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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4024

02/19/2024

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The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy

1.1 A bill for an act

1.2 relating to higher education; making policy and technical changes to certain higher

1.3 education provisions including student sexual misconduct, student aid, and

1.4 institutional licensure provisions; requiring reports; requiring rulemaking; amending

1.5 Minnesota Statutes 2022, sections 135A.031, subdivision 7; 135A.15, subdivisions

1.6 1a, 2, 8, by adding a subdivision; 136A.091, subdivision 3; 136A.1241, subdivision

1.7 3; 136A.1701, subdivisions 4, 7; 136A.62, by adding subdivisions; 136A.63,

1.8 subdivision 1; 136A.646; 136A.65, subdivision 4; 136A.675, subdivision 2;

1.9 136A.821, subdivision 5, by adding a subdivision; 136A.822, subdivisions 1, 2,

1.10 6, 7, 8; 136A.828, subdivision 3; 136A.829, subdivision 3, by adding a subdivision;

1.11 Minnesota Statutes 2023 Supplement, sections 135A.121, subdivision 2; 135A.15,

1.12 subdivision 1; 135A.161, by adding a subdivision; 135A.162, subdivision 2;

1.13 136A.1241, subdivision 5; 136A.1465, subdivisions 1, 2, 3, 4, 5; 136A.62,

1.14 subdivision 3; 136A.833, subdivision 2; proposing coding for new law in Minnesota

1.15 Statutes, chapters 135A; 136A.

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

1.17 Section 1. Minnesota Statutes 2022, section 135A.031, subdivision 7, is amended to read:

1.18 Subd. 7. **Reports.** (a) The University of Minnesota and the Minnesota State Colleges

1.19 and Universities systems shall include in their biennial budget proposals to the legislature:

1.20 (1) a five-year history of systemwide expenditures, reported by:

1.21 (i) functional areas, including instruction, research, public service, student financial aid,

1.22 and auxiliary services, and including direct costs and indirect costs, such as institutional

1.23 support, academic support, student services, and facilities management, associated with

1.24 each functional area; and

1.25 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment, including

1.26 a full explanation of all material changes to the expenditure categories when compared to

1.27 the prior fiscal year;

2.1 (2) a five-year history of the system's total instructional expenditures per full-year
2.2 equivalent student, by level of instruction, including upper-division undergraduate,
2.3 lower-division undergraduate, graduate, professional, and other categories of instructional
2.4 programs offered by the system;

2.5 (3) a five-year history of the system's total revenues by funding source, including tuition,
2.6 state operations and maintenance appropriations, state special appropriations, other restricted
2.7 state funds, federal appropriations, sponsored research funds, gifts, auxiliary revenue, indirect
2.8 cost recovery, and any other revenue sources;

2.9 (4) an explanation describing how state appropriations made to the system in the previous
2.10 biennium were allocated and the methodology used to determine the allocation;

2.11 (5) data describing how the institution reallocated resources to advance the priorities set
2.12 forth in the budget submitted under section 135A.034 and the statewide objectives under
2.13 section 135A.011. The information must indicate whether instruction and support programs
2.14 received a reduction in or additional resources. The total amount reallocated must be clearly
2.15 explained;

2.16 (6) the tuition rates and fees established by the governing board in each of the past ten
2.17 years and comparison data for peer institutions and national averages;

2.18 (7) data on the number and proportion of students graduating within four, five, and six
2.19 years from universities and within three years from colleges as reported in the integrated
2.20 postsecondary education data system. These data must be provided for each institution by
2.21 race, ethnicity, and gender. Data and information must be submitted that describe the system's
2.22 plan and progress toward attaining the goals set forth in the plan to increase the number and
2.23 proportion of students that graduate within four, five, or six years from a university or within
2.24 three years from a college;

2.25 (8) data on, and the methodology used to measure, the number of students traditionally
2.26 underrepresented in higher education enrolled at the system's institutions. Data and
2.27 information must be submitted that describe the system's plan and progress toward attaining
2.28 the goals set forth in the plan to increase the recruitment, retention, and timely graduation
2.29 of students traditionally underrepresented in higher education;

2.30 (9) data on the revenue received from all sources to support research or workforce
2.31 development activities or the system's efforts to license, sell, or otherwise market products,
2.32 ideas, technology, and related inventions created in whole or in part by the system. Data
2.33 and information must be submitted that describe the system's plan and progress toward
2.34 attaining the goals set forth in the plan to increase the revenue received to support research

3.1 or workforce development activities or revenue received from the licensing, sale, or other
3.2 marketing and technology transfer activities by the system;

3.3 (10) data on consulting contracts from the last two completed fiscal years for which the
3.4 work is performed by a consultant who is not an employee of the system, for which the
3.5 system paid in excess of \$500,000. Data must include the name of the consultant, the total
3.6 value of the contract, a description of the work completed, and a description of the reasons
3.7 for using an outside consultant and not internal staff. Consulting contracts are defined as
3.8 contracts from management, investment and financial advisory services, project management,
3.9 computer/technology advisory services, and construction project management; ~~and~~

3.10 (11) aggregate data on the following:

3.11 (i) student demographics;

3.12 (ii) a five-year history of student enrollment, including student enrollment by legislative
3.13 district;

3.14 (iii) a five-year history of student debt;

3.15 (iv) a five-year history of mandatory student fees by campus;

3.16 (v) employee head count and employee demographics;

3.17 (vi) facilities, including physical space overview, condition, square footage, distribution
3.18 by region, any deferred maintenance, and capital bonding requested and received;

3.19 (vii) administrative costs, including the definition of "administrators" used by the system,
3.20 the total number of "administrators" as percent of total employee head count, and system
3.21 office budget for Minnesota State Colleges and Universities as percent of total system
3.22 general fund revenue; and

3.23 (viii) college and university operating budgets; and

3.24 (12) data on, and the methodology used to measure, the number of students owing a
3.25 balance at the end of each term and the number of students for whom a transcript is being
3.26 withheld due to nonpayment, for the most recent three years. Data and information must be
3.27 submitted that describe the system's plan and progress toward ensuring students with balances
3.28 have options for continued enrollment and completion of their programs, and traditionally
3.29 underrepresented students are not being disproportionately impacted.

3.30 (b) Data required by this subdivision shall be submitted by the public postsecondary
3.31 systems to the Minnesota Office of Higher Education and the Department of Management
3.32 and Budget and included in the biennial budget document. Representatives from each system,

4.1 in consultation with the commissioner of management and budget and the commissioner
 4.2 of the Office of Higher Education, shall develop consistent reporting practices for this
 4.3 purpose.

4.4 (c) To the extent practicable, each system shall develop the ability to respond to legislative
 4.5 requests for financial analyses that are more detailed than those required by this subdivision,
 4.6 including but not limited to analyses that show expenditures or revenues by institution or
 4.7 program, or in multiple categories of expenditures or revenues, and analyses that show
 4.8 revenue sources for particular types of expenditures.

4.9 Sec. 2. Minnesota Statutes 2023 Supplement, section 135A.121, subdivision 2, is amended
 4.10 to read:

4.11 Subd. 2. **Eligibility.** To be eligible each year for the program a student must:

4.12 (1) be enrolled in an undergraduate certificate, diploma, or degree program at the
 4.13 University of Minnesota or a Minnesota state college or university;

4.14 (2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled
 4.15 member or citizen of a federally recognized American Indian Tribe or Canadian First Nation,
 4.16 or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident
 4.17 tuition status; ~~and~~

4.18 (3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for ~~180 credits~~ 12
 4.19 semesters or the equivalent, excluding courses taken that qualify as developmental education
 4.20 or below college-level; and

4.21 (4) meet satisfactory academic progress as defined under section 136A.101, subdivision
 4.22 10.

4.23 Sec. 3. [135A.144] TRANSCRIPT ACCESS.

4.24 Subdivision 1. Definitions. (a) The terms defined in this subdivision apply to this section.

4.25 (b) "Debt" means any money, obligation, claim, or sum, due or owed, or alleged to be
 4.26 due or owed, from a student. Debt does not include the fee, if any, charged to all students
 4.27 for the actual costs of providing the transcripts.

4.28 (c) "School" means a public institution governed by the Board of Trustees of the
 4.29 Minnesota State Colleges and Universities, private postsecondary educational institution
 4.30 as defined under section 136A.62 or 136A.821, or public or private entity that is responsible
 4.31 for providing transcripts to current or former students of an educational institution.

5.1 Institutions governed by the Board of Regents of the University of Minnesota are requested
5.2 to comply with this section.

5.3 (d) "Transcript" means the statement of an individual's academic record, including
5.4 official transcripts or the certified statement of an individual's academic record provided
5.5 by a school, and unofficial transcripts or the uncertified statement of an individual's academic
5.6 record provided by a school.

5.7 Subd. 2. **Prohibited practices.** (a) A school must not refuse to provide a transcript for
5.8 a current or former student because the student owes a debt to the school if:

5.9 (1) the debt owed is less than \$1,000;

5.10 (2) the student has entered into and, as determined by the institution, is in compliance
5.11 with a payment plan with the school;

5.12 (3) the transcript request is made by a prospective employer for the student;

5.13 (4) the school has sent the debt for repayment to the Department of Revenue or to a
5.14 collection agency, as defined in section 332.31, subdivision 3, external to the institution
5.15 and the debt has not been returned to the institution unpaid; or

5.16 (5) the person is incarcerated at a Minnesota correctional facility.

5.17 (b) A school must not charge an additional or higher fee for obtaining a transcript or
5.18 provide less favorable treatment of a transcript request because a student owes a debt to the
5.19 originating school.

5.20 Subd. 3. **Institutional policy.** (a) An institution that uses transcript issuance as a tool
5.21 for debt collection must have a policy accessible to students that outlines how the institution
5.22 collects on debts owed to the institution.

5.23 (b) An institution shall seek to use transcript issuance as a tool for debt collection for
5.24 the fewest number of cases possible and in a manner that allows for the quickest possible
5.25 resolution of the debt benefitting the student's educational progress.

