

## 2016 Legislative Summary

The 2016 legislative session was the shortest session in recent memory, just 11 weeks to pass a bonding bill, transportation package, tax bill, and a supplemental budget. Eleven weeks turned out to not be enough time however. Lawmakers were able to pass a tax bill and a supplemental budget, but the clock ran down on a bonding package the last night of session.

Governor Dayton stated that he will make a decision on the omnibus bills sitting on his desk over the holiday weekend. He can either sign the bills into law, veto the bills, or line item veto bill language. In a press conference earlier this week, he indicated that he will communicate to leadership his priorities if he were to call a special session.

### Supplemental Budget

Lawmakers passed a \$182 million supplemental budget bill the last night of session. It's now awaiting consideration at Governor Mark Dayton's desk. Included in the bill for Minnesota State Colleges and Universities is **\$570,000 for operating support and protecting affordability**, and **\$200,000 one-time appropriation for open textbooks and the open textbook library**. MnSCU campuses that promote the adoption of open textbooks are to spend new funds focused on the review, creation, and promotion of new or existing open textbooks and on saving money for students while meeting the academic needs of faculty. The open textbook library will receive funds to expand and promote to faculty across the state.

The **Equity in Education and Job Connection Grant Program** was included in the final bill with a \$500,000 appropriation. Under the measure, the Office of Higher Education will award grants to improve postsecondary attendance, completion and retention and obtaining of well-paying jobs. Grants must be awarded to Minnesota state colleges and universities and private organization programs. Programs must provide services targeted to make the improvements including, but not limited to: academic and nonacademic counseling or advising; mentoring in education and career opportunities; structured tutoring; career awareness and exploration including internships and post graduation job placements; orientation to college life; financial aid counseling; academic instruction programs in core curricular areas of mathematics and language arts; supplemental instruction programs for college courses with high failure and withdrawal rates; and co-requisite college course models for delivery of academic support.

**\$2 million is appropriated for the State Grant program.** Changes to the program include a reduction in the assigned family responsibility for dependent students from 96 percent to 94 percent of the parental contribution. This is the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. The state grant tuition caps for fiscal year 2017 are also established in the bill. The tuition

maximum is \$5,736 for students in two-year programs and \$14,186 for students in four-year programs.

Regarding the **academic program for students with intellectual and developmental disabilities**, conferees adopted the House language, which requires MnSCU to develop a plan for offering this program. The plan developed must assume the program will be offered at up to four college or university campuses chosen based on their ability to offer a robust program using existing facilities and resources as well as a goal to provide the program in diverse geographic regions of the state.

The plan developed must also assume a program that provides an inclusive, two-year full-time residential college experience for students with intellectual and developmental disabilities. The required curriculum must include core courses that develop life skills, financial literacy, and the ability to live independently; rigorous academic work in a student's chosen field of study; and an internship, apprenticeship, or other skills-based experience to prepare for meaningful employment upon completion of the program. MnSCU is required to submit a report to the Legislature describing program plans, including strategies for recruitment of applicants, and strategies to address anticipated program needs that cannot be filled using existing campus or system resources.

There is a provision that requires MnSCU and the University of Minnesota to **report to the Legislature** regarding the factors considered when **allocating state funds** to colleges and universities. The report must address the design and methodology for the allocation of state funds to the colleges and universities and the factors considered in the allocation process.

There is language in the bill, in both the higher education article and the K-12 education article, that mandates that a state college or university cannot require an individual to take a remedial, noncredit course in a subject area if the individual has received a **college ready ACT or SAT** score in that subject area, or a career and college ready **Minnesota Comprehensive Assessment (MCA) benchmark** in that subject area, consistent with benchmarks established by the commissioner of education.

When deciding if an individual is admitted to or if an individual may enroll in a state college or university, the state college or university must consider the individual's scores on the high school MCA, in addition to other factors determined relevant by the college or university. As part of the notification of high school students and their families, the Department of Education is to include a statement that students who receive a college ready benchmark on the high school MCA are not required to take a remedial, noncredit course at a Minnesota state college or university in the corresponding subject area.

