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# HOUSE FILE NO. 533

## *FIRST COMMITTEE ENGROSSMENT*

February 1, 2007

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The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs

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*Referred by Chair to Veterans Affairs Division.*

February 16, 2007

*Returned to the Committee on Agriculture, Rural Economies and Veterans Affairs as Amended.*

1.1 A bill for an act  
1.2 relating to veterans; providing tuition assistance for veterans and their surviving  
1.3 spouses and children at public colleges and universities; appropriating money;  
1.4 amending Minnesota Statutes 2006, sections 136A.01, subdivision 2; 197.775,  
1.5 subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 197.

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

1.7 Section 1. Minnesota Statutes 2006, section 136A.01, subdivision 2, is amended to  
1.8 read:

1.9 Subd. 2. **Responsibilities.** The Minnesota Office of Higher Education is responsible  
1.10 for:

1.11 (1) necessary state level administration of financial aid and Minnesota GI Bill  
1.12 programs, including accounting, auditing, and disbursing state and federal financial aid  
1.13 funds, and reporting on financial aid programs to the governor and the legislature;

1.14 (2) approval, registration, licensing, and financial aid eligibility of private collegiate  
1.15 and career schools, under sections 136A.61 to 136A.71 and chapter 141;

1.16 (3) administering the Learning Network of Minnesota;

1.17 (4) negotiating and administering reciprocity agreements;

1.18 (5) publishing and distributing financial aid information and materials, and other  
1.19 information and materials under section 136A.87, to students and parents;

1.20 (6) collecting and maintaining student enrollment and financial aid data and  
1.21 reporting data on students and postsecondary institutions to develop and implement a  
1.22 process to measure and report on the effectiveness of postsecondary institutions;

1.23 (7) administering the federal programs that affect students and institutions on a  
1.24 statewide basis; and

2.1 (8) prescribing policies, procedures, and rules under chapter 14 necessary to  
2.2 administer the programs under its supervision.

2.3 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to  
2.4 qualifying coursework taken on or after that date.

2.5 Sec. 2. Minnesota Statutes 2006, section 197.775, subdivision 4, is amended to read:

2.6 Subd. 4. **Delayed payment of tuition.** A state college or university may not assess  
2.7 late fees or other late charges for veterans who are eligible to receive federal or state  
2.8 educational assistance and who have applied for that assistance but not yet received it,  
2.9 nor may they prevent these students from registering for a subsequent term because of  
2.10 outstanding tuition charges that arise from delayed federal or state payments. The state  
2.11 college or university may request without delay the amount of tuition above expected  
2.12 federal and state educational assistance and may require payment of the full amount of  
2.13 tuition owed by the veteran within 30 days of receipt of the expected federal or state  
2.14 educational assistance.

2.15 Sec. 3. **[197.791] MINNESOTA GI BILL PROGRAM.**

2.16 Subdivision 1. **Policy.** It is the policy of the state of Minnesota to provide  
2.17 postsecondary educational assistance to Minnesota veterans who have provided honorable  
2.18 service to this state and nation as members of the United States armed forces, whether  
2.19 in peacetime or in war, and to the spouses and children of Minnesota veterans who have  
2.20 become severely disabled or deceased during or as the direct result of military service.

2.21 Subd. 2. **Definitions.** (a) The definitions in this subdivision apply to this section.

2.22 (b) "Commissioner" means the commissioner of veterans affairs, unless otherwise  
2.23 specified.

2.24 (c) "Cost of attendance" for both undergraduate and graduate students means  
2.25 all charges for enrollment and attendance, academic fees, program fees, and all other  
2.26 payments or charges required for individual courses.

2.27 (d) "Child" means a natural or adopted child of a person described in subdivision 5,  
2.28 paragraph (a), clause (1), item (i) or (ii).

2.29 (e) "Director" means the director of the Minnesota Office of Higher Education.

2.30 (f) "Eligible institution" means a public postsecondary institution located in this state.

