

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 3084

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DATE
03/08/2018

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Introduction and first reading
Referred to Higher Education Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to higher education; mandating a standardized financial aid award letter
1.3 for the Minnesota State Colleges and Universities; imposing a moratorium on new
1.4 student fees at the Minnesota State Colleges and Universities; requiring reports;
1.5 amending Minnesota Statutes 2016, section 136F.303; proposing coding for new
1.6 law in Minnesota Statutes, chapter 136F.

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

1.8 Section 1. Minnesota Statutes 2016, section 136F.303, is amended to read:

1.9 **136F.303 STUDENT OUTCOMES, DEGREE AND CERTIFICATE**
1.10 **COMPLETION; REPORT.**

1.11 (a) Beginning in 2018, the board shall annually by January 15, report to the chairs and
1.12 ranking minority members of the legislature with primary jurisdiction over higher education
1.13 finance on its activities and achievements related to the goal of improving timely completion
1.14 of degrees and certificates. The report must, at a minimum, include for the previous academic
1.15 year:

- 1.16 (1) the percent of students placed in remedial education;
- 1.17 (2) the percent of students who complete remediation within one academic year;
- 1.18 (3) the percent of students who complete college-level gateway courses in one academic
1.19 year;
- 1.20 (4) the percent of students who complete 30 semester credits per academic year;
- 1.21 (5) the student retention rate;
- 1.22 (6) time to complete a degree or certificate; ~~and~~

2.1 (7) credits earned by those completing a degree or certificate or other program;

2.2 (8) three-year graduation rate by cohort at community colleges;

2.3 (9) six-year graduation rate by cohort at universities;

2.4 (10) transfer rate by cohort;

2.5 (11) percent employed in degree field one year after graduation by program;

2.6 (12) median student loan debt by program;

2.7 (13) expenditures per completion by program; and

2.8 (14) student to faculty ratio.

2.9 (b) The report must disaggregate data for each college and university by race, ethnicity,
2.10 Pell Grant eligibility, and age and provide aggregate data.

2.11 (c) Each state college and university shall make publicly available through its Web site
2.12 the data reported under paragraph (b) pertaining to that institution. The data must be
2.13 accessible and understandable to the general public.

2.14 Sec. 2. **[136F.703] FINANCIAL AID AWARD LETTER.**

2.15 Subdivision 1. **Establishment.** The board shall develop and implement a standardized
2.16 financial aid award letter format to be used by all state colleges and universities. The award
2.17 letter must be consumer friendly, simple, and easy to understand.

2.18 Subd. 2. **Content.** At minimum, the award letter must include:

2.19 (1) information on the student's estimated cost of attendance with a disclaimer that actual
2.20 costs depend on decisions made by the student. The estimate must be based on the most
2.21 current costs of tuition and fees, room and board, books and supplies, transportation, and
2.22 miscellaneous personal expenses for the period covered by the financial aid award letter;

2.23 (2) the amount of financial aid for the period covered by the award letter that the student
2.24 does not have to repay, such as scholarships and grant aid;

2.25 (3) whether a student will receive or could receive the state financial aid in clause (2)
2.26 for each term the student enrolls at the institution;

2.27 (4) the estimated net cost of attendance that the student is expected to pay to attend the
2.28 institution for the period covered by the award letter, with a disclaimer that actual costs
2.29 depend on decisions made by the student. The estimated net cost of attendance is equal to

3.1 the cost of attendance described in clause (1), minus the amount of grant aid described in
3.2 clause (2);

3.3 (5) work study assistance, including a disclosure that the aid must be earned by the
3.4 student and a disclosure that the assistance offered is subject to the availability of employment
3.5 opportunities;

3.6 (6) the types of loans and amounts of loans offered to the student, a disclosure that such
3.7 loans must be repaid, a disclosure that the student can borrow less than the recommended
3.8 loan amount, interest rates for each loan, the expected monthly payment and total expected
3.9 repayment amount assuming a ten-year repayment plan and normal time to completion of
3.10 the student's degree, and a disclosure that the student may be eligible for extended or
3.11 income-driven repayment plans that allow the borrower to make lower monthly payments
3.12 but that longer repayment plans may result in the student paying more money over the life
3.13 of the loans;

3.14 (7) the most recent cohort's student loan default rate and the national average student
3.15 loan default rate;

3.16 (8) the percentage of students at the institution who take out student loans and median
3.17 debt at graduation for students at the institution;

3.18 (9) where a student or the student's family can seek additional information regarding the
3.19 financial aid offered, including contact information for the institution's financial aid office
3.20 and the United States Department of Education's Web site on financial aid;

3.21 (10) the deadline and summary for accepting the financial aid offered;

3.22 (11) the academic period covered by the financial aid offer form and a clear indication
3.23 whether the aid offered is based on full-time or part-time enrollment;

3.24 (12) percent employment of graduates in the student's degree field one year after
3.25 graduation;

3.26 (13) normal time graduation rate; and

3.27 (14) freshman to sophomore retention rate.

3.28 Subd. 3. **Implementation.** The board must develop and implement the standardized
3.29 award letter by the start of academic year 2020-2021.

4.1 Sec. 3. [136F.75] FINANCIAL REPORTING.

4.2 Subdivision 1. Campus budget reports. Annually by January 15, each state college
4.3 and university must make publicly available on its Web site a copy of the full campus budget
4.4 for the previous fiscal year and a report on the revenue and expenditures of the institution.

4.5 Each report must include information on:

4.6 (1) revenue categories, sources, and amounts;

4.7 (2) spending on the instruction of students;

4.8 (3) spending on academic support, including academic advising and other services;

4.9 (4) personnel costs by category; and

4.10 (5) other expenditures.

4.11 The first reports are due January 15, 2019, and must include the same information for each
4.12 prior fiscal year to fiscal year 2010.

4.13 Subd. 2. Student fee budget reports and audits. (a) The board shall annually collect
4.14 the student fee budgets of every state college and university at the end of the fiscal year.
4.15 When conducting financial reviews of the colleges and universities, the board shall include
4.16 an audit of all student fee revenues and expenditures to ensure compliance with board
4.17 policies.

4.18 (b) Annually by January 15, each state college and university must make publicly
4.19 available on its Web site a copy of the full student fee budget showing all revenue and
4.20 expenditures from the most recent fiscal year and a report on the revenue generated by and
4.21 expenditures of student fees for the most recently completed fiscal year. This report must
4.22 include information on:

4.23 (1) revenue generated by each fee;

4.24 (2) employee positions and salaries supported by each fee;

4.25 (3) faculty stipends or salary supported by each fee;

4.26 (4) number of student organizations supported;

4.27 (5) student organization expenditures;

4.28 (6) athletics programs supported;

4.29 (7) student support services funded;

4.30 (8) academic support services funded;

5.1 (9) student worker positions supported; and

5.2 (10) any inconsistencies with board policies and actions taken to address those
5.3 inconsistencies.

5.4 The first reports are due by January 15, 2019.

5.5 Sec. 4. **MINNESOTA STATE STUDENT FEE MORATORIUM.**

5.6 (a) The Board of Trustees of the Minnesota State Colleges and Universities is prohibited
5.7 from creating or preparing to implement any new mandatory or optional student fees until
5.8 after the end of fiscal year 2021.

5.9 (b) If the Board of Trustees of the Minnesota State Colleges and Universities implements
5.10 any new mandatory or optional student fee prior to the end of fiscal year 2021, the
5.11 commissioner of management and budget shall deduct an amount equal to the net revenue
5.12 generated by any fee increase from the base appropriation to the Minnesota State Colleges
5.13 and Universities in the first year of the next biennium.