

A bill for an act

relating to higher education; amending the state's share of the instructional services costs for state colleges and universities; amending Minnesota Statutes 2006, sections 135A.01; 135A.031, subdivisions 1, 2.

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

Section 1. Minnesota Statutes 2006, section 135A.01, is amended to read:

135A.01 FUNDING POLICY.

It is the policy of the legislature to provide stable funding, including recognition of the effects of inflation, for instructional services at public postsecondary institutions and that the state and students share the cost of those services. The legislature intends to provide ~~at least 67~~ a percent of the instructional services costs for each postsecondary system, as determined under section 135A.031, subdivision 1, paragraph (b). It is also the policy of the legislature that the budgetary process serves to support high quality public postsecondary education.

Sec. 2. Minnesota Statutes 2006, section 135A.031, subdivision 1, is amended to read:

Subdivision 1. **Determination of appropriation.** (a) The direct appropriation to each board for instructional services shall equal ~~67~~ a percent, as determined under paragraph (b), of the estimated total cost of instruction for the University of Minnesota, the state universities, and the community colleges, and, for technical colleges, at least 67 percent of the estimated total cost of instruction.

(b) The state share of the estimated expenditures for instruction shall be:

(1) for first year students, or students that have completed less than 32 credits, zero percent;

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(2) for second year students, or students that have completed at least 32 credits but less than 64 credits, 33 percent;

(3) for third year students, or students that have completed at least 64 credits but less than 96 credits, 67 percent;

(4) for fourth year students, or students that have completed at least 96 credits, 100 percent; and

(5) for students who require more than four years to finish an undergraduate degree, 25 percent for each year after the students' fourth year.

Exceptions to clause (5) may be granted for unusual circumstances at the discretion of the Board of Regents and the Board of Trustees. The state's share of estimated expenditures for instruction for students qualifying for the exception is 67 percent.

Sec. 3. Minnesota Statutes 2006, section 135A.031, subdivision 2, is amended to read:

Subd. 2. **Appropriations for certain enrollments.** The state share of the estimated expenditures for instruction shall vary for some categories of students, as designated in this subdivision.

(a) The state must provide at least ~~67~~a percent of the estimated expenditures, as determined under subdivision 1, paragraph (b), for:

(1) students who resided in the state for at least one calendar year prior to applying for admission or dependent students whose parent or legal guardian resides in Minnesota at the time the student applies;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere;

(3) residents of other states or provinces who are attending a Minnesota institution under a tuition reciprocity agreement;

(4) students who have been in Minnesota as migrant farmworkers, as defined in the Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public postsecondary institution, or students who are dependents of such migrant farmworkers; and

(5) persons who: (i) were employed full time and were relocated to the state by the person's current employer, or (ii) moved to the state for employment purposes and, before moving and before applying for admission to a public postsecondary institution, accepted a job in the state, or students who are spouses or dependents of such persons.

(b) The definition of full year equivalent for purposes of the formula calculations in this chapter is twice the normal value for the following enrollments:

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- 3.1 (1) students who are concurrently enrolled in a public secondary school and for
- 3.2 whom the institution is receiving any compensation under the Postsecondary Enrollment
- 3.3 Options Act; and
- 3.4 (2) students enrolled under the student exchange program of the Midwest Compact.