5.26 Sec. 4. Minnesota Statutes 2023 Supplement, section 135A.15, subdivision 1, is amended
5.27 to read:

5.28 Subdivision 1. **Applicability; policy required.** (a) This section applies to the following
5.29 postsecondary institutions:

5.30 (1) institutions governed by the Board of Trustees of the Minnesota State Colleges and
5.31 Universities; and

6.1 (2) private postsecondary institutions that offer in-person courses on a campus located
 6.2 in Minnesota and which are eligible institutions as defined in section 136A.103, ~~provided~~
 6.3 ~~that a private postsecondary institution with a systemwide enrollment of fewer than 100~~
 6.4 ~~students in the previous academic year is exempt from subdivisions 4 to 10 paragraph (a),~~
 6.5 that are participating in the federal Pell Grant program under Title IV of the Higher Education
 6.6 Act of 1965, Public Law 89-329, as amended.

6.7 Institutions governed by the Board of Regents of the University of Minnesota are
 6.8 requested to comply with this section.

6.9 (b) A postsecondary institution must adopt a clear, understandable written policy on
 6.10 sexual harassment and sexual violence that informs ~~victims~~ victim-survivors of their rights
 6.11 under the crime victims bill of rights, including the right to assistance from the Crime
 6.12 Victims Reimbursement Board and the commissioner of public safety. The policy must
 6.13 apply to students and employees and must provide information about their rights and duties.
 6.14 The policy must apply to criminal incidents against a student or employee of a postsecondary
 6.15 institution occurring on property owned or leased by the postsecondary system or institution
 6.16 or at any activity, program, organization, or event sponsored by the system or institution,
 6.17 or by a fraternity and sorority. It must include procedures for reporting incidents of sexual
 6.18 harassment or sexual violence and for disciplinary actions against violators. During student
 6.19 registration, a postsecondary institution shall provide each student with information regarding
 6.20 its policy. A copy of the policy also shall be posted at appropriate locations on campus at
 6.21 all times.

6.22 Sec. 5. Minnesota Statutes 2022, section 135A.15, subdivision 1a, is amended to read:

6.23 Subd. 1a. ~~Sexual assault definition~~ **Definitions.** (a) For the purposes of this section,
 6.24 the following terms have the meanings given.

6.25 (b) "Advisor" means a person who is selected by a responding or reporting party to serve
 6.26 as a support during a campus investigation and disciplinary process. This person may be
 6.27 an attorney. An advisor serves as a support to a party by offering comfort or attending
 6.28 meetings.

6.29 ~~(b)~~ (c) "Incident" means one report of sexual assault misconduct to a postsecondary
 6.30 institution, regardless of the number of complainants included in the report, the number of
 6.31 respondents included in the report, and whether or not the identity of any party is known
 6.32 by the reporting postsecondary institution. Incident encompasses all nonconsensual events
 6.33 included within one report if multiple events have been identified.

7.1 (d) "Intimate partner violence" means any physical or sexual harm or a pattern of any
 7.2 other coercive behavior committed, enabled, or solicited to gain or maintain power and
 7.3 control over a victim-survivor, including verbal, psychological, economic, or technological
 7.4 abuse that may or may not constitute criminal behavior against an individual, that may be
 7.5 classified as a sexual assault or domestic violence caused by:

7.6 (1) a current or former spouse of the individual; or

7.7 (2) a person in a sexual or romantic relationship with the individual.

7.8 (e) "Reporting party" means the party in a disciplinary proceeding who has reported
 7.9 being subject to conduct or communication that could constitute sexual harassment or sexual
 7.10 misconduct.

7.11 (f) "Responding party" means the party in a disciplinary proceeding who has been
 7.12 reported to be the perpetrator of conduct or communication that could constitute sexual
 7.13 harassment or sexual misconduct.

7.14 ~~(e)~~ (g) "Sexual assault" means rape, sex offenses - fondling, sex offenses - incest, or sex
 7.15 offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart
 7.16 D, appendix A, as amended.

7.17 (h) "Sexual harassment" has the meaning given in section 363A.03, subdivision 43.

7.18 (i) "Sexual misconduct" means an incident of sexual violence, intimate partner violence,
 7.19 domestic violence, sexual assault, sexual harassment, nonconsensual distribution of sexual
 7.20 images, sexual extortion, nonconsensual dissemination of a deepfake depicting intimate
 7.21 parts or sexual acts, sexual exploitation, sex trafficking, or stalking.

7.22 (j) "Stalking" means engaging in a course of conduct directed at a specific person that
 7.23 would cause a reasonable person to (1) fear for that person's safety or the safety of others,
 7.24 or (2) suffer substantial emotional distress.

7.25 Sec. 6. Minnesota Statutes 2022, section 135A.15, subdivision 2, is amended to read:

7.26 Subd. 2. ~~Victims'~~ Victim-survivors' rights. (a) The policy required under subdivision
 7.27 1 shall, at a minimum, require that students and employees be informed of the policy, and
 7.28 shall include provisions for:

7.29 (1) filing criminal charges with local law enforcement officials in ~~sexual assault~~ cases
 7.30 defined as sexual misconduct;

8.1 (2) the prompt assistance of campus authorities, at the request of the ~~victim~~
8.2 victim-survivor, in notifying the appropriate law enforcement officials and disciplinary
8.3 authorities of a sexual ~~assault~~ misconduct incident;

8.4 (3) allowing sexual ~~assault victims~~ misconduct victim-survivors to decide whether to
8.5 report a case to law enforcement; participate in a campus investigation, disciplinary
8.6 proceeding, or nondisciplinary restorative justice service; or not report altogether;

8.7 (4) requiring campus authorities to treat sexual ~~assault victims~~ misconduct
8.8 victim-survivors with dignity;

8.9 (5) requiring campus authorities to offer sexual ~~assault victims~~ misconduct
8.10 victim-survivors fair and respectful health care, counseling services, or referrals to such
8.11 services;

8.12 (6) preventing campus authorities from suggesting to a ~~victim~~ victim-survivor of sexual
8.13 ~~assault~~ misconduct that the ~~victim~~ victim-survivor is at fault for the crimes or violations
8.14 that occurred;

8.15 (7) preventing campus authorities from suggesting to a ~~victim~~ victim-survivor of sexual
8.16 ~~assault~~ misconduct that the ~~victim~~ victim-survivor should have acted in a different manner
8.17 to avoid such a crime;

8.18 (8) subject to ~~subdivision~~ subdivisions 2a and 10, protecting the privacy of sexual ~~assault~~
8.19 ~~victims~~ misconduct victim-survivors by only disclosing data collected under this section to
8.20 the ~~victim~~ victim-survivor, persons whose work assignments reasonably require access,
8.21 and, at a sexual ~~assault victim's~~ misconduct victim-survivor's request, police conducting a
8.22 criminal investigation;

8.23 (9) an investigation and resolution of a sexual ~~assault~~ misconduct complaint by campus
8.24 disciplinary authorities;

8.25 (10) a sexual ~~assault victim's~~ misconduct victim-survivor's participation in and the
8.26 presence of the ~~victim's~~ victim-survivor's attorney or other support person who is not a fact
8.27 witness to the sexual ~~assault~~ misconduct at any meeting with campus officials concerning
8.28 the ~~victim's~~ victim-survivor's sexual ~~assault~~ misconduct complaint or campus disciplinary
8.29 proceeding concerning a sexual ~~assault~~ misconduct complaint;

8.30 (11) ensuring that a sexual ~~assault victim~~ misconduct victim-survivor may decide when
8.31 to repeat a description of the incident of sexual ~~assault~~ misconduct;

9.1 (12) notice to a sexual ~~assault-victim~~ misconduct victim-survivor of the availability of
 9.2 a campus or local program providing ~~sexual-assault~~ victim-survivor advocacy services and
 9.3 information on free legal resources and services;

9.4 (13) notice to a sexual ~~assault-victim~~ misconduct victim-survivor of the outcome of any
 9.5 campus disciplinary proceeding concerning a sexual ~~assault~~ misconduct complaint, consistent
 9.6 with laws relating to data practices;

9.7 (14) the complete and prompt assistance of campus authorities, at the direction of law
 9.8 enforcement authorities, in obtaining, securing, and maintaining evidence in connection
 9.9 with a sexual ~~assault~~ misconduct incident;

9.10 (15) the assistance of campus authorities, at the request of the sexual misconduct
 9.11 victim-survivor, in preserving ~~for a sexual assault complainant or victim~~ materials relevant
 9.12 to a campus disciplinary proceeding;

9.13 (16) during and after the process of investigating a complaint and conducting a campus
 9.14 disciplinary procedure, the assistance of campus personnel, in cooperation with the
 9.15 appropriate law enforcement authorities, at a sexual ~~assault-victim's~~ misconduct
 9.16 victim-survivor's request, in shielding the ~~victim~~ victim-survivor's from unwanted contact
 9.17 with the alleged assailant, including transfer of the ~~victim~~ victim-survivor's to alternative
 9.18 classes or to alternative college-owned housing, if alternative classes or housing are available
 9.19 and feasible;

9.20 (17) forbidding retaliation, and establishing a process for investigating complaints of
 9.21 retaliation, against sexual ~~assault-victims~~ misconduct victim-survivors by campus authorities,
 9.22 the accused, organizations affiliated with the accused, other students, and other employees;

9.23 (18) at the request of the ~~victim~~ victim-survivor, providing students who reported sexual
 9.24 ~~assaults~~ misconduct to the institution and subsequently choose to transfer to another
 9.25 postsecondary institution with information about resources for ~~victims~~ victim-survivors of
 9.26 sexual ~~assault~~ misconduct at the institution to which the ~~victim~~ victim-survivor is transferring;
 9.27 and

9.28 (19) consistent with laws governing access to student records, providing a student who
 9.29 reported an incident of sexual ~~assault~~ misconduct with access to the student's description
 9.30 of the incident as it was reported to the institution, including if that student transfers to
 9.31 another postsecondary institution.

9.32 (b) None of the rights given to a student by the policy required by subdivision 1 may be
 9.33 made contingent upon the victim-survivor entering into a nondisclosure agreement or other

10.1 contract restricting the victim-survivor's ability to disclose information in connection with
10.2 a sexual misconduct complaint, investigation, or hearing.

10.3 (c) A nondisclosure agreement or other contract restricting the victim-survivor's ability
10.4 to disclose information in connection with a sexual misconduct complaint, investigation,
10.5 or hearing may not be used as condition of financial aid or remedial action.

