

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 1986

(SENATE AUTHORS: FATEH, Champion, Kupec, Putnam and Hoffman)

DATE	D-PG	OFFICIAL STATUS
02/20/2023	926	Introduction and first reading Referred to Higher Education
02/21/2023	993	Authors added Kupec; Putnam; Hoffman
02/27/2023	1054a	Comm report: To pass as amended and re-refer to Finance See HF2073

1.1 A bill for an act

1.2 relating to higher education; establishing the tuition free Minnesota Commitment

1.3 to Higher Education Act; requiring a report; appropriating money; proposing

1.4 coding for new law in Minnesota Statutes, chapter 136A.

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

1.6 Section 1. [136A.1465] MINNESOTA COMMITMENT TO HIGHER EDUCATION

1.7 ACT.

1.8 Subdivision 1. **Definitions.** The following terms have the meanings given:

1.9 (1) "eligible student" means a resident student under section 136A.101, subdivision 8,

1.10 who is enrolled in any public postsecondary educational institution or Tribal college;

1.11 (2) "office" means the Office of Higher Education;

1.12 (3) "public postsecondary educational institution" means an institution operated by this

1.13 state, the Board of Regents of the University of Minnesota, or a Tribal college;

1.14 (4) "scholarship" means funds to pay 100 percent of tuition and fees remaining after

1.15 deducting grants and other scholarships, except for the Pell grant; and

1.16 (5) "Tribal college" means a college defined in section 136A.1796, subdivision 1,

1.17 paragraph (c).

1.18 Subd. 2. **Conditions for eligibility.** A scholarship may be awarded to an eligible student

1.19 who:

1.20 (1) has completed the Free Application for Federal Student Aid (FAFSA) or the state

1.21 aid application;

- 2.1 (2) has an adjusted gross household income below \$120,000;
2.2 (3) has not earned a baccalaureate degree at the time the scholarship is awarded;
2.3 (4) is enrolled in at least one credit per fall, spring, or summer semester; and
2.4 (5) is meeting satisfactory academic progress as defined in section 136A.101, subdivision
2.5 10.

2.6 Subd. 3. **Scholarship.** Beginning in the 2024-2025 academic year, scholarships shall
2.7 be awarded to eligible students in an amount not to exceed 100 percent of tuition and fees
2.8 after grants and other scholarships are deducted, except for the Pell grant.

2.9 Subd. 4. **Duration of scholarship authorized.** (a) Each scholarship is for a period of
2.10 one semester. A scholarship may be renewed provided that the eligible student continues
2.11 to meet the conditions of eligibility.

2.12 (b) Scholarships may be provided to an eligible student for up to 60 credits for the
2.13 completion of a certificate or an associate degree and up to 120 credits for the completion
2.14 of a bachelor's degree. The maximum credits for which a student is eligible is a total of 120
2.15 credits.

2.16 (c) The commissioner shall determine a time frame by which the eligible student must
2.17 complete the credential.

2.18 Subd. 5. **Termination of scholarship authorized.** A scholarship is terminated upon
2.19 occurrence of:

2.20 (1) failure to meet satisfactory academic progress as defined in section 136A.101,
2.21 subdivision 10; or

2.22 (2) substantial noncompliance by the eligible student with the requirements of the
2.23 program.

2.24 Subd. 6. **Account established; appropriation.** An account is created in the special
2.25 revenue fund for receiving money to provide scholarship awards. Money deposited in the
2.26 account is appropriated to the commissioner of the Office of Higher Education for scholarship
2.27 awards.

2.28 Subd. 7. **Office administration.** The office is authorized to administer the program.
2.29 The office shall calculate the scholarship amount and determine tuition and fees for each
2.30 eligible institution. If funds are insufficient, the office shall determine the scholarship amount
2.31 or number of scholarships awarded. The office may determine the order in which other
2.32 grants and scholarships are deducted when determining the scholarship amount. If a student

3.1 withdraws or is no longer enrolled during a semester in which a scholarship was awarded,
3.2 the office may determine how this will affect the scholarship.

3.3 Subd. 8. **Report.** Beginning in 2025, the office shall report by January 15 of each year
3.4 to the legislative committees with jurisdiction over higher education on the:

3.5 (1) status of the scholarship fund; and

3.6 (2) Minnesota Commitment to Higher Education Act participation data aggregated for
3.7 each eligible institution to show the:

3.8 (i) number of eligible students who received scholarships in the prior academic year;

3.9 (ii) total number of students enrolled in eligible institutions in the prior academic year;

3.10 and

3.11 (iii) number of eligible students who graduated with a degree and, for each eligible
3.12 student, the number of consecutive semesters and nonconsecutive semesters attended prior
3.13 to graduation.

3.14 **EFFECTIVE DATE.** This section is effective July 1, 2024.

3.15 Sec. 2. **TRANSFER.**

3.16 \$316,893,000 in fiscal year 2025 is transferred from the general fund to the account in
3.17 the special revenue fund under Minnesota Statutes, section 136A.1465, subdivision 6. The
3.18 base for the transfer under this section is \$316,893,000 in fiscal year 2026 and later.

3.19 Sec. 3. **APPROPRIATION.**

3.20 \$230,000 in fiscal year 2024 and \$130,000 in fiscal year 2025 are appropriated from the
3.21 general fund to the commissioner of the Office of Higher Education for administrative
3.22 expenses to implement and direct the scholarship awards under Minnesota Statutes, section
3.23 136A.1465.