

SF9118 - 0 - Reverse Credit Transfer Agrmt; Public Higher Ed

Chief Author: **Jason Rarick**  
 Committee: **Higher Education Finance and Policy**  
 Date Completed: **6/12/2020 2:13:51 PM**  
 Agency: **Minnesota State**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	385	180	180	
<b>Total</b>	-	-	<b>385</b>	<b>180</b>	<b>180</b>	
<b>Biennial Total</b>			<b>385</b>			<b>360</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium			Biennium	
Dollars in Thousands		FY2019	FY2020	FY2021	FY2022	FY2023
General Fund	-	-	-	385	180	180
<b>Total</b>		-	-	<b>385</b>	<b>180</b>	<b>180</b>
<b>Biennial Total</b>					<b>385</b>	<b>360</b>
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	-	-	385	180	180
<b>Total</b>		-	-	<b>385</b>	<b>180</b>	<b>180</b>
<b>Biennial Total</b>					<b>385</b>	<b>360</b>
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-
<b>Biennial Total</b>					-	-

**Bill Description**

This bill draft would require the Minnesota State Colleges and Universities system to implement a credit transfer process through which at least 30 credits that a student earns toward a bachelor's degree at any public four-year institution in the state are transferable to a Minnesota State community college for credit toward an associate's degree.

The transfer process must be in place by July 2021.

**Assumptions**

Within the Minnesota State system, students are currently able transfer credits from a four-year institution to a two-year institution. This bill draft would require the system to establish a program by which credits from any public four-year institution outside of Minnesota State could be transferred to a two-year institution within the Minnesota State system.

In order to add this process, a contract would need to be entered into with the National Clearinghouse. Initial Subscriptions to two tools, Transcript Importer and Batch, would need to be purchased. Each transfer completed would also require staff time to process, but this could be accomplished by existing staff.

**Expenditure and/or Revenue Formula**

Transcript Importer and Batch tool costs:  
 \$205,000 one-time license fee for Transcript Importer and Batch (cost in first year only)  
 \$180,000 annual subscription fees for both licenses (cost in first year and in following years)  
 \$385,000 total (total cost in first year)

**Long-Term Fiscal Considerations**

Costs for the two software subscriptions would be ongoing expenses. The cost of software subscriptions tends to increase significantly over time.

**Local Fiscal Impact**

**References/Sources**

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**Date:** 6/12/2020 2:09:43 PM

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