There is language requiring each state college and university to **post notice of the exemption from remedial course taking** on its Web site explaining student course placement requirements.

The 3rd through 8th grade computer-adaptive assessment results and high school test results are to be made available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The Department of Education must establish empirically derived benchmarks on adaptive assessments in grades 3 through 8. Language was added in this bill that requires the commissioner, in consultation with the chancellor of the Minnesota State Colleges and Universities, to **establish empirically derived benchmarks on the high school tests** that reveal a trajectory toward career and college readiness.

Further language requires the chancellor to either approve or reject the empirically derived benchmarks for the high school MCA's no later than December 31, 2016. The chancellor's approval or rejection must be made in writing to the commissioner and, if the benchmarks are rejected, must describe the reasons for rejection and suggest appropriate revisions. If the chancellor rejects the benchmarks, the commissioner must establish revised benchmarks. The revised benchmarks must incorporate the chancellor's suggested revisions.

The final bill also includes the **Planning Information for Postsecondary Education** House language that requires the Office of Higher Education to collect and distribute information about dual credit policies at colleges and universities to assist students and parents with college planning. Those policies include concurrent enrollment courses, PSEO courses, advanced placement courses and international baccalaureate courses. The information must be shared on the Office of Higher Education's Web site.

Many bills regarding loan forgiveness programs were introduced this legislative session, including changes to **teacher shortage loan forgiveness** programs. Both the House and Senate carried language in their respective higher education bills that requires the Office of Higher Education to provide information to teacher education programs concerning public and private student loan programs that provide for full or partial repayment forgiveness. Teacher education programs must provide the information provided by OHE to their teacher education students.

The K-12 education article in the bill appropriates an additional **\$2 million** one-time funds for the **teacher education loan forgiveness program**.

The Office of Higher Education will receive \$2.8 million for a **grant program for student teaching stipends** for low-income students enrolled in a Board of Teaching approved teacher preparation program who are interested in teaching in a high needs subject area or region after graduating and receiving their teaching license.

The Senate language regarding the **promotion of loan forgiveness program** is included in the final bill as well. The language requires public service employers to provide information to employees about federal public service loan forgiveness programs.

There is a technical provision in the final bill that was in both the Senate and House bills that allows the Office of Higher Education to access funds for the **Occupational Scholarship Pilot Program** adopted last session, prior to the start of fiscal year 2017.

The final bill also includes a provision regarding **student loan counseling**. In the 2015 session the higher education bill included a provision that required the Office of Higher Education to make a grant to a non-profit qualified debt counseling organization to provide individual student loan debt repayment counseling to borrowers who are Minnesota residents concerning loans obtained to attend a Minnesota postsecondary institution. This bill eliminates the requirement that borrowers be 30-60 days delinquent before receiving counseling.

In the K-12 education article of the supplemental budget bill there is language regarding **teacher licensure**. There is a provision that allows the Board of Teaching to grant a one-year waiver, renewable two times, to allow individuals who hold a bachelor's degree from an accredited postsecondary institution, demonstrate occupational competency based on at least three years of full-time work experience in business or industry, and enroll and make satisfactory progress in an alternative preparation program leading to certification as a career and technical education instructor to teach career and technical education courses offered by a school district or charter school.

The Board of Teaching is also required to strongly encourage teacher preparation programs and institutions throughout Minnesota to develop **alternative pathways for certifying and licensing high school career and technical education instructors** and teachers, allowing candidates to meet certification and licensure standards that demonstrate their content knowledge, classroom experience, and pedagogical practices and their qualifications based on a combination of occupational testing, professional certification or licensure, and long-standing work experience.

