



Legislative Notes March 28, 2008

State Update

Higher education bills travel quickly through committee this week

With the third committee deadline looming today, lawmakers in both the Senate and House were busy processing omnibus finance bills this week. Because Friday, March 28, is the third and final committee deadline, committees have to act on major appropriation and finance bills by the end of the day for the bills to stay alive.

The Senate Higher Education committee presented the higher education finance omnibus bill before the Finance Committee today. Included in the bill is a \$6.5 million cut to the Minnesota State Colleges and Universities system to help resolve the state budget deficit. (You may recall that the governor recommended a \$26.6 million cut to the system). The bill also repeals the ACHIEVE Scholarship program implemented last session and allows for an organization that receives a TEACH grant to use 5 percent of the grant amount to administer the program.

Related to how financial aid is calculated, the Senate bill reduces the expected student share of educational costs by 1 percent, from 46 percent to 45 percent. The bill makes permanent the usage of the state grant surplus for the living and miscellaneous expenses that students incur while attending school; this amount would be increased 3 percent. Other financial aid provisions include increasing the four-year tuition maximum used to calculate financial aid by 3 percent to \$10,133. The bill also allows the spouse or dependent of a veteran to qualify as a Minnesota resident. It is expected that this bill will be rolled up with all other committee finance bills in committee today and move forward as an omnibus budget package to present to the governor.

On the House side, the higher education finance bill was one of 11 committee finance bills to be added to the omnibus finance supplemental bill Thursday night. The House legislation has recommended a cut to the system of \$6.17 million and, like the Senate, the House bill also repeals the ACHIEVE Scholarship program. The bill includes a provision that changes the membership of the Board of Trustees. Under the provision, the governor would appoint 11 members including the three student members, and the other four members would be appointed by labor organizations and represent the IFO, MSCF, MAPE and AFSCME.

Related to financial aid, the House bill reduces the student share 1.5 percent, from 46 percent to 44.5 percent and also makes permanent the usage of the state grant surplus for the living and miscellaneous expense. The House bill also includes the provision to allow the spouse or dependent of a veteran to qualify as a Minnesota resident.

In addition, the House bill provides \$3.8 million from the state grant surplus for the Power of You program. The funds would be allocated to Minnesota State Colleges and Universities for Metropolitan State University, Minneapolis Community and Technical College, and St. Paul College to increase student financial aid to fill the gap between costs and federal and state grants to students from Minneapolis or St. Paul public high schools. Pilot programs also are to be established in suburban and rural sites to test the expansion of Power of You. (This is not included in the Senate bill; however, the committee heard it yesterday but took no action. See below.)

The House bill also includes an appropriation of \$200,000 from the state grant surplus for the teachers of color financial aid pilot program under the supervision of the Office of Higher Education. The program is to encourage academically talented postsecondary students of color to become teachers.

The House Finance committee's omnibus finance package, HF1872, was referred to the Tax committee, which is expected to meet early next week. At publication time, it was unknown where the Senate bill will travel next. Watch for details next week. If you would like to compare the bills, please see the attached side-by-side chart. It is important to note that the Senate section has both a policy and a finance bill.

Power of You heard in the Senate

The Senate Higher Education committee heard SF3490, authored by Sen. Sandy Pappas, DFL-St. Paul, which extends the Power of You program into suburban and rural areas and provides funding for the program. Under the current program, Metropolitan State University, Minneapolis Community and Technical College, and St. Paul College partner with Twin Cities high schools to prepare students for higher education. Pappas said the purpose of the program is to promote the preparation and enrollment of students who otherwise would not participate in postsecondary education. The program covers the cost of tuition and fees for two years or up to 72 credits at the three higher education institutions, Pappas said.

Presidents Phil Davis of Minneapolis Community and Technical College and Donovan Schwichtenberg of St. Paul College spoke in support of the program. Davis said the average grant to students was \$1,200 for tuition and about \$850 for support services. He said the program focuses on students who think college is out of reach for financial or other reasons. Davis said the college is trying to reach students earlier to help them prepare for higher education.

