8.12 planting, tilling, harvesting, and processing
8.13 equipment necessary for this project;
- 8.14 (4) this appropriation includes funding
8.15 for research efforts that demonstrate a
8.16 renewed emphasis on the needs of the state's
8.17 agriculture community. The following
8.18 areas should be prioritized and carried
8.19 out in consultation with Minnesota farm
8.20 organizations:
- 8.21 (i) vegetable crop research with priority for
8.22 extending the Minnesota vegetable growing
8.23 season;
- 8.24 (ii) fertilizer and soil fertility research and
8.25 development;
- 8.26 (iii) soil, groundwater, and surface water
8.27 conservation practices and contaminant
8.28 reduction research;
- 8.29 (iv) discovering and developing plant
8.30 varieties that use nutrients more efficiently;
- 8.31 (v) breeding and development of turf seed
8.32 and other biomass resources in all three
8.33 Minnesota biomes;

- 9.1 (vi) development of new disease-resistant
- 9.2 and pest-resistant varieties of turf and
- 9.3 agronomic crops;
- 9.4 (vii) utilizing plant and livestock cells to treat
- 9.5 and cure human diseases;
- 9.6 (viii) the development of dairy coproducts;
- 9.7 (ix) a rapid agricultural response fund for
- 9.8 current or emerging animal, plant, and insect
- 9.9 problems affecting production or food safety;
- 9.10 (x) crop pest and animal disease research;
- 9.11 (xi) developing animal agriculture that is
- 9.12 capable of sustainably feeding the world;
- 9.13 (xii) consumer food safety education and
- 9.14 outreach;
- 9.15 (xiii) programs to meet the research and
- 9.16 outreach needs of organic livestock and crop
- 9.17 farmers; and
- 9.18 (xiv) alternative bioenergy crops and
- 9.19 cropping systems; and growing, harvesting,
- 9.20 and transporting biomass plant material; and
- 9.21 (5) by February 1, 2013, the Board of
- 9.22 Regents must submit a report to the
- 9.23 legislative committees with responsibility
- 9.24 for agriculture and higher education finance
- 9.25 on the status and outcomes of research and
- 9.26 initiatives funded in this section.

9.27 **(b) Health Sciences** 4,854,000 4,854,000

9.28 \$346,000 each year is to support up to 12

9.29 resident physicians in the St. Cloud Hospital

9.30 family practice residency program. The

9.31 program must prepare doctors to practice

9.32 primary care medicine in rural areas of the

9.33 state. The legislature intends this program

10.1 to improve health care in rural communities,
 10.2 provide affordable access to appropriate
 10.3 medical care, and manage the treatment of
 10.4 patients in a more cost-effective manner.

10.5 The remainder of this appropriation is for
 10.6 the rural physicians associates program, the
 10.7 Veterinary Diagnostic Laboratory, health
 10.8 sciences research, dental care, and the
 10.9 Biomedical Engineering Center.

10.10 **(c) Institute of Technology** 1,140,000 1,140,000

10.11 **(d) System Special** 5,056,000 5,056,000

10.12 **(e) University of Minnesota and Mayo**
 10.13 **Foundation Partnership** 7,491,000 7,491,000

10.14 **Subd. 5. Academic Health Center**

10.15 The appropriation for Academic Health
 10.16 Center funding under Minnesota Statutes,
 10.17 section 297F.10, is estimated to be
 10.18 \$22,250,000 each year.

10.19 **Sec. 6. MAYO CLINIC**

10.20 **Subdivision 1. Total Appropriation** **\$ 1,351,000 \$ 1,351,000**

10.21 The amounts that may be spent for the
 10.22 purposes are specified in the following
 10.23 subdivisions.

10.24 **Subd. 2. Medical School** 665,000 665,000

10.25 **Subd. 3. Family Practice and Graduate**
 10.26 **Residency Program** 686,000 686,000

10.27 **ARTICLE 2**

10.28 **STATE FINANCIAL AID PROGRAMS**

10.29 Section 1. Minnesota Statutes 2012, section 136A.121, subdivision 2, is amended to
 10.30 read:

11.1 Subd. 2. **Eligibility for grants.** An applicant is eligible to be considered for a grant,
 11.2 regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under
 11.3 sections 136A.095 to 136A.131 if the office finds that the applicant:

11.4 (1) is a resident of the state of Minnesota;

11.5 (2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over,
 11.6 and has met all requirements for admission as a student to an eligible college or technical
 11.7 college of choice as defined in sections 136A.095 to 136A.131;

11.8 (3) has met the financial need criteria established in Minnesota Rules;