There is a provision that requires MnSCU to provide an **alternative preparation program** allowing individuals to be certified as a career and technical education instructor able to teach career and technical education courses offered by a school district or charter school. MnSCU may locate the first program in the seven county metropolitan area. MnSCU, in consultation with the Board of Teaching, must develop the standards, pedagogy, and curriculum for an alternative preparation program to prepare qualified individuals to attain certification as a career and technical education instructor through 2018-2019 school years, and to attain either certification or licensure as a career and technical education instructor to teach career and technical education courses offered by a school district or charter school in the 2019-2020 school year and later.

The bill creates a **Career and Technical Educator Licensing Advisory Task Force** with one person representing colleges and universities offering a board-approved teacher

preparation program. The task force must review the current status of career and technical educator licenses and provide recommendations on changes, if any are deemed necessary, to the licensure requirements and methods to increase access for school districts to licensed career and technical educators. The task force must report its findings and recommendations to the Legislature.

The Commissioner of Education, Governor's Workforce Development Council and the P-20 education partnership must establish a list of qualifying **career and technical certificates** and post the names of those certificates on the Department of Education's Web site. The certificates must be in fields where occupational opportunities exist.

The bill creates a 12-member **legislative study group on teacher licensure** to review the 2016 report prepared by the Office of the Legislative Auditor on the Minnesota teacher licensure program and submit a written report by February 1, 2017, to the Legislature recommending how to restructure Minnesota's teacher licensure system by consolidating all teacher licensure activities into a single state entity to ensure transparency and consistency. The study group is to consult with interested and affected stakeholders, including Minnesota State Colleges and Universities.

Currently, there exists a **grant program to assist American Indian people to become teachers** and to provide additional education for American Indian teachers. The Department of Education may award a joint grant to the University of Minnesota, Duluth and their partnering school district; Bemidji State University and Independent School District No. 38, Red Lake; Minnesota State University Moorhead and one of the school districts located within the White Earth Reservation; and Augsburg College and their partnering school districts. Language, along with an additional appropriation of \$270,000, was added in the bill to include other postsecondary institutions and school districts if additional funds are available.

The K-12 education article establishes the **Northwest Regional Partnership Concurrent Enrollment Program**, a voluntary association of the Lakes Country Service Cooperative, the Northwest Service Cooperative, and Minnesota State University Moorhead that works together to provide coordinated higher learning opportunities for teachers. Lakes Country Service Cooperative, in consultation with the Northwest Service Cooperative, may develop a continuing education program to allow eligible teachers to attain the requisite graduate credits necessary to be qualified to teach secondary school courses for postsecondary credit. Minnesota State University Moorhead may develop an online education curriculum to allow eligible secondary school teachers to attain graduate credit at a reduced credit rate. Participation in the continuing education program is reserved for teachers of secondary school courses for postsecondary credit. \$3 million is appropriated, but the partnership may also receive private resources to supplement the available public money.

A one-time appropriation of \$900,000 is appropriated for the **Western Minnesota mobile manufacturing lab** to create interest in these careers for secondary students. The program must be operated by Pine to Prairie Cooperative Center in collaboration with Northland Community and Technical College, Lakes Country Service Cooperative, and Minnesota State Community and Technical College.

The bill also includes an appropriation of \$385,000 for the **Southwest Minnesota State University special education teacher education program** to support Minnesota resident special education paraprofessionals working toward licensure in an online program.

\$150,000 is appropriated in the bill for grants to the International Institute of Minnesota to establish a **college readiness academy**. A college readiness academy is a partnership between Adult Basic Education (ABE) programs, with support from Minnesota State Colleges and Universities, to prepare ABE students to successfully enter college and complete credit-bearing courses needed for career-related credentials. The academy must include academic skill building or college success, integrated sector-specific academic training when applicable, and intensive navigation and educational support for the program participants.