2.31 (g) "Eligible student" means a person who:

2.32 (1) if the student is an undergraduate student, has applied for the federal Pell Grant  
2.33 and the Minnesota state grant;

3.1 (2) is maintaining satisfactory academic progress as defined by the institution for  
3.2 students participating in federal Title IV programs;

3.3 (3) is enrolled in an education program leading to a certificate, diploma, or degree  
3.4 at an eligible institution;

3.5 (4) has applied for educational assistance under the Minnesota GI Bill program prior  
3.6 to the end of the academic term for which the assistance is being requested; and

3.7 (5) is in compliance with section 136A.121, subdivision 2, clause (5).

3.8 (h) "Program" means the Minnesota GI Bill program established in this section,  
3.9 unless otherwise specified.

3.10 (i) "Time of hostilities" means any action by the armed forces of the United  
3.11 States that is recognized by the issuance of a presidential proclamation or a presidential  
3.12 executive order and in which the armed forces expeditionary medal or other campaign  
3.13 service medals are awarded according to presidential executive order, and any additional  
3.14 period or place that the commissioner determines and designates, after consultation with  
3.15 the United States Department of Defense, to be a period or place where the United States  
3.16 is in a conflict that places persons at such a risk that service in a foreign country during  
3.17 that period or in that place should be considered to be included.

3.18 (j) "Veteran" has the meaning given in section 197.447, and also includes a service  
3.19 member who has received an honorable discharge after leaving each period of federal  
3.20 active duty service and has:

3.21 (1) served 90 days or more of federal active duty in a foreign country during a time  
3.22 of hostilities in that country; or

3.23 (2) received a service-related medical discharge from any period of service in a  
3.24 foreign country during a time of hostilities in that country.

3.25 A service member who has fulfilled the requirements for being a veteran under this  
3.26 paragraph but is still serving actively in the United States armed forces is also a veteran  
3.27 for the purposes of this section.

3.28 Subd. 3. **Program established.** There is established a program to provide  
3.29 postsecondary educational assistance to eligible Minnesota veterans and to the children  
3.30 and spouses of deceased and severely disabled Minnesota veterans. This program may be  
3.31 cited as the "Minnesota GI Bill program."

3.32 The director, in consultation with the commissioner and in cooperation with  
3.33 eligible postsecondary educational institutions, shall expend a biennial appropriation  
3.34 for the purpose of providing postsecondary educational assistance to eligible persons  
3.35 in accordance with this program. Each public postsecondary educational institution in  
3.36 the state must participate in the program and each private postsecondary educational

4.1 institution in the state is encouraged to participate in the program. Any participating  
4.2 private institution may suspend or terminate its participation in the program at the end  
4.3 of any semester or other academic term.

4.4 Subd. 4. **Duties; responsibilities.** (a) The director, in consultation with the  
4.5 commissioner, shall establish policies and procedures including, but not limited to,  
4.6 procedures for student application record keeping, information sharing, payment to  
4.7 participating eligible institutions, and other procedures the director considers appropriate  
4.8 and necessary for effective and efficient administration of the program established in  
4.9 this section.

4.10 (b) The director, in consultation with the commissioner, may delegate part or  
4.11 all of the administrative procedures for the program to responsible representatives of  
4.12 participating eligible institutions.

4.13 Subd. 5. **Eligibility.** (a) A person is eligible for educational assistance under this  
4.14 section if:

4.15 (1) the person is:

4.16 (i) a veteran who is serving or has served honorably in any branch or unit of the  
4.17 United States armed forces at any time on or after August 2, 1990;

4.18 (ii) a nonveteran who has served honorably for a total of 16 years or more  
4.19 cumulatively as a member of the Minnesota national guard or any other active or reserve  
4.20 component of the United States armed forces, and any part of that service occurred on  
4.21 or after August 2, 1990;

4.22 (iii) the surviving spouse or child of a person who has served in the military at  
4.23 any time on or after August 2, 1990, and who has died as a direct result of that military  
4.24 service; or

4.25 (iv) the spouse or child of a person who has served in the military at any time on or  
4.26 after August 2, 1990, and who has a total and permanent service-connected disability as  
4.27 rated by the United States Veterans Administration;

4.28 (2) the person providing the military service described in clause (1), items (i) to (iv),  
4.29 was a Minnesota resident within six months of the time of the person's initial enlistment or  
4.30 any reenlistment in the United States armed forces;

4.31 (3) the person receiving the educational assistance is a Minnesota resident, as  
4.32 defined in section 136A.101, subdivision 8; and

4.33 (4) the person receiving the educational assistance is an eligible student.