11.9 (4) is not in default, as defined by the office, of any federal or state student
 11.10 educational loan; ~~and~~

11.11 (5) is not more than 30 days in arrears in court-ordered child support that is
 11.12 collected or enforced by the public authority responsible for child support enforcement
 11.13 or, if the applicant is more than 30 days in arrears in court-ordered child support that is
 11.14 collected or enforced by the public authority responsible for child support enforcement,
 11.15 but is complying with a written payment agreement under section 518A.69 or order for
 11.16 arrearages; and

11.17 (6) is a United States citizen or eligible noncitizen, as defined in Code of Federal
 11.18 Regulations, title 34, section 668.33, or is an individual who has been granted deferred
 11.19 action for childhood arrivals from the United States Department of Homeland Security
 11.20 pursuant to the United States Department of Homeland Security policy.

11.21 Sec. 2. Minnesota Statutes 2012, section 136A.121, subdivision 5, is amended to read:

11.22 Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of
 11.23 responsibility for covering the recognized cost of attendance by the applicant, the
 11.24 applicant's family, and the government. The amount of a financial stipend must not
 11.25 exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after
 11.26 deducting the following:

11.27 (1) the assigned student responsibility of at least ~~46~~ 50 percent of the cost of
 11.28 attending the institution of the applicant's choosing;

11.29 (2) the assigned family responsibility as defined in section 136A.101; and

11.30 (3) the amount of a federal Pell grant award for which the grant applicant is eligible.

11.31 The minimum financial stipend is \$100 per academic year.

11.32 Sec. 3. Minnesota Statutes 2012, section 136A.125, subdivision 2, is amended to read:

11.33 Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if
 11.34 the applicant:

- 12.1 (1) is a resident of the state of Minnesota;
- 12.2 (2) has a child 12 years of age or younger, or 14 years of age or younger who is
 12.3 disabled as defined in section 125A.02, and who is receiving or will receive care on a
 12.4 regular basis from a licensed or legal, nonlicensed caregiver;
- 12.5 (3) is income eligible as determined by the office's policies and rules, but is not a
 12.6 recipient of assistance from the Minnesota family investment program;
- 12.7 (4) has not earned a baccalaureate degree and has been enrolled full time less than
 12.8 eight semesters or the equivalent;
- 12.9 (5) is pursuing a nonsectarian program or course of study that applies to an
 12.10 undergraduate degree, diploma, or certificate;
- 12.11 (6) is enrolled at least half time in an eligible institution; ~~and~~
- 12.12 (7) is in good academic standing and making satisfactory academic progress; and
- 12.13 (8) is a United States citizen or eligible noncitizen, as defined in Code of Federal
 12.14 Regulations, title 34, section 668.33, or is an individual who has been granted deferred
 12.15 action for childhood arrivals from the United States Department of Homeland Security
 12.16 pursuant to the United States Department of Homeland Security policy.

12.17 (b) A student who withdraws from enrollment for active military service is entitled
 12.18 to an additional semester or the equivalent of grant eligibility and will be considered to be
 12.19 in continuing enrollment status upon return.

12.20 Sec. 4. Minnesota Statutes 2012, section 136A.125, subdivision 4, is amended to read:

12.21 Subd. 4. **Amount and length of grants.** (a) The amount of a child care grant
 12.22 must be based on:

- 12.23 (1) the income of the applicant and the applicant's spouse;
- 12.24 (2) the number in the applicant's family, as defined by the office; and
- 12.25 (3) the number of eligible children in the applicant's family.

12.26 (b) The maximum award to the applicant shall be ~~\$2,600~~ \$2,800 for each eligible
 12.27 child per academic year, except that the campus financial aid officer may apply to the
 12.28 office for approval to increase grants by up to ten percent to compensate for higher market
 12.29 charges for infant care in a community. The office shall develop policies to determine
 12.30 community market costs and review institutional requests for compensatory grant
 12.31 increases to ensure need and equal treatment. The office shall prepare a chart to show the
 12.32 amount of a grant that will be awarded per child based on the factors in this subdivision.
 12.33 The chart shall include a range of income and family size.