In the Public Safety and Corrections article of the supplemental budget bill, there is language regarding St. Cloud State University. Under the measure, the City of St. Cloud is able to issue an on-sale wine and malt liquor intoxicating **liquor license to St. Cloud State University**. A license may be issued for space that is not compact and contiguous, provided that all the space is within the boundaries of the campus of St. Cloud State University and is included in the description of the licensed premises on the approved license application. The license authorizes sales on all days of the week to persons attending events at Herb Brooks National Hockey Center.

In the Economic Development article of the supplemental budget bill, there is a one-time appropriation of **\$500,000** in fiscal year 2017 to the **Northeast Higher Education District to purchase equipment for training programs** due to increased demand for job training under the state dislocated worker program.

The supplemental budget bill also includes \$1.2 million in fiscal year 2017 for performance grants to Twin Cities R!SE to provide training to hard-to-train individuals. Of the amount appropriated, **\$407,000** is for a grant to Twin Cities R!SE, in collaboration with Metro Transit and **Hennepin Technical College, for the Metro Transit technician training program**.

## **Bonding Bill**

An even-numbered session is traditionally considered a bonding year. This year started out no different as Governor Dayton and lawmakers worked to pass a public works

spending package. Headed into the final weekend of session, the Governor was recommending \$190 million in capital projects for Minnesota State Colleges and Universities, the Senate was recommending \$173.7 million and the House was recommending \$72.7 million. The House and Senate were far apart in the overall spending for a bonding bill, not just higher education.

In the final hours of session, lawmakers attempted to pass an approximately \$1 billion bonding bill. The House passed the bill with only 15 minutes remaining in the session and sent it to the Senate, but it wasn't enough time. The Senate Democrats amended the bill, adding money for light rail transit before passing the bill, which meant the House needed to take up that version of the bill, but by that time the House had already adjourned sine die.

Included in the failed bonding bill for Minnesota State Colleges and Universities was \$107.5 million in asset preservation and individual projects. The agreement included:

- \$35 million for asset preservation, or HEAPR
- \$9.9 million for the Hibbing Community College campus reconfiguration
- \$978,000 for Minnesota State Community and Technical College Fergus Falls campus Center for Student and Workforce Success
- \$820,000 for the library and student development design and renovation on the Minnesota State Community and Technical College Wadena campus
- \$826,000 for the Northland Community and Technical College, East Grand Forks campus for the science and radiological lab space
- \$7.4 million for the Riverland Community College, Albert Lea Trade and Industrial Education Center
- \$8.6 million for the South Central College, North Mankato STEM and healthcare renovation
- \$18.5 million for the St. Cloud State University student health and academic renovation
- \$25.3 million for the Winona State University Education Village Phase 2

## **Other Legislation**

### **Contract Ratification Bill**

There were three contract ratification bills moving through the legislative process this session, but the bill that ultimately prevailed and is awaiting signature by the governor is SF2626. This bill ratifies contracts and plans for the Inter Faculty Organization (IFO), Minnesota State College Faculty (MSCF), Minnesota State University Administrative and Service Faculty (MSUAASF), MnSCU Personnel Plan for Administrators, Commissioners Plan, AFSCME, MAPE, MMA and Managerial Plan, among others.

## Tax Bill

There is language in the tax bill, HF848, that allows a refundable individual income tax credit of \$2,500 to licensed K-12 teachers who complete a **master's degree program in their field of licensure**. It requires elementary school teachers to complete a master's degree in a core content area in which the teacher provides direct classroom instruction. Core academic subjects defined in federal and state law include English, reading or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography. It is limited to teachers who begin a program after June 30, 2016, and teachers would claim the credit in the year they complete the degree. Teachers may claim the credit once for each master's degree completed.

There is language in the bill that allows a refundable individual income tax credit of up to \$1,000 for principal and interest payments on **student loans**, incurred for the taxpayer or spouse, equal to a specified percentage of student loan payments in excess of ten percent of adjusted gross income. Payments on loans related to an undergraduate or graduate degree at a postsecondary institution qualify. The percentage of payments eligible for the credit is 75 percent for individuals in an education profession, 65 percent for those in a public service job other than education, and 50 percent for all other loan holders. For married couples the taxpayer and spouse may each claim the credit.