10.6 Sec. 7. Minnesota Statutes 2022, section 135A.15, is amended by adding a subdivision to
10.7 read:

10.8 Subd. 2a. **Campus investigation and disciplinary hearing procedures.** (a) A
10.9 postsecondary institution must provide a reporting party an opportunity for an impartial,
10.10 timely, and thorough investigation of a report of sexual misconduct against a student. If an
10.11 investigation reveals that sexual misconduct has occurred, the institution must take prompt
10.12 and effective steps reasonably calculated to end the sexual misconduct, prevent its recurrence,
10.13 and, as appropriate, remedy its effects.

10.14 (b) Throughout any investigation or disciplinary proceeding, a postsecondary institution
10.15 must treat the reporting parties, responding parties, witnesses, and other participants in the
10.16 proceeding with dignity, respect, and fairness.

10.17 (c) If a postsecondary institution conducts a hearing, an advisor may provide opening
10.18 and closing remarks on behalf of a party, or assist with formulating questions to the other
10.19 party or witnesses about related evidence or credibility.

10.20 Sec. 8. Minnesota Statutes 2022, section 135A.15, subdivision 8, is amended to read:

10.21 **Subd. 8. Comprehensive training.** (a) A postsecondary institution must provide campus
10.22 security officers and campus administrators responsible for investigating or adjudicating
10.23 complaints of sexual assault with comprehensive training on preventing and responding to
10.24 sexual assault in collaboration with the Bureau of Criminal Apprehension or another law
10.25 enforcement agency with expertise in criminal sexual conduct. The training for campus
10.26 security officers shall include a presentation on the dynamics of sexual assault,
10.27 neurobiological responses to trauma, and best practices for preventing, responding to, and
10.28 investigating sexual assault. The training for campus administrators responsible for
10.29 investigating or adjudicating complaints on sexual assault shall include presentations on
10.30 preventing sexual assault, responding to incidents of sexual assault, the dynamics of sexual
10.31 assault, neurobiological responses to trauma, and compliance with state and federal laws
10.32 on sexual assault.

11.1 (b) The following categories of students who attend, or will attend, one or more courses
 11.2 on campus or will participate in on-campus activities must be provided sexual assault
 11.3 training:

11.4 (1) students pursuing a degree or certificate;

11.5 (2) students who are taking courses through the Postsecondary Enrollment Options Act;
 11.6 and

11.7 (3) any other categories of students determined by the institution.

11.8 Students must complete such training no later than ten business days after the start of a
 11.9 student's first semester of classes. Once a student completes the training, institutions must
 11.10 document the student's completion of the training and provide proof of training completion
 11.11 to a student at the student's request. Students enrolled at more than one institution within
 11.12 the same system at the same time are only required to complete the training once.

11.13 The training shall include information about topics including but not limited to sexual
 11.14 assault as defined in subdivision 1a; consent as defined in section 609.341, subdivision 4;
 11.15 preventing and reducing the prevalence of sexual assault; procedures for reporting campus
 11.16 sexual assault; and campus resources on sexual assault, including organizations that support
 11.17 ~~victims~~ victim-survivors of sexual assault.

11.18 (c) A postsecondary institution shall annually train individuals responsible for responding
 11.19 to reports of sexual assault. This training shall include information about best practices for
 11.20 interacting with ~~victims~~ victim-survivors of sexual assault, including how to reduce the
 11.21 emotional distress resulting from the reporting, investigatory, and disciplinary process.

11.22 (d) Trainings must be culturally responsive and address the unique experiences and
 11.23 challenges faced by students based on race, ethnicity, color, national origin, disability,
 11.24 socioeconomic status, religion, sex, gender identity, sexual orientation, and pregnancy or
 11.25 parenting status.

11.26 **Sec. 9. [135A.1581] NAVIGATORS FOR PARENTING STUDENTS.**

11.27 Subdivision 1. **Applicability.** (a) This section applies to the following postsecondary
 11.28 institutions:

11.29 (1) institutions governed by the Board of Trustees of the Minnesota State Colleges and
 11.30 Universities; and

11.31 (2) private postsecondary institutions that offer in-person courses on a campus located
 11.32 in Minnesota and which are eligible institutions as defined in section 136A.103.

12.1 (b) Institutions governed by the Board of Regents of the University of Minnesota are
12.2 requested to comply with this section.

12.3 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
12.4 meanings given.

12.5 (b) "Institutions of higher education" means an institution of higher education under
12.6 subdivision 1, paragraph (a).

12.7 (c) "Parenting student" means a student enrolled at an institution of higher education
12.8 who is the parent or legal guardian of or can claim as a dependent a child under the age of
12.9 18.

12.10 Subd. 3. **Navigators.** An institution of higher education must designate at least one
12.11 employee of the institution to act as a college navigator for current or incoming students at
12.12 the institution who are parenting students. The navigator must provide to the students
12.13 information regarding support services and other resources available to the students at the
12.14 institution, including:

12.15 (1) medical and behavioral health coverage and services;

12.16 (2) public benefit programs, including programs related to food security, affordable
12.17 housing, and housing subsidies;

12.18 (3) parenting and child care resources;

12.19 (4) employment assistance;

12.20 (5) transportation assistance; and

12.21 (6) any other resources developed by the institution to assist the students, including
12.22 student academic success strategies.

12.23 Subd. 4. **Report.** (a) By June 30, 2025, an institution of higher education must establish
12.24 a process for collecting the parenting status of each enrolled student. By November 30,
12.25 2025, the Office of Higher Education shall establish a process for collecting this information
12.26 from institutions.

12.27 (b) Annually, beginning January 15, 2026, the Office of Higher Education must submit
12.28 a report to the chairs and ranking minority members of the legislative committees with
12.29 jurisdiction over higher education and children, youth, and families. The report must include
12.30 the following for parenting students:

12.31 (1) summary demographic data;

13.1 (2) enrollment patterns;

13.2 (3) retention rates;

13.3 (4) completion rates;

13.4 (5) average cumulative debt at exit or graduation; and

13.5 (6) time to completion.

13.6 Data must be disaggregated by institution, academic year, race and ethnicity, gender, and

13.7 other factors determined to be relevant by the commissioner.

13.8 **Sec. 10. [135A.1582] PROTECTIONS FOR PREGNANT AND PARENTING**

13.9 **STUDENTS.**

13.10 Subdivision 1. **Definition.** (a) For the purpose of this section, the following term has
13.11 the meaning given.

13.12 (b) "Parenting student" means a student enrolled at a public college or university who
13.13 is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

13.14 Subd. 2. **Rights and protections.** (a) A Minnesota state college or university may not
13.15 require and the University of Minnesota is requested not to require a pregnant or parenting
13.16 student, solely because of the student's status as a pregnant or parenting student or due to
13.17 issues related to the student's pregnancy or parenting, to:

13.18 (1) take a leave of absence or withdraw from the student's degree or certificate program;

13.19 (2) limit the student's studies;

13.20 (3) participate in an alternative program;

13.21 (4) change the student's major, degree, or certificate program; or

13.22 (5) refrain from joining or cease participating in any course, activity, or program at the
13.23 college or university.

13.24 (b) A Minnesota state college or university shall provide and the University of Minnesota
13.25 is requested to provide reasonable modifications to a pregnant student, including
13.26 modifications that:

13.27 (1) would be provided to a student with a temporary medical condition; or

13.28 (2) are related to the health and safety of the student and the student's unborn child, such
13.29 as allowing the student to maintain a safe distance from substances, areas, and activities
13.30 known to be hazardous to pregnant women or unborn children.

14.1 (c) A Minnesota state college or university must and the University of Minnesota is
14.2 requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical
14.3 status or condition:

14.4 (1) excuse the student's absence;

14.5 (2) allow the student to make up missed assignments or assessments;

14.6 (3) allow the student additional time to complete assignments in the same manner as the
14.7 institution allows for a student with a temporary medical condition; and

14.8 (4) provide the student with access to instructional materials and video recordings of
14.9 lectures for classes for which the student has an excused absence under this section to the
14.10 same extent that instructional materials and video recordings of lectures are made available
14.11 to any other student with an excused absence.

14.12 (d) A Minnesota state college or university must and the University of Minnesota is
14.13 requested to allow a pregnant or parenting student to:

14.14 (1) take a leave of absence; and

14.15 (2) if in good academic standing at the time the student takes a leave of absence, return
14.16 to the student's degree or certificate program in good academic standing without being
14.17 required to reapply for admission.

14.18 (e) If a public college or university provides early registration for courses or programs
14.19 at the institution for any group of students, the Minnesota state college or university must
14.20 provide and the University of Minnesota is requested to provide early registration for those
14.21 courses or programs for pregnant or parenting students in the same manner.

14.22 Subd. 3. **Policy on discrimination.** Each Minnesota state college or university must
14.23 adopt and the University of Minnesota is requested to adopt a policy for students on
14.24 pregnancy and parenting discrimination. The policy must:

14.25 (1) include the contact information of the Title IX coordinator who is the designated
14.26 point of contact for a student requesting each protection or modification under this section.
14.27 Contact information must include the Title IX coordinator's name, phone number, email,
14.28 and office;

14.29 (2) be posted in an easily accessible, straightforward format on the college or university's
14.30 website; and

14.31 (3) be made available annually to faculty, staff, and employees of the college or
14.32 university.

15.1 Subd. 4. **Rulemaking.** The Office of Higher Education, in consultation with the Board
15.2 of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of
15.3 the University of Minnesota, must adopt rules as necessary to administer this section. The
15.4 rules must establish minimum periods for which a pregnant or parenting student must be
15.5 given a leave of absence under subdivision 2, paragraph (d). In establishing those periods,
15.6 the Office of Higher Education shall consider the maximum amount of time a student may
15.7 be absent without significantly interfering with the student's ability to complete the student's
15.8 degree or certificate program.

