

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

**Agenda Item Summary Sheet**

**Committee:** Advancement

**Date of Meeting:** May 17, 2011

**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 state and federal legislative affairs and issues.

**Scheduled Presenter(s):**

Mary Davenport, executive director of government relations

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

State legislative activity

Federal legislative activity

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**INFORMATION ITEM**

**State and Federal Legislative Update**

**STATE**

**Status of Higher Education appropriation bills**

The conference committee has met twice to-date. The proposed House and Senate appropriation level and policy language was reviewed at the first meeting in April. Testimony was taken at the second meeting of conference committee and included testimony from Chancellor McCormick, system faculty, and the Minnesota State University Student Association. Below are budget proposal comparisons for higher education:

<b>Funding year</b>	<b>Base Amount (millions)</b>
Current law FY2012-13	\$ 630.4
FY2011	\$ 605.4
FY 2003	\$ 597.1
Governor (proposed)	\$ 592.8
Senate (proposed)	\$ 546.8
House (proposed)	\$529.8

Both bills include tuition caps, setting the maximum annual increase for tuition and mandatory fees at 2% per year at the two-year colleges and 4% per year at the four-year universities in the House bill, and 3% per year at the two-year colleges and 4% per year at the four-year universities in the Senate version. The House bill establishes the salary of the chancellor, vice chancellors and presidents at or below the governor's salary of \$120,000 and prohibits performance pay.

The House bill also requires the Board to conduct a comprehensive evaluation of the MnSCU system structure with recommendations for improvement to increase efficiency and effectiveness for delivering postsecondary education. Both bills set the age eligibility for the senior citizen higher education program at 62 years, reversing the 2010 change in law to increase the age to 66.

**Confirmation of Trustees**

Trustee Jacob Englund is scheduled to have completed his confirmation hearing in the Senate Higher Education Committee by the time of this meeting. The confirmation of all trustees is expected to be taken up by the full Senate yet this session. In addition to Jacob Englund's pending confirmation, the Senate Higher Education committee recommended trustees Duane Benson, Phil Krinkie, Alfredo Oliveira, Thomas Renier and Michael Vekich for confirmation earlier this session.

Important upcoming legislative dates:  
**May 23** Last day of session

## **FEDERAL**

Congress is back in session and continues to work on the FY 2012 federal budget. The immediate debate is around the debt ceiling – the legal limit on borrowing by the government which today is at \$14.3 trillion. Treasury Secretary Geithner has warned that if the limit is not raised by early July, the nation may default on its debt obligations. Republican lawmakers say they need a commitment from the White House for more spending cuts in exchange for voting to raise the limit. The Administration hopes to reach a compromise on deficit reduction that could clear the way for the debt limit vote to go forward. The debt ceiling has been raised almost 100 times since the early 1900's.

The Senate Committee on Appropriations recently approved a new federal budget for the Department of Education that maintains the Pell Grant maximum at \$5,550 for a total program appropriation of \$23 billion. The 2012 budget recently approved by the House of Representatives includes a major cut to the Pell Grant program. The House budget proposal reduces the maximum Pell from \$5550 to \$3040.

The full Senate is expected to move forward with a budget resolution for fiscal 2012 as soon as this week. Another bipartisan group, known as the “Gang of Six” senators, is involved in working to reach a long-term agreement that would create a 10-year budgetary framework that would seek to cut \$4 trillion from federal spending during that time frame, similar to a proposal detailed by the Administration in April.