The bill also allows the **City of Mankato to extend its sales tax** for different projects, subject to voter approval to raise another \$47 million plus associated bond costs to fund, among other things, construction and improvements to regional recreational facilities including indoor athletic facilities. This could include construction to existing hockey rinks for use by Minnesota State University, Mankato.

The bill also includes a **college savings plan credit**, and allows an income tax credit for contributions to any state's section 529 college savings plan, including prepaid tuition plans. The maximum credit is \$500, and the credit rate varies by federal adjusted gross income (AGI), with the income ranges adjusted annually for inflation. Single and head of household filers with adjusted gross income over \$80,000 are not eligible for the credit.

The bill also includes language regarding the **Greater Minnesota internship program** and removes the requirements that the employer certify that it would not have hired the intern without the internship credit, and that an internship required under an academic program does not qualify for the credit. This is effective beginning in tax year 2016.

## Agriculture Policy Bill

The agriculture policy bill, SF3018, includes language regarding convening a **Farmer-**



**Lender Mediation Taskforce** to provide recommendations to the Legislature regarding the state's Farmer-Lender Mediation Act. The task force is to be made up of 14 members, including one adult farm business management instructor appointed by the commissioner of agriculture.

### **Environment and Natural Resources Trust Fund Appropriation Bill**

The environment and natural resources trust fund appropriation bill, SF2963, includes **\$225,000 for Bemidji State University to quantify how beaver activity** influences habitat quality in streams for brook trout in northeastern Minnesota in order to improve current and future management practices. The appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

Also in the environment and natural resources trust fund bill is **\$169,000 for the Water Resources Center at Minnesota State University, Mankato**, to use geographic information system (GIS) prioritization and modeling tools to develop pollution reduction strategies in five priority subwatersheds in the Le Sueur River watershed and to promote implementation of the reduction strategies through citizen involvement and outreach. The appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

The environment and natural resources trust fund bill also includes **\$39,000** to the department of natural resources for an agreement with **Southwest Minnesota State University** to partner with area schools to deliver inquiry-based, hands-on learning and mentoring on water quality stewardship between university agriculture students and high school and middle school students.

There is **\$99,000 for Winona State University** in the bill to inventory, restore, and monitor the 40-acre Garvin Heights Natural Area in Winona and provide related public outreach and education. Plant and seed materials must follow the Board of Water and Soil Resources' native vegetation establishment and enhancement guidelines. The appropriation is available until June 30, 2019, by which time the project must be completed and final products delivered.

### **Dual Training Competency Grants Bill**

This bill, which was signed by the Governor in late April, amends the Dual Training Competency Grant program established by the Legislature in 2015. The bill specifies that an employer must have an agreement with a training institution prior to being awarded a grant. It also specifies that the Office of Higher Education (OHE) and Department of Labor and Industry (DLI) must work together to maintain an inventory of degree, certificate, and credential programs that provide training meeting competency

standards. The inventory must be posted on each agency's Web site and include contact information for each program. Another change adds to the information that a grant application must include the number of projected employee trainees who graduated from high school or passed the GED test in the current and immediately preceding year and specifies that the costs of training includes tuition, fees, and required books and materials

Language provides that grants are to be awarded to employers solely for training employees that graduated from high school or passed the GED in the current or immediately preceding year. However, if there are not sufficient eligible applications that meet the criteria, grants may be awarded to applicants that are training employees not meeting the high school and GED completion timeframe.

Language also specifies that there should be equal grant amounts between the metro and non-metro area, and when awarding grants to consider the on-the-job training an employee receives. Grants are limited to \$6,000 per year for a maximum of four years per employee and require an employee attending an eligible institution to apply for Pell and state grants.

The 2017 Legislative Session is scheduled to convene Tuesday, January 3, 2017.