

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES**

**Agenda Item Summary Sheet**

**Committee:** Advancement

**Date of Meeting:** May 18, 2010

**Agenda Item:** State and Federal Legislative Update

Proposed  
Policy Change

Approvals  
Required by  
Policy

Other  
Approvals

Monitoring

Information

**Cite policy requirement, or explain why item is on the Board agenda:**

Review of current legislative activity

**Scheduled Presenter(s):**

Mary Davenport, director of government relations

**Outline of Key Points/Policy Issues:**

Update on legislative activity

**MINNESOTA STATE COLLEGES AND UNIVERSITIES  
BOARD OF TRUSTEES**

**INFORMATION ITEM**

**State and Federal Legislative Update**

**STATE ACTIVITY**

The Legislature is scheduled to adjourn by Monday, May 17.

**House higher education policy bill**

An update will be provided regarding the higher education policy bill, pending conference committee action. Included in the House version of the bill is language that increases the age from 62 to 66 for receiving reduced tuition as senior citizens; language that establishes the system office in statute and provides for general duties of the office; language calling for streamlining of the system office by better targeting the use of state resources and providing services at the most efficient level to avoid duplicating services provided at the colleges and universities; language directing that reduction to the system office appropriation must not be passed through to any institution or campus; a provision establishing pilot projects for local deposit of reserves for system institutions. The Senate higher education committee passed their version of a policy bill earlier this session, which differs greatly from the House bill. The Senate bill includes provisions relating to the Office of Higher Education; a provision that encourages colleges and universities to serve locally grown food; and language that requires the Office of Higher Ed to monitor the federal postsecondary textbook disclosure law.

**Credit transfer bills**

The governor vetoed the credit transfer bill, HF 3164, Chapter 284. The transfer bill would have required the system to work on its credit transfer system, with the goal of "minimal loss of credits for transferring students" and provide a report to the legislature. In his veto letter, Governor Pawlenty wrote that the "bill is unnecessary because the credit transfer issues identified by the Legislative Auditor, MnSCU staff, and students are already being addressed through internal actions and policy changes."

**Minnesota Supreme Court Ruling**

The Minnesota Supreme Court ruled 4-3 that the governor overstepped his executive authority by unilaterally cutting \$2.7 billion from the state budget through the unallotment process. In a majority opinion written by Supreme Court Chief Justice Eric Magnuson, the court said that the budget process was defined, the deficit was known with the November and February Forecast, and the governor used the unallotment in an unintended way. It is unclear at the time of this writing if this ruling means the entire unallotment will be overturned, or just one relatively small provision pertaining to a nutritional program which was the focus of the plaintiffs in this case. The governor's cut of \$2.7 billion included \$50 million to the Minnesota State Colleges and Universities system. In the meantime, the remaining \$536 million shortfall that the legislature has been working to eliminate may grow substantially to approximately \$3 billion.

## **FEDERAL**

### **Pell Grants**

All of Minnesota's Congressional Delegation continue to support federal financial aid for students. Congressman Erik Paulsen (MN-03) has introduced legislation in the U.S. House of Representatives calling for full funding of Pell grants, the single largest source of federal grant aid for post-secondary education. The Pell grant program currently faces an estimated \$5 billion budgetary shortfall, which threatens critical financial aid for students across the nation. Paulsen's legislation (H.R.5198) expresses the Sense of Congress that the federal Pell Grant Program should be a high funding priority.

### **Keep Our Educators Working Act (S. 3206)**

A bill that would provide \$23 billion to states to help early childhood, K-12 and public higher education retain and hire personnel has been introduced in the Senate (Harkin, IA). The Keep Our Educators Working Act (S. 3206) would provide funds distributed to the states under the auspices of the State Fiscal Stabilization Fund created in last year's stimulus legislation. The provisions of S. 3206 are similar to the education jobs fund contained in a larger jobs bill passed by the House last December. That bill, H.R. 2847, was eventually scaled down significantly before final passage.