

**136A.1465 NORTH STAR PROMISE.**

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

(1) "eligible student" means a resident student under section 136A.101, subdivision 8, who is enrolled in any public postsecondary educational institution or Tribal college;

(2) "gift aid" means all financial aid designated for the student's educational expenses, including a grant, scholarship, tuition waiver, fellowship stipend, or other third-party payment, that is not a loan or pursuant to a work-study program;

(3) "office" means the Office of Higher Education;

(4) "public postsecondary educational institution" means an institution operated by this state, the Board of Regents of the University of Minnesota, or a Tribal college;

(5) "scholarship" means funds to pay 100 percent of tuition and fees remaining after deducting grants and other scholarships;

(6) "Tribal college" means a college defined in section 136A.1796, subdivision 1, paragraph (c); and

(7) "tuition and fees" means the actual tuition and fees charged by an institution.

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

(1) has completed the Free Application for Federal Student Aid (FAFSA) or the state aid application;

(2) has a family adjusted gross income below \$80,000;

(3) has not earned a baccalaureate degree at the time the scholarship is awarded;

(4) is enrolled in at least one credit per fall, spring, or summer semester; and

(5) is meeting satisfactory academic progress as defined in section 136A.101, subdivision 10.

Subd. 3. **Scholarship.** (a) Beginning in the 2024-2025 academic year, scholarships shall be awarded to eligible students in an amount not to exceed 100 percent of tuition and fees after grants and other scholarships are deducted.

(b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after scholarships are awarded under paragraph (a), grants shall be awarded to eligible students in an amount equal to 100 percent of tuition and fees plus, subject to available funds, up to 50 percent of the amount of a Pell grant the student would receive based on household size, family adjusted gross income, and results of the federal needs analysis after other gift aid is deducted. The commissioner may adjust the grant amount based on the availability of funds.

Subd. 4. **Maintain current levels of institutional assistance.** (a) Commencing with the 2024-2025 academic year, a public postsecondary educational institution shall not reduce the institutional gift aid offered or awarded to a student who is eligible to receive funds under this program unless the student's gift aid exceeds the student's annual cost of attendance.

(b) The public postsecondary educational institution may reduce the institutional gift aid offer of a student who is eligible to receive funds under this program by no more than the amount of the student's gift aid that is in excess of the student's annual cost of attendance.

(c) The public postsecondary educational institution shall not consider receipt or anticipated receipt of funds under this program when considering a student for qualification for institutional gift aid.

(d) To ensure financial aid is maximized, a public postsecondary educational institution is encouraged to implement efforts to avoid scholarship displacement through consultation with the Office of Higher Education and students to avoid situations where institutional gift aid can only be used for specific purposes.

**Subd. 5. Duration of scholarship authorized; scholarship paid to institution.** (a) Each scholarship is for a period of one semester. A scholarship may be renewed provided that the eligible student continues to meet the conditions of eligibility.

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

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

(d) The scholarship must be paid directly to the eligible institution where the student is enrolled.

**Subd. 6. Termination of scholarship authorized.** A scholarship is terminated upon occurrence of:

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

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

**Subd. 7. Institutions administering certain financial aid programs.** Public postsecondary institutions and Tribal colleges administering institutional financial aid programs for students with a family adjusted gross income below \$80,000 that provide student awards for up to or more than 100 percent of tuition, 100 percent of tuition and fees, or 100 percent of the cost of attendance, shall provide the Office of Higher Education with student level data on the recipients of those awards and the program funds awarded per term. The information under this subdivision is necessary for the office to accurately complete reporting requirements under section 136A.121, subdivision 19.

**Subd. 8. Account established; appropriation.** An account is created in the special revenue fund for receiving money to provide scholarship awards. Money deposited in the account is appropriated to the commissioner of the Office of Higher Education for scholarship awards.

**Subd. 9. Office administration.** The office is authorized to administer the program. If funds are insufficient, the office shall determine the scholarship amount or number of scholarships awarded. If a student withdraws or is no longer enrolled during a semester in which a scholarship was awarded, the office may determine how this will affect the scholarship.

**Subd. 10. Report.** The commissioner of higher education shall submit a preliminary report by September 1, 2025, and an annual report beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of the program, including the:

(1) status of the scholarship fund; and

(2) North Star Promise participation data aggregated for each eligible institution to show the:

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

- (ii) average and total award amounts;
- (iii) summary demographic data on award recipients;
- (iv) total number of students enrolled in eligible institutions in the prior academic year;
- (v) retention rates of participating students; and
- (vi) number of eligible students who graduated with a degree and, for each eligible student, the number of consecutive semesters and nonconsecutive semesters attended prior to graduation.

**History:** *2023 c 41 art 2 s 19*

**NOTE:** This section as added by Laws 2023, chapter 41, article 2, section 19, is effective July 1, 2024. Laws 2023, chapter 41, article 2, section 19, the effective date.