12.34 Sec. 5. Minnesota Statutes 2012, section 136A.126, subdivision 1, is amended to read:

13.1 Subdivision 1. **Student eligibility.** The director of the Office of Higher Education
 13.2 shall establish procedures for the distribution of scholarships to a Minnesota resident
 13.3 student as defined under section 136A.101, subdivision 8, who:

13.4 (1) is of one-fourth or more Indian ancestry;

13.5 (2) has applied for other existing state and federal scholarship and grant programs;

13.6 (3) is meeting satisfactory academic progress as defined under section 136A.101,
 13.7 subdivision 10;

13.8 (4) is not in default, as defined by the office, of a federal or state student educational
 13.9 loan;

13.10 (5) if enrolled in an undergraduate program, is eligible or would be eligible to
 13.11 receive a federal Pell Grant or a state grant based on the federal needs analysis and is
 13.12 enrolled for nine semester credits per term or more, or the equivalent;

13.13 (6) if enrolled in a graduate program, demonstrates a remaining financial need in
 13.14 the award amount calculation and is enrolled, per term, on a half-time basis or more as
 13.15 defined by the postsecondary institution; ~~and~~

13.16 (7) in the opinion of the director of the Office of Higher Education, based upon
 13.17 postsecondary institution recommendations, has the capabilities to benefit from further
 13.18 education; and

13.19 (8) is a United States citizen or eligible noncitizen, as defined in Code of Federal
 13.20 Regulations, title 34, section 668.33, or is an individual who has been granted deferred
 13.21 action for childhood arrivals from the United States Department of Homeland Security
 13.22 pursuant to the United States Department of Homeland Security policy.

13.23 Sec. 6. Minnesota Statutes 2012, section 136A.131, is amended by adding a
 13.24 subdivision to read:

13.25 Subd. 1a. **Transfers.** (a) Notwithstanding section 16A.285, the Minnesota Office of
 13.26 Higher Education may transfer unencumbered balances from an appropriation authorized
 13.27 by law among any or all of the following appropriations:

13.28 (1) the state grant appropriation;

13.29 (2) the interstate tuition reciprocity appropriation;

13.30 (3) the child care grant appropriation;

13.31 (4) the Indian scholarship appropriation;

13.32 (5) the state work-study appropriation; and

13.33 (6) the get ready appropriation.

13.34 (b) Transfers from the child care or state work-study appropriations may only be
 13.35 made to the extent there is a projected surplus in the appropriation.

14.1 (c) A transfer under this section may be made only with prior written notice to
14.2 the chairs of the senate and house of representatives committees with jurisdiction over
14.3 higher education finance.

14.4 Sec. 7. Minnesota Statutes 2012, section 136A.233, subdivision 2, is amended to read:

14.5 Subd. 2. **Definitions.** For purposes of sections 136A.231 to 136A.233, the words
14.6 defined in this subdivision have the meanings ascribed to them.

14.7 (a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at
14.8 least half time in a degree, diploma, or certificate program in a Minnesota postsecondary
14.9 institution: who is a United States citizen or eligible noncitizen, as defined in Code of
14.10 Federal Regulations, title 34, section 668.33, or is an individual who has been granted
14.11 deferred action for childhood arrivals from the United States Department of Homeland
14.12 Security pursuant to the United States Department of Homeland Security policy.

14.13 (b) "Minnesota resident" means a student who meets the conditions in section
14.14 136A.101, subdivision 8.

14.15 (c) "Financial need" means the need for financial assistance in order to attend a
14.16 postsecondary institution as determined by a postsecondary institution according to
14.17 guidelines established by the Minnesota Office of Higher Education.

14.18 (d) "Eligible employer" means any eligible postsecondary institution, any nonprofit,
14.19 nonsectarian agency or state institution located in the state of Minnesota, a disabled person
14.20 or a person over 65 who employs a student to provide personal services in or about the
14.21 person's residence, or a private, for-profit employer employing a student as an intern in a
14.22 position directly related to the student's field of study that will enhance the student's
14.23 knowledge and skills in that field.

14.24 (e) "Eligible postsecondary institution" means any postsecondary institution eligible
14.25 for participation in the Minnesota state grant program as specified in section 136A.101,
14.26 subdivision 4.

14.27 (f) "Independent student" has the meaning given it in the Higher Education Act of
14.28 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

14.29 (g) "Half time" for undergraduates has the meaning given in section 136A.101,
14.30 subdivision 7b, and for graduate students is defined by the institution.

14.31 Sec. 8. **REPEALER.**

14.32 Minnesota Rules, part 4830.0100, subpart 5, item F, is repealed.

APPENDIX
Article locations in 13-1568

ARTICLE 1 HIGHER EDUCATION APPROPRIATIONS Page.Ln 1.11
ARTICLE 2 STATE FINANCIAL AID PROGRAMS Page.Ln 10.27

APPENDIX
Repealed Minnesota Rule: 13-1568

4830.0100 DEFINITIONS FOR HIGHER EDUCATION PROGRAMS. Subp. 5. Eligible student.

F. is a permanent resident of the United States, if the student is not a United States citizen; and