15.9 Sec. 11. Minnesota Statutes 2023 Supplement, section 135A.161, is amended by adding
15.10 a subdivision to read:

15.11 Subd. 5. **Reporting.** The director must evaluate the development and implementation
15.12 of the Minnesota inclusive higher education initiatives receiving a grant under section
15.13 135A.162. The director must submit an annual report by October 1 on the progress to expand
15.14 Minnesota inclusive higher education options for students with intellectual disabilities to
15.15 the commissioner and chairs and ranking minority members of the legislative committees
15.16 with jurisdiction over higher education policy and finance. The report must include statutory
15.17 and budget recommendations.

15.18 Sec. 12. Minnesota Statutes 2023 Supplement, section 135A.162, subdivision 2, is amended
15.19 to read:

15.20 Subd. 2. **Eligible grantees.** A Tribal college or public or nonprofit postsecondary
15.21 two-year or four-year institution is eligible to apply for a grant under this section if the
15.22 institution:

15.23 (1) is accredited by the Higher Learning Commission; and

15.24 (2) meets the eligibility requirements under section 136A.103.

15.25 Sec. 13. **[136A.053] CONSOLIDATED STUDENT AID REPORTING.**

15.26 (a) The commissioner of the Office of Higher Education shall report annually beginning
15.27 February 15, 2026, to the chairs and ranking minority members of the legislative committees
15.28 with jurisdiction over higher education, on the details of programs administered under
15.29 sections 136A.091 to 136A.1276, 136A.1465, and 136A.231 to 136A.246, including the:

15.30 (1) total funds appropriated and expended;

15.31 (2) total number of students applying for funds;

- 16.1 (3) total number of students receiving funds;
- 16.2 (4) average and total award amounts;
- 16.3 (5) summary demographic data on award recipients;
- 16.4 (6) retention rates of award recipients;
- 16.5 (7) completion rates of award recipients;
- 16.6 (8) average cumulative debt at exit or graduation; and
- 16.7 (9) average time to completion.
- 16.8 (b) Data must be disaggregated by program, institution, aid year, race and ethnicity,
- 16.9 gender, income, family type, dependency status, and any other factors determined to be
- 16.10 relevant by the commissioner. The commissioner must report any additional data and
- 16.11 outcomes relevant to the evaluation of programs administered under sections 136A.091 to
- 16.12 136A.1276 and 136A.231 to 136A.246 as evidenced by activities funded under each program.

16.13 Sec. 14. Minnesota Statutes 2022, section 136A.091, subdivision 3, is amended to read:

16.14 Subd. 3. **Financial need.** Need for financial assistance is based on student eligibility for

16.15 free or reduced-price school meals, if the student is an education benefit student, or the

16.16 state's equivalent. Student eligibility shall be verified by sponsors of approved academic

16.17 programs. The office shall award stipends for students within the limits of available

16.18 appropriations for this section. If the amount appropriated is insufficient, the office shall

16.19 allocate the available appropriation in the manner it determines. A stipend must not exceed

16.20 \$1,000 per student.

16.21 Sec. 15. [136A.097] ORDER OF AID CALCULATIONS.

16.22 The commissioner may determine the order of calculating state financial aid if:

- 16.23 (1) a student is eligible for multiple state financial aid programs; and
- 16.24 (2) two or more of those programs calculate funding after accounting for other state aid.

16.25 If the commissioner determines that a greater amount of financial aid would be available

16.26 to students by calculating aid in a particular order, then the commissioner must calculate

16.27 aid in that order. Otherwise, the aid must be calculated for programs in the order of their

16.28 original enactment from oldest to newest.

- 17.1 Sec. 16. Minnesota Statutes 2022, section 136A.1241, subdivision 3, is amended to read:
- 17.2 Subd. 3. **Eligibility.** (a) An individual who is eligible for the Education and Training
17.3 Voucher Program is eligible for a foster grant.
- 17.4 (b) If the individual is not eligible for the Education and Training Voucher Program, in
17.5 order to receive a foster grant, an individual must:
- 17.6 (1) meet the definition of a resident student under section 136A.101, subdivision 8;
- 17.7 (2) be at least 13 years of age but fewer than 27 years of age;
- 17.8 (3) after the individual's 13th birthday, be in or have been in foster care in Minnesota
17.9 before, on, or after June 27, 2021, including any of the following:
- 17.10 (i) placement in foster care at any time while 13 years of age or older;
- 17.11 (ii) adoption from foster care at any time after reaching 13 years of age; or
- 17.12 (iii) placement from foster care with a permanent legal custodian at any time after
17.13 reaching 13 years of age;
- 17.14 (4) have graduated from high school or completed the equivalent as approved by the
17.15 Department of Education;
- 17.16 (5) have been accepted for admission to, or be currently attending, an eligible institution;
- 17.17 (6) have submitted a FAFSA; ~~and~~
- 17.18 (7) be meeting satisfactory academic progress as defined under section 136A.101,
17.19 subdivision 10₂;
- 17.20 (8) not be in default, as defined by the office, of any federal or state student educational
17.21 loan;
- 17.22 (9) not be more than 30 days in arrears in court-ordered child support that is collected
17.23 or enforced by the public authority responsible for child support enforcement or, if the
17.24 applicant is more than 30 days in arrears in court-ordered child support that is collected or
17.25 enforced by the public authority responsible for child support enforcement, be complying
17.26 with a written payment agreement under section 518A.69 or order for arrearages; and
- 17.27 (10) not have been convicted of or pled nolo contendere or guilty to a crime involving
17.28 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,
17.29 subtitle B, chapter VI, part 668, subpart C.

18.1 Sec. 17. Minnesota Statutes 2023 Supplement, section 136A.1241, subdivision 5, is
18.2 amended to read:

18.3 Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded
18.4 a foster grant based on the federal need analysis. Applicants are encouraged to apply for all
18.5 other sources of financial aid. The amount of the foster grant must be equal to the applicant's
18.6 recognized cost of attendance after accounting for:

18.7 (1) the results of the federal need analysis;

18.8 (2) the amount of a federal Pell Grant award for which the applicant is eligible;

18.9 (3) the amount of the state grant;

18.10 (4) the Federal Supplemental Educational Opportunity Grant;

18.11 (5) the sum of all Tribal scholarships;

18.12 (6) the amount of any other state and federal gift aid;

18.13 (7) the Education and Training Voucher Program;

18.14 (8) extended foster care benefits under section 260C.451;

18.15 (9) the amount of any private grants or scholarships, excluding grants and scholarships
18.16 provided by the private institution of higher education in which the eligible student is
18.17 enrolled; and

18.18 (10) for public institutions, the sum of all institutional grants, scholarships, tuition
18.19 waivers, and tuition remission amounts.

18.20 (b) The foster grant shall be paid directly to the eligible institution where the student is
18.21 enrolled.

18.22 (c) An eligible private institution may opt out of participating in the foster grant program
18.23 established under this section. To opt out, the institution shall provide notice to the office
18.24 by March 1 for the next academic year. An institution that opts out of participating, but
18.25 participated in the program a previous year, must hold harmless currently enrolled recipients
18.26 by continuing to provide the benefit under paragraph (d) as long as the student remains
18.27 eligible.

18.28 (d) An eligible private institution that does not opt out under paragraph (c) and accepts
18.29 the student's application to attend the institution must provide institutional grants,
18.30 scholarships, tuition waivers, or tuition remission in an amount equal to the difference
18.31 between:

19.1 (1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b),
 19.2 clause (1); and

19.3 (2) the sum of the foster grant under this subdivision and the sum of the amounts in
 19.4 paragraph (a), clauses (1) to (9).

19.5 (e) An undergraduate student who is eligible may apply for and receive a foster grant
 19.6 in any year of undergraduate study unless the student has obtained a baccalaureate degree
 19.7 or received foster grant funds for a period of ten full-time semesters or the equivalent for a
 19.8 four-year undergraduate degree. A foster grant student enrolled in a two-year degree,
 19.9 certificate, or diploma program may apply for and receive a foster grant in any year of
 19.10 undergraduate study unless the student has obtained a baccalaureate degree or received
 19.11 foster grant funds for a period of six full-time semesters or the equivalent.

19.12 (f) Foster grants may be awarded to an eligible student for four quarters, three semesters,
 19.13 or the equivalent during the course of a single fiscal year. In calculating the award amount,
 19.14 the office must use the same calculation it would for any other term.

19.15 (g) Awards must be made on a first-come, first-served basis in the order complete
 19.16 applications are received. If there are multiple applications with identical completion dates,
 19.17 those applications must be further sorted by application receipt date. Awards must be made
 19.18 to eligible students until the appropriation is expended. Applicants not receiving a grant
 19.19 and for whom the office has received a completed application must be placed on a waiting
 19.20 list in order of application completion date.

19.21 Sec. 18. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 1, is
 19.22 amended to read:

19.23 Subdivision 1. **Definitions.** The following terms have the meanings given:

19.24 (1) "eligible student" means a resident student under section 136A.101, subdivision 8,
 19.25 who is enrolled in any public postsecondary educational institution or Tribal college and
 19.26 who meets the eligibility requirements in subdivision 2;

19.27 (2) "gift aid" ~~means all~~ includes:

19.28 (i) all federal financial aid that is not a loan or pursuant to a work-study program;

19.29 (ii) state financial aid, unless designated for other expenses, that is not a loan or pursuant
 19.30 to a work-study program;

20.1 (iii) institutional financial aid designated for the student's educational expenses, including
 20.2 a grant, scholarship, tuition waiver, fellowship stipend, or other third-party payment, unless
 20.3 designated for other expenses, that is not a loan or pursuant to a work-study program; and

20.4 (iv) all private financial aid that is not a loan or pursuant to a work-study program.

20.5 Financial aid from the state, public postsecondary educational institutions, and Tribal colleges
 20.6 that is specifically designated for other expenses is not gift aid for purposes of the North
 20.7 Star Promise scholarship.

20.8 ~~(3) "office" means the Office of Higher Education;~~

20.9 (3) "other expenses" includes books, required supplies, child care, emergency assistance,
 20.10 food, and housing;

20.11 (4) "public postsecondary educational institution" means an institution operated by this
 20.12 state, the Board of Regents of the University of Minnesota, or a Tribal college;

20.13 (5) "recognized cost of attendance" has the meaning given in Code of Federal Regulations,
 20.14 title 20, chapter 28, subchapter IV, part F, section 108711;

20.15 ~~(5) "scholarship" means funds to pay 100 percent of tuition and fees remaining after~~
 20.16 ~~deducting grants and other scholarships;~~

20.17 (6) "Tribal college" means a college defined in section 136A.1796, subdivision 1,
 20.18 paragraph (c); and

20.19 (7) "tuition and fees" means the actual tuition and mandatory fees charged by an
 20.20 institution.