4.34 (b) A person's eligibility terminates when the person becomes eligible for benefits  
4.35 under section 135A.52.

5.1 (c) As proof of honorable service and disability or death status for a veteran or  
5.2 service member, the director, by policy and in consultation with the commissioner, may  
5.3 require official documentation, including the person's federal form DD-214 or other official  
5.4 military discharge papers, correspondence from the United States Veterans Administration,  
5.5 birth certificate, marriage certificate, proof of enrollment at an eligible institution, signed  
5.6 affidavits, proof of residency, proof of identity, or any other official documentation the  
5.7 director considers necessary to determine an applicants eligibility status.

5.8 (d) The director, in consultation with the commissioner, may deny eligibility or  
5.9 terminate benefits under this section to any person who has not provided sufficient proof of  
5.10 eligibility for the program. An applicant may appeal the director's eligibility determination  
5.11 in writing to the director at any time. The director must rule on any application or appeal  
5.12 within 30 days of receipt of all documentation that the director requires. Upon receiving  
5.13 an application with insufficient documentation, the director must notify the applicant  
5.14 within 30 days of receipt of the application that the application is being suspended pending  
5.15 receipt by the director of sufficient documentation from the applicant. The decision of the  
5.16 director regarding an appeal is final. However, an applicant whose appeal of an eligibility  
5.17 determination has been rejected by the director may submit an additional appeal of that  
5.18 determination in writing to the director at any time that the applicant is able to provide  
5.19 substantively significant additional information regarding the applicant's eligibility for the  
5.20 program. An approval of an applicant's eligibility by the director following an appeal by  
5.21 the applicant is not retroactively effective for more than one year or the semester of the  
5.22 person's original application, whichever is later.

5.23 Subd. 6. **Benefit entitlement amount.** (a) On approval by the director of an  
5.24 applicant's eligibility for the program, the applicant is entitled to educational assistance  
5.25 under the program, for use at any time according to program rules at any eligible  
5.26 institution.

5.27 (b) The amount of educational assistance in any semester or term for an eligible  
5.28 person must be determined by subtracting from the eligible person's cost of attendance  
5.29 at that eligible public institution, or, in the case of an eligible private institution, the cost  
5.30 of attendance for a comparable program at the Twin Cities campus of the University of  
5.31 Minnesota, the amount received in that semester or term by that person from:

5.32 (1) the federal Pell Grant;

5.33 (2) the state grant program; and

5.34 (3) any federal military or veterans educational benefits, including, but not limited  
5.35 to, the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program,  
5.36 vocational rehabilitation benefits, and any other federal benefits associated with the

6.1 person's status as a veteran, except veterans disability payments from the United States  
6.2 Veterans Administration.

6.3 (c) The total amount of assistance for an eligible person under paragraph (b) must  
6.4 not exceed the total cost of attendance at an eligible institution up to 128 credits or eight  
6.5 semesters, whichever is greater.

6.6 **EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to  
6.7 qualifying coursework taken on or after that date.

6.8 Sec. 4. **APPROPRIATION.**

6.9 \$..... in fiscal year 2008 and \$..... in fiscal year 2009 are appropriated from the  
6.10 general fund to the director of the Office of Higher Education for the Minnesota GI Bill  
6.11 program. This appropriation does not expire and is available until expended. No more  
6.12 than \$25,000 of this appropriation may be spent in each fiscal year for the total cost of  
6.13 administration of the program by the Minnesota Office of Higher Education and the  
6.14 eligible institutions.