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## S.F. No. 1306 – Establishing Grant for Certain Students Formerly in Foster Care (SCS1306A-1 Delete-Everything Amendment)

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**Senate File No. 1306** establishes a grant program for students who were or are in foster care at age 13 to assist with postsecondary tuition and fees. The differences between the bill as introduced and the delete everything amendment are explained at the end of this summary.

**Section 1 (136A.1241, subdivision 1)** defines terms for purposes of this new program.

**Subdivision 2** requires the Office of Higher Education (OHE) to establish the grant program, and requires OHE to identify and inform students and applicable institutions of the student's eligibility.

**Subdivision 3** provides the eligibility criteria for the grant program. The individual must:

- (1) be a resident;
- (2) be between the age of 13 and 27;
- (3) be in foster care or have been in foster care at age 13, or adopted from foster care after the age of 13 or placed with a legal permanent guardian after age 13;
- (4) a high school graduate or equivalent;
- (5) accepted into an eligible institution;
- (6) submit a FAFSA or other state aid application, and
- (7) be making satisfactory progress if currently enrolled.

**Subdivision 4** specifies the cost of attendance. Under paragraph (a), the cost of attendance for a public institution equals the tuition, fees, and the campus-based budget used for federal financial aid for food, housing, books, and other related expenses. Under paragraph (b), the cost of attendance for a private school is the lesser of: (1) the tuition and fees and the federal campus-based budget for federal financial aid, or (2) the highest cost of attendance for a public institution.

**Subdivision 5** establishes the grant amount. The grant is based on the federal need analysis, and the amount of the grant must not exceed the cost of attendance after deducting other sources of funding listed in this paragraph. The grant must be paid directly to the postsecondary institution. A private institution must provide grants, scholarships, tuition waivers, or tuition remission to make up the difference between the cost of attendance under subdivision 4, clause (1), and the grant plus the sum of other aid. The grant is available for any year of undergraduate study, up to eight semesters or its equivalent (120 credits), which is consistent with the state grant program.

**Subdivision 6** requires OHE to prepare an annual anonymized report that contains the number of students receiving grants and the institutions in which the students attended, and the retention rates of the students who received grants. The report is due by January 15, beginning in 2024, and may be combined with other required reports.

This section is effective the day following final enactment and applies to grants awarded beginning in the 2022-2023 academic year.

**Section 2** is a blank appropriation for purposes of section 1, and a blank appropriation for the base going forward.

#### **Major differences between the bill and the delete-all amendment**

The following provisions are in the bill but not in the amendment:

- establishing a special revenue fund
- requiring OHE to work with MDE, DOLI, and DHS to assist eligible individuals to apply for federal and state grants. (Accessibility subdivision)
- requiring OHE, in conjunction with DHS, to create information for social services agencies, OHE, DHS, and institutions to disseminate. (Dissemination of information subdivision)

The bill and amendment are different in their approach to distributing grant funds. The bill states the office shall allocate funds to institutions using relevant factors and up to five percent may be used for administrative expenses. The amendment more clearly establishes the parameters of the grant program, by defining the cost of attendance, establishing the grant amount, and the duration of the grant.

The bill and amendment both require reports, but the bill requires the report be done in conjunction with DHS and requires more information to be contained in the report.

Also, Section 2 (136A.1242) of the bill, Fostering Higher Education Waiver, is not included in the amendment; however, the bill includes a modified version of the requirement that private institutions make up the difference between the tuition and grants. The amendment requires private institutions to provide grants, waivers, or tuition remission equal to the difference between the cost of attendance and the grants received by the individual, and the bill requires private institutions to simply waive the difference between the cost of attendance and grants. This section of the bill also requires institutions to assist the individual with admissions application and accessing potential on-campus services, and requires a report.