20.21 Sec. 19. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 2, is
 20.22 amended to read:

20.23 Subd. 2. **Conditions for eligibility.** A scholarship may be awarded to an eligible student
 20.24 who:

20.25 (1) has completed the Free Application for Federal Student Aid (FAFSA) or the state
 20.26 aid application;

20.27 (2) has a family adjusted gross income below \$80,000;

20.28 (3) is a graduate of a secondary school or its equivalent, or is 17 years of age or over
 20.29 and has met all requirements for admission as a student to an eligible college or university;

20.30 ~~(3)~~ (4) has not earned a baccalaureate degree at the time the scholarship is awarded;

- 21.1 ~~(4)~~ (5) is enrolled in at least one credit per fall, spring, or summer semester; ~~and~~
- 21.2 (6) is enrolled in a program or course of study that applies to a degree, diploma, or
- 21.3 certificate;
- 21.4 (7) is not in default, as defined by the office, of any federal or state student educational
- 21.5 loan;
- 21.6 (8) is not more than 30 days in arrears in court-ordered child support that is collected or
- 21.7 enforced by the public authority responsible for child support enforcement or, if the applicant
- 21.8 is more than 30 days in arrears in court-ordered child support that is collected or enforced
- 21.9 by the public authority responsible for child support enforcement, but is complying with a
- 21.10 written payment agreement under section 518A.69 or order for arrearages;
- 21.11 (9) has not been convicted of or pled nolo contendere or guilty to a crime involving
- 21.12 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,
- 21.13 subtitle B, chapter VI, part 668, subpart C; and
- 21.14 ~~(5)~~ (10) is meeting satisfactory academic progress as defined in section 136A.101,
- 21.15 subdivision 10.

21.16 Sec. 20. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 3, is

21.17 amended to read:

21.18 Subd. 3. **Scholarship.** (a) Beginning in the fall term of the 2024-2025 academic year,

21.19 scholarships shall be awarded to eligible students in an amount not to exceed 100 percent

21.20 of tuition and fees after ~~grants and other scholarships are~~ gift aid is deducted.

21.21 (b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after

21.22 scholarships are awarded under paragraph (a), supplemental grants shall be awarded to

21.23 eligible students in an amount ~~equal to 100 percent of tuition and fees plus, subject to~~

21.24 ~~available funds,~~ up to 50 percent of the amount of a Pell grant the student would receive

21.25 based on household size, family adjusted gross income, and results of the federal needs

21.26 analysis ~~after other gift aid is deducted,~~ not to exceed the student's recognized cost of

21.27 attendance. The commissioner may adjust the supplemental grant amount based on the

21.28 availability of funds.

21.29 Sec. 21. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 4, is

21.30 amended to read:

21.31 Subd. 4. **Maintain current levels of institutional assistance.** (a) Commencing with

21.32 the 2024-2025 academic year, a public postsecondary educational institution or Tribal

22.1 college shall not reduce the institutional gift aid offered or awarded to a student who is
 22.2 eligible to receive funds under this program unless the student's gift aid exceeds the student's
 22.3 annual recognized cost of attendance.

22.4 (b) The public postsecondary educational institution or Tribal college may reduce the
 22.5 institutional gift aid offer of a student who is eligible to receive funds under this program
 22.6 by no more than the amount of the student's gift aid that is in excess of the student's annual
 22.7 recognized cost of attendance.

22.8 (c) The public postsecondary educational institution or Tribal college shall not consider
 22.9 receipt or anticipated receipt of funds under this program when considering a student for
 22.10 qualification for institutional gift aid.

22.11 (d) To ensure financial aid is maximized, a public postsecondary educational institution
 22.12 or Tribal college is encouraged to implement efforts to avoid scholarship displacement
 22.13 through consultation with the Office of Higher Education ~~and students to avoid situations~~
 22.14 ~~where institutional gift aid can only be used for specific purposes.~~

22.15 Sec. 22. Minnesota Statutes 2023 Supplement, section 136A.1465, subdivision 5, is
 22.16 amended to read:

22.17 Subd. 5. **Duration of scholarship authorized; scholarship paid to institution.** (a)
 22.18 Each scholarship is for a period of one semester. A scholarship may be renewed provided
 22.19 that the eligible student continues to meet the conditions of eligibility.

22.20 (b) Scholarships may be provided to an eligible student ~~for up to 60 credits for pursuing~~
 22.21 ~~the completion of a certificate or an associate degree and up to 120 credits for the completion~~
 22.22 ~~of a bachelor's degree~~ who has not previously received the scholarship for four full-time
 22.23 semesters or the equivalent. Scholarships may be provided to an eligible student pursuing
 22.24 the completion of a bachelor's degree who has not previously received the scholarship for
 22.25 eight full-time semesters or the equivalent. The maximum credits for which a student is
 22.26 eligible is a total of 120 credits eight full-time semesters or the equivalent. Courses taken
 22.27 that qualify as developmental education or below college-level shall be excluded from the
 22.28 limit.

22.29 (c) A student is entitled to an additional semester or the equivalent of grant eligibility
 22.30 if the student withdraws from enrollment:

22.31 (1) for active military service because the student was ordered to active military service
 22.32 as defined in section 190.05, subdivision 5b or 5c;

23.1 (2) for a serious health condition, while under the care of a medical professional, that
23.2 substantially limits the student's ability to complete the term; or

23.3 (3) while providing care that substantially limits the student's ability to complete the
23.4 term to the student's spouse, child, or parent who has a serious health condition.

23.5 ~~(e) The commissioner shall determine a time frame by which the eligible student must~~
23.6 ~~complete the credential.~~

23.7 (d) The scholarship must be paid directly to the eligible institution where the student is
23.8 enrolled.

23.9 Sec. 23. Minnesota Statutes 2022, section 136A.1701, subdivision 4, is amended to read:

23.10 Subd. 4. **Terms and conditions of loans.** (a) The office may loan money upon such
23.11 terms and conditions as the office may prescribe.

23.12 (b) The minimum loan amount and a maximum loan amount to students must be
23.13 determined annually by the office. Loan limits are defined based on the type of program
23.14 enrollment, such as a certificate, an associate's degree, a bachelor's degree, or a graduate
23.15 program. The aggregate principal amount of all loans made subject to this paragraph to a
23.16 student as an undergraduate and graduate student must not exceed \$140,000. The amount
23.17 of the loan must not exceed the cost of attendance as determined by the eligible institution
23.18 less all other financial aid, including PLUS loans or other similar parent loans borrowed on
23.19 the student's behalf. A student may borrow up to the maximum amount twice in the same
23.20 grade level.

23.21 (c) The cumulative borrowing maximums must be determined annually by the office
23.22 and are defined based on program enrollment. In determining the cumulative borrowing
23.23 maximums, the office shall, among other considerations, take into consideration the maximum
23.24 SELF loan amount, student financing needs, funding capacity for the SELF program,
23.25 delinquency and default loss management, and current financial market conditions.

23.26 Sec. 24. Minnesota Statutes 2022, section 136A.1701, subdivision 7, is amended to read:

23.27 Subd. 7. **Repayment of loans.** The office shall establish repayment procedures for loans
23.28 made under this section in accordance with the policies, rules, and conditions authorized
23.29 under section 136A.16, subdivision 2. The office will take into consideration the loan limits
23.30 and current financial market conditions when establishing repayment terms. The office shall
23.31 not require a minimum annual payment, though the office may require minimum monthly
23.32 payments.

24.1 Sec. 25. Minnesota Statutes 2023 Supplement, section 136A.62, subdivision 3, is amended
24.2 to read:

24.3 Subd. 3. **School.** "School" means:

24.4 (1) a Tribal college that has a physical presence in Minnesota;

24.5 (2) any partnership, company, firm, society, trust, association, corporation, or any
24.6 combination thereof, with a physical presence in Minnesota, which: (i) is, owns, or operates
24.7 a private, nonprofit postsecondary education institution; (ii) is, owns, or operates a private,
24.8 for-profit postsecondary education institution; or (iii) provides a postsecondary instructional
24.9 program or course leading to a degree whether or not for profit; or

24.10 (3) any public or private postsecondary educational institution located in another state
24.11 or country ~~which offers or makes available to a Minnesota resident any course, program or~~
24.12 ~~educational activity which does not require the leaving of the state for its completion; or~~
24.13 with a physical presence in Minnesota.

24.14 ~~(4) any individual, entity, or postsecondary institution located in another state that~~
24.15 ~~contracts with any school located within the state of Minnesota for the purpose of providing~~
24.16 ~~educational programs, training programs, or awarding postsecondary credits or continuing~~
24.17 ~~education credits to Minnesota residents that may be applied to a degree program.~~

24.18 Sec. 26. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision
24.19 to read:

24.20 Subd. 8. **Postsecondary education.** "Postsecondary education" means the range of
24.21 formal learning opportunities beyond high school, including those aimed at learning an
24.22 occupation or earning an academic credential.

24.23 Sec. 27. Minnesota Statutes 2022, section 136A.62, is amended by adding a subdivision
24.24 to read:

24.25 Subd. 9. **Physical presence.** "Physical presence" means a presence within the state of
24.26 Minnesota for the purpose of conducting activity related to any program at the degree level
24.27 or courses that may be applied to a degree program. Physical presence includes:

24.28 (1) operating a location within the state;

24.29 (2) offering instruction within or originating from Minnesota designed to impart
24.30 knowledge with response utilizing teachers, trainers, counselors or computer resources,
24.31 computer linking, or any form of electronic means; and

25.1 (3) granting an educational credential from a location within the state or to a student
 25.2 within the state.

25.3 Physical presence does not include field trips, sanctioned sports recruiting activities, or
 25.4 college fairs or other assemblies of schools in Minnesota. No school may enroll an individual,
 25.5 allow an individual to sign any agreement obligating the person to the school, accept any
 25.6 moneys from the individual, or follow up with an individual by means of an in-person
 25.7 meeting in Minnesota at a college fair or assembly.

