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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 162

January 16, 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

March 1, 2007

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to veterans; establishing the Minnesota GI Bill program for veterans;
1.3 assigning responsibilities; determining eligibility; defining the assistance amount;
1.4 appropriating money; amending Minnesota Statutes 2006, section 136A.01,
1.5 subdivision 2; 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. [197.791] MINNESOTA GI BILL PROGRAM.**

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

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

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

2.14 (c) "Cost of attendance" for both undergraduate and graduate students has the
2.15 meaning given in section 136A.121, subdivision 6, multiplied by 1.2.

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

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

2.19 (f) "Eligible institution" has the meaning given in section 136A.101, subdivision 4.

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

2.21 (1) if the student is an undergraduate student, has applied for the federal Pell Grant
2.22 and the Minnesota State Grant;

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

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

2.27 (4) is enrolled at least half time as defined in section 136A.101, subdivision 7b, if an
2.28 undergraduate student, or is enrolled for four credits or more if a graduate student; and

2.29 (5) has applied for educational assistance under the Minnesota GI Bill program prior
2.30 to the end of the academic term for which the assistance is being requested.

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

2.33 (i) "Veteran" has the meaning given in section 197.447, and also includes a service
2.34 member who has fulfilled the requirements for being a veteran but is still serving actively
2.35 in the United States armed forces.

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

3.5 The director, in consultation with the commissioner and in cooperation with
3.6 eligible postsecondary educational institutions, shall expend a biennial appropriation
3.7 for the purpose of providing postsecondary educational assistance to eligible persons
3.8 in accordance with this program. Each public postsecondary educational institution in
3.9 the state must participate in the program and each private postsecondary educational
3.10 institution in the state is encouraged to participate in the program. Any participating
3.11 private institution may suspend or terminate its participation in the program at the end
3.12 of any semester or other academic term.

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

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

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

3.24 (1) the person is:

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

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

3.31 (iii) the surviving spouse or child of a person described in item (i) or (ii) who has
3.32 died as a direct result of that military service; or

3.33 (iv) the spouse or child of a person described in item (i) or (ii) who has a total
3.34 and permanent service-connected disability as rated by the United States veterans
3.35 administration;

4.1 (2) the person described in clause (1), item (i) or (ii) had Minnesota as the person's
4.2 state of residence at the time of the person's initial enlistment or any reenlistment in
4.3 the United States armed forces;

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

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

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

4.9 (c) As proof of honorable service and disability or death status for a veteran or service
4.10 member, the director, by policy and in consultation with the commissioner, may require
4.11 official documentation, including the person's federal form DD-214 or other official
4.12 military discharge papers, correspondence from the United States veterans administration,
4.13 birth certificate, marriage certificate, proof of enrollment at an eligible institution, signed
4.14 affidavits, proof of residency, proof of identity, or any other official documentation the
4.15 director considers necessary to determine an applicant's eligibility status.

4.16 (d) The director, in consultation with the commissioner, may deny eligibility or
4.17 terminate benefits under this section to any person the director considers to have not
4.18 provided sufficient proof of eligibility for the program. An applicant may appeal the
4.19 director's eligibility determination in writing to the director at any time. The director must
4.20 rule on any application or appeal within 30 days of receipt of all documentation that the
4.21 director requires. Upon receiving an application with insufficient documentation, the
4.22 director must notify the applicant within 30 days of receipt of the application that the
4.23 application is being suspended pending receipt by the director of sufficient documentation
4.24 from the applicant. The decision of the director regarding an appeal is final. However, an
4.25 applicant whose appeal of an eligibility determination has been rejected by the director
4.26 may submit an additional appeal of that determination in writing to the director at any
4.27 time that the applicant is able to provide substantively significant additional information
4.28 relating to the person's eligibility for the program. An approval of an applicant's eligibility
4.29 by the director following an appeal by the applicant is not retroactively effective beyond
4.30 the later of one year previously or the semester of the person's original application.

4.31 Subd. 6. **Benefit entitlement amount.** (a) On approval by the director of an
4.32 applicant's eligibility for the program, the applicant is entitled to educational assistance
4.33 under the program, for use at any time according to program rules at any eligible
4.34 postsecondary educational institution in the state. Eligibility for the program terminates
4.35 upon exhaustion of a person's benefits as specified in paragraph (c).

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

5.6 (1) the federal Pell Grant;

5.7 (2) the state grant program; and

5.8 (3) any federal military or veterans educational benefits, including, but not limited
5.9 to, the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program,
5.10 vocational rehabilitation benefits, and any other federal benefits associated with the
5.11 person's status as a veteran, except veterans disability payments from the United States
5.12 veterans administration.

5.13 (c) The amount of education assistance for any eligible person must not exceed any
5.14 of the following amounts:

5.15 (1) \$1,000 per semester or term of enrollment;

5.16 (2) \$3,000 per state fiscal year; and

5.17 (3) \$10,000 total.

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

5.20 **Sec. 3. APPROPRIATION.**

5.21 \$..... is appropriated from the general fund to the director of the Office of Higher
5.22 Education for use in fiscal years 2008 and 2009 for the program described in section 2.
5.23 This appropriation does not expire and is available until expended. No more than \$25,000
5.24 of this appropriation may be expended in any year for administration of the program by
5.25 the Minnesota Office of Higher Education and the eligible institutions combined.