Several students participating in the program spoke before the committee and told members that the program provides hope for students who otherwise would not consider college. Members adopted an amendment specifying that the appropriation in the bill may only be used for tuition aid. The bill was laid over, and Pappas said the measure was included in the House's omnibus bill.

Employee Relations subcommittee approves MSCF contract

The Legislative Coordinating Commission Subcommittee on Employee Relations approved the Minnesota State College Faculty contract late this week. As you may recall, the other employee contracts were passed off of the House floor. The MSCF bill will be wrapped into the Senate language to move forward. When the bill is conferred, it is expected that the MSCF contract will be added to the conference bill.

Here's What's Happening at the Capitol:

This schedule shows all meetings that we are aware of at the time of publication that MAY have an impact on the system. This schedule may change. Please watch the House and Senate schedules posted on the Legislature Web site (www.leg.state.mn.us).

March 31, 2008

8:30 AM

House Ways and Means

Room: 200 State Office Building

Chair: Rep. Loren Solberg

Agenda: Amendment to the Budget Resolution

10:00 AM

Committee: Finance

Room: 200 State Office Building

Chair: Rep. Lyndon Carlson

***** Note: *** Change in Agenda**

Bill(s) Added

Agenda: HF4072 (Hausman) University of Minnesota and Minnesota State Colleges and Universities funding provided, bonds issued and money appropriated.

HF4070 (Hausman) Public facility funding provided, bonds issued, and money appropriated.

HF3391 (Huntley) Health care programs increased, provisions modified, subsidies provided, Minnesota Health Insurance Exchange, and Health Care Transformation Commission established, Section 125 plan offer required, standard created, and money appropriated.

SF2564 (Huntley) TANF maintenance of effort programs modification

HF3976 (Huntley) Health care program provisions changed, funding provided and money appropriated.

11:00 AM

Senate Meets in Session.

12:30 PM

House Meets in Session

12:30 PM

Senate State Government Budget Division

Room: 112 Capitol

Chair: Sen. Don Betzold

Agenda:

S.F. 2736-Pappas: State employees equitable compensation limits and procedures modifications; state commissioner salaries cap modifications.

2:15 PM

House Tax Committee

Meeting Time Note: The committee will meet throughout the afternoon/evening to complete the agenda.

Room: 10 State Office Building

Chair: Rep. Ann Lenczewski

*** Note: *** Change in Agenda

Bill(s) Added

Bill(s) Removed

Agenda: (1) The committee will hear public testimony on HF4103 (Lenczewski) A bill for an act relating to taxation; modifying the treatment of foreign income and operations under the corporation franchise tax; authorizing grants; eliminating foreign operating corporations; reducing the corporate franchise tax rate; repealing the job opportunity building zone, the international economic development zone, and biotechnology and health sciences industry zone programs; repealing the airline industry job credit, the research credit, and the bovine testing credit; repealing the corporate alternative minimum tax; appropriating money.

(2) OLA report on JOBZ

(3) HF1872 (Carlson) Deficit reduction bill

Tuesday, April 1, 2008

Meeting Time Note: 30 minutes after adjournment of House Session

Committee: Ways and Means

Room: 5 State Office Building

Chair: Rep. Loren Solberg

Bill(s) Added

Agenda: HF1812 (Carlson) Supplemental Budget Bill

HF 4023 (Solberg) Health, human services, and education forecast adjustments made, and money appropriated.

HF 3360 (Ozment) Department of Corrections claim settlement provided, and money appropriated.

Wednesday, April 2

8:00 AM

Trustee Candidate Advisory Council

Room: 300S State Office Building

Chair: Kent Eklund

Agenda: Interview candidates for MnSCU Board of Trustees

Thursday, April 3

8:00 AM

Trustee Candidate Advisory Council

Room: 300S State Office Building

Chair: Kent Eklund

Agenda: Interview candidates for MnSCU Board of Trustees

Friday, April 4

8:00 AM

Trustee Candidate Advisory Council

Room: 300S State Office Building

Chair: Kent Eklund

Agenda: Interview candidates for MnSCU Board of Trustees