25.8 Sec. 28. Minnesota Statutes 2022, section 136A.63, subdivision 1, is amended to read:

25.9 Subdivision 1. **Annual registration.** All schools ~~located within Minnesota and all schools~~
 25.10 ~~located outside Minnesota~~ with a physical presence in Minnesota which offer degree
 25.11 programs or courses within Minnesota shall register annually with the office.

25.12 Sec. 29. Minnesota Statutes 2022, section 136A.646, is amended to read:

25.13 **136A.646 ADDITIONAL SECURITY.**

25.14 (a) New institutions that have been granted conditional approval for degrees or names
 25.15 to allow them the opportunity to apply for and receive accreditation under section 136A.65,
 25.16 subdivision 7, shall provide a surety bond in a sum equal to ten percent of the net revenue
 25.17 from tuition and fees in the registered institution's prior fiscal year, but in no case shall the
 25.18 bond be less than \$10,000.

25.19 (b) Any registered institution that is notified by the United States Department of Education
 25.20 that it has fallen below minimum financial standards and that its continued participation in
 25.21 Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal
 25.22 Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code
 25.23 of Federal Regulations, title 34, section 668.175, paragraph ~~(e)~~ (d), shall provide a surety
 25.24 bond in a sum equal to the "letter of credit" required by the United States Department of
 25.25 Education in the Letter of Credit Alternative, but in no event shall such bond be less than
 25.26 \$10,000 nor more than \$250,000. If the letter of credit required by the United States
 25.27 Department of Education is higher than ten percent of the Title IV, Higher Education Act
 25.28 program funds received by the institution during its most recently completed fiscal year,
 25.29 the office shall reduce the office's surety requirement to represent ten percent of the Title
 25.30 IV, Higher Education Act program funds received by the institution during its most recently
 25.31 completed fiscal year, subject to the minimum and maximum in this paragraph.

26.1 (c) In lieu of a bond, the applicant may deposit with the commissioner of management
26.2 and budget:

26.3 (1) a sum equal to the amount of the required surety bond in cash;

26.4 (2) securities, as may be legally purchased by savings banks or for trust funds, in an
26.5 aggregate market value equal to the amount of the required surety bond; or

26.6 (3) an irrevocable letter of credit issued by a financial institution to the amount of the
26.7 required surety bond.

26.8 (d) The surety of any bond may cancel it upon giving 60 days' notice in writing to the
26.9 office and shall be relieved of liability for any breach of condition occurring after the
26.10 effective date of cancellation.

26.11 (e) In the event of a school closure, the additional security must first be used to destroy
26.12 any private educational data under section 13.32 left at a physical campus in Minnesota
26.13 after all other governmental agencies have recovered or retrieved records under their record
26.14 retention policies. Any remaining funds must then be used to reimburse tuition and fee costs
26.15 to students that were enrolled at the time of the closure or had withdrawn in the previous
26.16 ~~120~~ 180 calendar days but did not graduate. Priority for refunds will be given to students
26.17 in the following order:

26.18 (1) cash payments made by the student or on behalf of a student;

26.19 (2) private student loans; and

26.20 (3) Veteran Administration education benefits that are not restored by the Veteran
26.21 Administration. If there are additional security funds remaining, the additional security
26.22 funds may be used to cover any administrative costs incurred by the office related to the
26.23 closure of the school.

26.24 Sec. 30. Minnesota Statutes 2022, section 136A.65, subdivision 4, is amended to read:

26.25 Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its
26.26 degree or degrees and name approved must substantially meet the following criteria:

26.27 (1) the school has an organizational framework with administrative and teaching personnel
26.28 to provide the educational programs offered;

26.29 (2) the school has financial resources sufficient to meet the school's financial obligations,
26.30 including refunding tuition and other charges consistent with its stated policy if the institution
26.31 is dissolved, or if claims for refunds are made, to provide service to the students as promised,
26.32 and to provide educational programs leading to degrees as offered;

- 27.1 (3) the school operates in conformity with generally accepted accounting principles
27.2 according to the type of school;
- 27.3 (4) the school provides an educational program leading to the degree it offers;
- 27.4 (5) the school provides appropriate and accessible library, laboratory, and other physical
27.5 facilities to support the educational program offered;
- 27.6 (6) the school has a policy on freedom or limitation of expression and inquiry for faculty
27.7 and students which is published or available on request;
- 27.8 (7) the school uses only publications and advertisements which are truthful and do not
27.9 give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school,
27.10 its personnel, programs, services, or occupational opportunities for its graduates for promotion
27.11 and student recruitment;
- 27.12 (8) the school's compensated recruiting agents who are operating in Minnesota identify
27.13 themselves as agents of the school when talking to or corresponding with students and
27.14 prospective students;
- 27.15 (9) the school provides information to students and prospective students concerning:
- 27.16 (i) comprehensive and accurate policies relating to student admission, evaluation,
27.17 suspension, and dismissal;
- 27.18 (ii) clear and accurate policies relating to granting credit for prior education, training,
27.19 and experience and for courses offered by the school;
- 27.20 (iii) current schedules of fees, charges for tuition, required supplies, student activities,
27.21 housing, and all other standard charges;
- 27.22 (iv) policies regarding refunds and adjustments for withdrawal or modification of
27.23 enrollment status; and
- 27.24 (v) procedures and standards used for selection of recipients and the terms of payment
27.25 and repayment for any financial aid program;
- 27.26 (10) the school must not withhold a student's official transcript because the student is
27.27 in arrears or in default on any loan issued by the school to the student if the loan qualifies
27.28 as an institutional loan under United States Code, title 11, section 523(a)(8)(b); ~~and~~
- 27.29 (11) the school has a process to receive and act on student complaints; and
- 27.30 (12) the school includes a joint and several liability for torts and compliance with the
27.31 requirements of sections 136A.61 to 136A.71 in any contract effective after July 1, 2026,

28.1 with any individual, entity, or postsecondary school located in another state for the purpose
 28.2 of providing educational programs, training programs, or awarding postsecondary credits
 28.3 or continuing education credits to Minnesota residents that may be applied to a degree
 28.4 program.

28.5 (b) An application for degree approval must also include:

28.6 (i) title of degree and formal recognition awarded;

28.7 (ii) location where such degree will be offered;

28.8 (iii) proposed implementation date of the degree;

28.9 (iv) admissions requirements for the degree;

28.10 (v) length of the degree;

28.11 (vi) projected enrollment for a period of five years;

28.12 (vii) the curriculum required for the degree, including course syllabi or outlines;

28.13 (viii) statement of academic and administrative mechanisms planned for monitoring the
 28.14 quality of the proposed degree;

28.15 (ix) statement of satisfaction of professional licensure criteria, if applicable;

28.16 (x) documentation of the availability of clinical, internship, externship, or practicum
 28.17 sites, if applicable; and

28.18 (xi) statement of how the degree fulfills the institution's mission and goals, complements
 28.19 existing degrees, and contributes to the school's viability.

28.20 Sec. 31. Minnesota Statutes 2022, section 136A.675, subdivision 2, is amended to read:

28.21 Subd. 2. **Additional reporting.** (a) In addition to the information required for the
 28.22 indicators in subdivision 1, an institution must notify the office within ten business days if
 28.23 any of the events in paragraphs (b) to (e) occur.

28.24 (b) Related to revenue, debt, and cash flow, notice is required if:

28.25 (1) the institution defaulted on a debt payment or covenant and has not received a waiver
 28.26 of the violation from the financial institution within 60 days;

28.27 (2) for institutions with a federal composite score of less than 1.5, the institution's owner
 28.28 withdraws equity that directly results in a composite score of less than 1.0, unless the
 28.29 withdrawal is a transfer between affiliated entities included in a common composite score;

29.1 (3) the United States Department of Education requires a 25 percent or greater Letter of
29.2 Credit, except when the Letter of Credit is imposed due to a change of ownership;

29.3 (4) the United States Department of Education requires Heightened Cash Monitoring 2;

29.4 (5) the institution receives written notification that it violated the United States
29.5 Department of Education's revenue requirement under United States Code, title 20, section
29.6 1094(a)(24), as amended; or

29.7 (6) the institution receives written notification by the United States Department of
29.8 Education that it has fallen below minimum financial standards and that its continued
29.9 participation in Title IV is conditioned upon satisfying either the Zone Alternative, Code
29.10 of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit
29.11 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph ~~(e)~~ (d).

29.12 (c) Related to accreditation and licensing, notice is required if:

29.13 (1) the institution receives written notification of probation, warning, show-cause, or
29.14 loss of institutional accreditation;

29.15 (2) the institution receives written notification that its institutional accreditor lost federal
29.16 recognition; or

29.17 (3) the institution receives written notification that it has materially violated state
29.18 authorization or institution licensing requirements in a different state that may lead to or
29.19 has led to the termination of the institution's ability to continue to provide educational
29.20 programs or otherwise continue to operate in that state.

29.21 (d) Related to securities, notice is required if:

29.22 (1) the Securities and Exchange Commission (i) issues an order suspending or revoking
29.23 the registration of the institution's securities, or (ii) suspends trading of the institution's
29.24 securities on any national securities exchange;

29.25 (2) the national securities exchange on which the institution's securities are traded notifies
29.26 the institution that it is not in compliance with the exchange's listing requirements and the
29.27 institution's securities are delisted; or

29.28 (3) the Securities and Exchange Commission is not in timely receipt of a required report
29.29 and did not issue an extension to file the report.

29.30 (e) Related to criminal and civil investigations, notice is required if:

29.31 (1) the institution receives written notification of a felony criminal indictment or charges
29.32 of the institution's owner;

30.1 (2) the institution receives written notification of criminal indictment or charges of the
30.2 institution's officers related to operations of the institution; or

30.3 (3) there has been a criminal, civil, or administrative adjudication of fraud or
30.4 misrepresentation in Minnesota or in another state or jurisdiction against the institution or
30.5 its owner, officers, agents, or sponsoring organization.

