

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-SECOND SESSION**

**S.F. No. 2856**

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DATE	D-PG	OFFICIAL STATUS
02/03/2022	4889	Introduction and first reading Referred to Higher Education Finance and Policy
02/07/2022	4931	Author added Tomassoni
02/10/2022	4975	Author added Clausen
02/14/2022	4999	Author added Benson
02/21/2022	5089	Author added Frentz

- 1.1 A bill for an act
- 1.2 relating to higher education; expanding the state grant eligibility requirements for
- 1.3 institutions; amending Minnesota Statutes 2020, section 136A.103.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. Minnesota Statutes 2020, section 136A.103, is amended to read:
- 1.6 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**
- 1.7 (a) A postsecondary institution is eligible for state student aid under chapter 136A and
- 1.8 sections 197.791 and 299A.45, if the institution ~~is located in this state and:~~
- 1.9 (1) is operated by this state or the Board of Regents of the University of Minnesota; ~~or~~
- 1.10 (2) is operated privately, is located in the state, and, as determined by the office, meets
- 1.11 the requirements of paragraph (b); or
- 1.12 (3) is a nonprofit, online, regionally accredited university that offers an exclusively
- 1.13 competency-based education, and, as determined by the office, meets the requirements of
- 1.14 paragraph (b).
- 1.15 (b) A private institution must:
- 1.16 (1) maintain academic standards substantially equivalent to those of comparable
- 1.17 institutions operated in this state;
- 1.18 (2) be licensed or registered as a postsecondary institution by the office; and
- 1.19 (3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of
- 1.20 the Higher Education Act of 1965, Public Law 89-329, as amended; or

2.1 (ii) if an institution was participating in state student aid programs as of June 30, 2010,  
2.2 and the institution did not participate in the federal Pell Grant program by June 30, 2010,  
2.3 the institution must require every student who enrolls to sign a disclosure form, provided  
2.4 by the office, stating that the institution is not participating in the federal Pell Grant program.

2.5 (c) An institution that offers only graduate-level degrees or graduate-level nondegree  
2.6 programs is an eligible institution if the institution is licensed or registered as a postsecondary  
2.7 institution by the office.

2.8 (d) An eligible institution under paragraph (b), clause (3), item (ii), that changes  
2.9 ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell  
2.10 Grant program within four calendar years of the first ownership change to continue eligibility.

2.11 (e) An institution that loses its eligibility for the federal Pell Grant program is not an  
2.12 eligible institution. The office may terminate an institution's eligibility to participate in state  
2.13 student aid programs effective the date of the loss of eligibility for the federal Pell Grant  
2.14 program.

2.15 (f) An institution must maintain adequate administrative and financial standards and  
2.16 compliance with all state statutes, rules, and administrative policies related to state financial  
2.17 aid programs.

2.18 (g) The office may terminate a postsecondary institution's eligibility to participate in  
2.19 state student aid programs if the institution is terminated from participating in federal  
2.20 financial aid programs by the United States Department of Education for a violation of laws,  
2.21 regulations, or participation agreements governing federal financial aid programs.