30.6 Sec. 32. Minnesota Statutes 2022, section 136A.821, subdivision 5, is amended to read:

30.7 Subd. 5. **Private career school.** "Private career school" means a person who maintains;
30.8 ~~advertises, administers, solicits for, or conducts~~ a physical presence for any program at less
30.9 than an associate degree level; is not registered as a private institution under sections 136A.61
30.10 to 136A.71; and is not specifically exempted by section 136A.833.

30.11 Sec. 33. Minnesota Statutes 2022, section 136A.821, is amended by adding a subdivision
30.12 to read:

30.13 Subd. 20. **Physical presence.** "Physical presence" means presence within the state of
30.14 Minnesota for the purpose of conducting activity related to any program at less than an
30.15 associate degree level. Physical presence includes:

30.16 (1) operating a location within the state;

30.17 (2) offering instruction within or originating from Minnesota designed to impart
30.18 knowledge with response utilizing teachers, trainers, counselors or computer resources,
30.19 computer linking, or any form of electronic means;

30.20 (3) granting an educational credential from a location within the state or to a student
30.21 within the state; and

30.22 (4) using an agent, recruiter, institution, or business that solicits for enrollment or credits
30.23 or for the award of an educational credential.

30.24 Physical presence does not include field trips, sanctioned sports recruiting activities, or
30.25 college fairs or other assemblies of schools in Minnesota. No school may enroll an individual,
30.26 allow an individual to sign any agreement obligating the person to the school, accept any
30.27 moneys from the individual, or follow up with an individual by means of an in-person
30.28 meeting in Minnesota at a college fair or assembly.

31.1 Sec. 34. Minnesota Statutes 2022, section 136A.822, subdivision 1, is amended to read:

31.2 Subdivision 1. **Required.** A private career school must not maintain, ~~advertise, solicit~~
31.3 ~~for, administer, or conduct~~ a physical presence for any program in Minnesota without first
31.4 obtaining a license from the office.

31.5 Sec. 35. Minnesota Statutes 2022, section 136A.822, subdivision 2, is amended to read:

31.6 Subd. 2. **Contract unenforceable.** A contract entered into with a person for a program
31.7 by or on behalf of a person operating a private career school with a physical presence in
31.8 Minnesota to which a license has not been issued under sections 136A.821 to 136A.833, is
31.9 unenforceable in any action.

31.10 Sec. 36. Minnesota Statutes 2022, section 136A.822, subdivision 6, is amended to read:

31.11 Subd. 6. **Bond.** (a) No license shall be issued to any private career school ~~which~~
31.12 ~~maintains, conducts, solicits for, or advertises~~ with a physical presence within the state of
31.13 Minnesota for any program, unless the applicant files with the office a continuous corporate
31.14 surety bond written by a company authorized to do business in Minnesota conditioned upon
31.15 the faithful performance of all contracts and agreements with students made by the applicant.

31.16 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's net
31.17 revenue from student tuition, fees, and other required institutional charges collected, but in
31.18 no event less than \$10,000, except that a private career school may deposit a greater amount
31.19 at its own discretion. A private career school in each annual application for licensure must
31.20 compute the amount of the surety bond and verify that the amount of the surety bond complies
31.21 with this subdivision. A private career school that operates at two or more locations may
31.22 combine net revenue from student tuition, fees, and other required institutional charges
31.23 collected for all locations for the purpose of determining the annual surety bond requirement.
31.24 The net revenue from tuition and fees used to determine the amount of the surety bond
31.25 required for a private career school having a license for the sole purpose of recruiting students
31.26 in Minnesota shall be only that paid to the private career school by the students recruited
31.27 from Minnesota.

31.28 (2) A person required to obtain a private career school license due to the use of
31.29 "academy," "institute," "college," or "university" in its name and which is also licensed by
31.30 another state agency or board, except not including those schools licensed exclusively in
31.31 order to participate in state grants or SELF loan financial aid programs, shall be required
31.32 to provide a school bond of \$10,000.

32.1 (c) The bond shall run to the state of Minnesota and to any person who may have a cause
 32.2 of action against the applicant arising at any time after the bond is filed and before it is
 32.3 canceled for breach of any contract or agreement made by the applicant with any student.
 32.4 The aggregate liability of the surety for all breaches of the conditions of the bond shall not
 32.5 exceed the principal sum deposited by the private career school under paragraph (b). The
 32.6 surety of any bond may cancel it upon giving 60 days' notice in writing to the office and
 32.7 shall be relieved of liability for any breach of condition occurring after the effective date
 32.8 of cancellation.

32.9 (d) In lieu of bond, the applicant may deposit with the commissioner of management
 32.10 and budget a sum equal to the amount of the required surety bond in cash, an irrevocable
 32.11 letter of credit issued by a financial institution equal to the amount of the required surety
 32.12 bond, or securities as may be legally purchased by savings banks or for trust funds in an
 32.13 aggregate market value equal to the amount of the required surety bond.

32.14 (e) Failure of a private career school to post and maintain the required surety bond or
 32.15 deposit under paragraph (d) may result in denial, suspension, or revocation of the school's
 32.16 license.

32.17 Sec. 37. Minnesota Statutes 2022, section 136A.822, subdivision 7, is amended to read:

32.18 Subd. 7. **Resident agent.** Private career schools located outside the state of Minnesota
 32.19 ~~that offer, advertise, solicit for, or conduct any program~~ have a physical presence within
 32.20 the state of Minnesota shall first file with the secretary of state a sworn statement designating
 32.21 a resident agent authorized to receive service of process. The statement shall designate the
 32.22 secretary of state as resident agent for service of process in the absence of a designated
 32.23 agent. If a private career school fails to file the statement, the secretary of state is designated
 32.24 as the resident agent authorized to receive service of process. The authorization shall be
 32.25 irrevocable as to causes of action arising out of transactions occurring prior to the filing of
 32.26 written notice of withdrawal from the state of Minnesota filed with the secretary of state.

32.27 Sec. 38. Minnesota Statutes 2022, section 136A.822, subdivision 8, is amended to read:

32.28 Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:

32.29 (1) that the applicant has a sound financial condition with sufficient resources available
 32.30 to:

32.31 (i) meet the private career school's financial obligations;

33.1 (ii) refund all tuition and other charges, within a reasonable period of time, in the event
 33.2 of dissolution of the private career school or in the event of any justifiable claims for refund
 33.3 against the private career school by the student body;

33.4 (iii) provide adequate service to its students and prospective students; and

33.5 (iv) maintain and support the private career school;

33.6 (2) that the applicant has satisfactory facilities with sufficient tools and equipment and
 33.7 the necessary number of work stations to prepare adequately the students currently enrolled,
 33.8 and those proposed to be enrolled;

33.9 (3) that the applicant employs a sufficient number of qualified teaching personnel to
 33.10 provide the educational programs contemplated;

33.11 (4) that the private career school has an organizational framework with administrative
 33.12 and instructional personnel to provide the programs and services it intends to offer;

33.13 (5) that the quality and content of each occupational course or program of study provides
 33.14 education and adequate preparation to enrolled students for entry level positions in the
 33.15 occupation for which prepared;

33.16 (6) that the premises and conditions where the students work and study and the student
 33.17 living quarters which are owned, maintained, recommended, or approved by the applicant
 33.18 are sanitary, healthful, and safe, as evidenced by certificate of occupancy issued by the
 33.19 municipality or county where the private career school is physically situated, a fire inspection
 33.20 by the local or state fire marshal, or another verification deemed acceptable by the office;

33.21 (7) that the contract or enrollment agreement used by the private career school complies
 33.22 with the provisions in section 136A.826;

33.23 (8) that contracts and agreements do not contain a wage assignment provision or a
 33.24 confession of judgment clause; ~~and~~

33.25 (9) that there has been no adjudication of fraud or misrepresentation in any criminal,
 33.26 civil, or administrative proceeding in any jurisdiction against the private career school or
 33.27 its owner, officers, agents, or sponsoring organization;

33.28 (10) the private career school or its owners, officers, agents, or sponsoring organization
 33.29 has not had a license revoked under section 136A.829, or its equivalent in other states or
 33.30 has closed the institution prior to all students, enrolled at the time of the closure, completing
 33.31 their program within two years of the effective date of the revocation; and

34.1 (11) the school includes a joint and several liability for torts and compliance with the
34.2 requirements of sections 136A.82 to 136A.834 in any contract effective after July 1, 2026,
34.3 with any individual, entity, or postsecondary school located in another state for the purpose
34.4 of providing educational programs, training programs, or awarding postsecondary credits
34.5 to Minnesota residents that may be applied to a program.

34.6 Sec. 39. Minnesota Statutes 2022, section 136A.828, subdivision 3, is amended to read:

34.7 Subd. 3. **False statements.** (a) A private career school, agent, or solicitor shall not make,
34.8 or cause to be made, any statement or representation, oral, written or visual, in connection
34.9 with the offering or publicizing of a program, if the private career school, agent, or solicitor
34.10 knows or reasonably should have known the statement or representation to be false,
34.11 fraudulent, deceptive, substantially inaccurate, or misleading.

34.12 (b) Other than opinion-based statements or puffery, a school shall only make claims that
34.13 are evidence-based, can be validated, and are based on current conditions and not on
34.14 conditions that are no longer relevant.

34.15 (c) A school shall not guarantee or imply the guarantee of employment.

34.16 (d) A school shall not guarantee or advertise any certain wage or imply earnings greater
34.17 than the prevailing wage for entry-level wages in the field of study for the geographic area
34.18 unless advertised wages are based on verifiable wage information from graduates.

34.19 (e) If placement statistics are used in advertising or other promotional materials, the
34.20 school must be able to substantiate the statistics with school records. These records must
34.21 be made available to the office upon request. A school is prohibited from reporting the
34.22 following in placement statistics:

34.23 (1) a student required to receive a job offer or start a job to be classified as a graduate;

34.24 (2) a graduate if the graduate held a position before enrolling in the program, unless
34.25 graduating enabled the graduate to maintain the position or the graduate received a promotion
34.26 or raise upon graduation;

34.27 (3) a graduate who works less than 20 hours per week; and

34.28 (4) a graduate who is not expected to maintain the position for at least 180 days.

34.29 (f) A school shall not use endorsements, commendations, or recommendations by a
34.30 student in favor of a school except with the consent of the student and without any offer of
34.31 financial or other material compensation. Endorsements may be used only when they portray
34.32 current conditions.

35.1 (g) A school may advertise that the school or its programs have been accredited by an
 35.2 accrediting agency recognized by the United States Department of Education or the Council
 35.3 for Higher Education Accreditation, but shall not advertise any other accreditation unless
 35.4 approved by the office. The office may approve an institution's advertising of accreditation
 35.5 that is not recognized by the United States Department of Education or the Council for
 35.6 Higher Education if that accreditation is industry specific. Clear distinction must be made
 35.7 when the school is in candidacy or application status versus full accreditation.

35.8 (h) A school may advertise that financial aid is available, including a listing of the
 35.9 financial aid programs in which the school participates, but federal or state financial aid
 35.10 shall not be used as a primary incentive in advertisement, promotion, or recruitment.

35.11 (i) A school may advertise placement or career assistance, if offered, but shall not use
 35.12 the words "wanted," "help wanted," or "trainee," either in the headline or the body of the
 35.13 advertisement.

35.14 (j) A school shall not be advertised under any "help wanted," "employment," or similar
 35.15 classification.

35.16 (k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar
 35.17 test.

35.18 (l) A school shall not make a claim that its program qualifies for a national certification
 35.19 if that national certification entity is not accepted or recognized by Minnesota employers.
 35.20 A school may validate that a national certification is accepted or recognized by Minnesota
 35.21 employers by providing three certified letters from employers that the national certification
 35.22 entity is recognized in Minnesota by employers.

35.23 ~~(m)~~ (m) The commissioner, at any time, may require a retraction of a false, misleading,
 35.24 or deceptive claim. To the extent reasonable, the retraction must be published in the same
 35.25 manner as the original claim.

35.26 Sec. 40. Minnesota Statutes 2022, section 136A.829, subdivision 3, is amended to read:

35.27 Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties
 35.28 now vested therein by law) the following powers and duties:

35.29 (a) To negotiate and enter into interstate reciprocity agreements with similar agencies
 35.30 in other states, if in the judgment of the office such agreements are or will be helpful in
 35.31 effectuating the purposes of Laws 1973, chapter 714;

36.1 (b) To grant conditional private career school license for periods of less than one year
36.2 if in the judgment of the office correctable deficiencies exist at the time of application and
36.3 when refusal to issue private career school license would adversely affect currently enrolled
36.4 students;

36.5 (c) The office may upon its own motion, and shall upon the verified complaint in writing
36.6 of any person setting forth fact which, if proved, would constitute grounds for refusal or
36.7 revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any
36.8 person or persons holding or claiming to hold a license or permit. However, before proceeding
36.9 to a hearing on the question of whether a license or permit shall be refused, revoked or
36.10 suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable
36.11 time to the holder of or applicant for a license or permit to correct the situation. If within
36.12 such time the situation is corrected and the private career school is in compliance with the
36.13 provisions of sections 136A.82 to 136A.834, no further action leading to refusal, revocation,
36.14 or suspension shall be taken.

36.15 (d) To grant a private career school a probationary license for periods of less than three
36.16 years if, in the judgment of the office, correctable deficiencies exist at the time of application
36.17 that need more than one year to correct and when the risk of harm to students can be
36.18 minimized through the use of restrictions and requirements as conditions of the license.
36.19 Probationary licenses may include requirements and restrictions for:

36.20 (1) periodic monitoring and submission of reports on the school's deficiencies to ascertain
36.21 whether compliance improves;

36.22 (2) periodic collaborative consultations with the school on noncompliance with sections
36.23 136A.82 to 136A.834 or how the institution is managing compliance;

36.24 (3) the submission of contingency plans such as teach-out plans or transfer pathways
36.25 for students;

36.26 (4) a prohibition from accepting tuition and fee payments prior to the add/drop period
36.27 of the current period of instruction or before the funds have been earned by the school
36.28 according to the refund requirements of section 136A.827;

36.29 (5) a prohibition from enrolling new students;

36.30 (6) enrollment caps;

36.31 (7) the initiation of alternative processes and communications with students enrolled at
36.32 the school to notify students of deficiencies or probation status;

- 37.1 (8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b),
 37.2 clause (1), that exceeds ten percent of the preceding year's net revenue from student tuition,
 37.3 fees, and other required institutional charges collected; or
 37.4 (9) submission of closure information under section 136A.8225.

37.5 Sec. 41. Minnesota Statutes 2022, section 136A.829, is amended by adding a subdivision
 37.6 to read:

37.7 Subd. 4. **Effect.** A private career school or its owners, officers, or sponsoring organization
 37.8 is prohibited from applying for licensure under section 136A.822 within two years of the
 37.9 effective date of a revocation or within two years from the last date of instruction if the
 37.10 school closed prior to all students completing their courses and programs. A school applying
 37.11 for licensure must:

- 37.12 (1) meet the requirements for licensure under section 136A.822;
 37.13 (2) pay the licensure fees as a new school under section 136A.824, subdivision 1;
 37.14 (3) correct any deficiencies that were identified in the revocation order or closed school
 37.15 requests under section 136A.8225;
 37.16 (4) pay any outstanding fines or penalties under section 136A.832; and
 37.17 (5) pay any outstanding student refunds under section 136A.827.

37.18 Sec. 42. Minnesota Statutes 2023 Supplement, section 136A.833, subdivision 2, is amended
 37.19 to read:

37.20 **Subd. 2. Exemption reasons.** Sections 136A.821 to 136A.832 shall not apply to the
 37.21 following:

- 37.22 (1) public postsecondary institutions;
 37.23 (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
 37.24 (3) postsecondary institutions exempt from registration under sections 136A.653,
 37.25 subdivisions 1b, 2, 3, and 3a; 136A.657; and 136A.658;
 37.26 ~~(4) private career schools of nursing accredited by the state Board of Nursing or an~~
 37.27 ~~equivalent public board of another state or foreign country;~~
 37.28 ~~(5)~~ (4) private schools complying with the requirements of section 120A.22, subdivision
 37.29 4;

38.1 ~~(6)~~ (5) courses taught to students in an apprenticeship program registered by the United
38.2 States Department of Labor or Minnesota Department of Labor and taught by or required
38.3 by a trade union. A trade union is an organization of workers in the same skilled occupation
38.4 or related skilled occupations who act together to secure all members favorable wages,
38.5 hours, and other working conditions;

38.6 ~~(7)~~ (6) private career schools exclusively engaged in training physically or mentally
38.7 disabled persons ~~for the state of Minnesota;~~

38.8 ~~(8)~~ (7) private career schools licensed or approved by boards authorized under Minnesota
38.9 law to issue licenses for training programs except private career schools required to obtain
38.10 a private career school license due to the use of "academy," "institute," "college," or
38.11 "university" in their names;

38.12 ~~(9)~~ (8) private career schools and educational programs, or training programs, contracted
38.13 for by persons, firms, corporations, government agencies, or associations, for the training
38.14 of their own employees, for which no fee is charged the employee, regardless of whether
38.15 that fee is reimbursed by the employer or third party after the employee successfully
38.16 completes the training;

38.17 ~~(10)~~ (9) private career schools engaged exclusively in the teaching of purely avocational,
38.18 recreational, or remedial subjects that are not advertised or maintained for vocational or
38.19 career advancement, including adult basic education, as determined by the office except
38.20 private career schools required to obtain a private career school license due to the use of
38.21 "academy," "institute," "college," or "university" in their names ~~unless the private career~~
38.22 ~~school used "academy" or "institute" in its name prior to August 1, 2008;~~

38.23 ~~(11)~~ (10) classes, courses, or programs conducted by a bona fide trade, professional, or
38.24 fraternal organization, solely for that organization's membership and not available to the
38.25 public. In making the determination that the organization is bona fide, the office may request
38.26 the school provide three certified letters from persons that qualify as evaluators under section
38.27 136A.828, subdivision 3, paragraph (1), that the organization is recognized in Minnesota;

38.28 ~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation under
38.29 section 290.05 and registered with the attorney general under chapter 309. For the purposes
38.30 of this clause, "fine arts" means activities resulting in artistic creation or artistic performance
38.31 of works of the imagination which are engaged in for the primary purpose of creative
38.32 expression rather than commercial sale, vocational or career advancement, or employment.
38.33 In making this determination the office may seek the advice and recommendation of the
38.34 Minnesota Board of the Arts;

39.1 ~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education
 39.2 requirements for a bona fide licensure or certification in a profession, that have been approved
 39.3 by a legislatively or judicially established board or agency responsible for regulating the
 39.4 practice of the profession or by an industry-specific certification entity, and that are offered
 39.5 exclusively to individuals with the professional licensure or certification. In making the
 39.6 determination that the licensure or certification is bona fide, the office may request the
 39.7 school provide three certified letters from persons that qualify as evaluators under section
 39.8 136A.828, subdivision 3, paragraph (1), that the licensure and certification is recognized in
 39.9 Minnesota;

39.10 ~~(14)~~ (13) review classes, courses, or programs intended to prepare students to sit for
 39.11 undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance
 39.12 examinations and does not include the instruction to prepare students for that license,
 39.13 occupation, certification, or exam;

39.14 ~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of instruction;

39.15 ~~(16)~~ (15) classes, courses, or programs providing instruction in personal development
 39.16 that is not advertised or maintained for vocational or career advancement, modeling, or
 39.17 acting;

39.18 ~~(17)~~ (16) private career schools with no physical presence in Minnesota, ~~as determined~~
 39.19 ~~by the office,~~ engaged exclusively in offering distance instruction that are located in and
 39.20 regulated by other states or jurisdictions if the distance education instruction does not include
 39.21 internships, externships, field placements, or clinical placements for residents of Minnesota;
 39.22 and

39.23 ~~(18)~~ (17) private career schools providing exclusively training, instructional programs,
 39.24 or courses where tuition, fees, and any other charges, regardless of payment or reimbursement
 39.25 method, for a student to participate do not exceed \$100.

39.26 Sec. 43. **REVISOR INSTRUCTION.**

39.27 In Minnesota Statutes, section 135A.15, the revisor of statutes shall change the terms
 39.28 "victim," "survivor," or similar terms to "victim-survivor" or similar term. The revisor shall
 39.29 make grammatical changes related to the change in terms.