

A bill for an act

relating to higher education; appropriating money; establishing the Minnesota GI Bill program; amending certain Minnesota Office of Higher Education provisions; establishing new grant and loan repayment programs; amending higher education programs; amending certain grant programs; amending certain higher education provisions; eliminating obsolete references; making technical changes; authorizing control of certain decreasing students' share of attendance; establishing a college readiness assessment; increasing revenue bond limits; authorizing control of certain deposits; authorizing lease agreements; authorizing interest rate swap; providing for the Textbook Disclosure, Pricing and Access Act; amending certain private postsecondary institution provisions; amending Minnesota Statutes 2006, sections 13.322, subdivision 3; 16B.70, by adding a subdivision; 41D.01, subdivision 1; 120B.023, subdivision 2; 120B.024; 135A.031, subdivision 7; 135A.053, subdivision 2; 135A.14, subdivision 1; 135A.51, subdivision 2; 135A.52, subdivisions 1, 2; 136A.01, subdivision 2; 136A.031, subdivision 5; 136A.0411; 136A.08, subdivision 7; 136A.101, subdivision 4; 136A.121, subdivision 5; 136A.125, subdivision 2; 136A.15, subdivisions 1, 6; 136A.233, subdivision 3; 136A.29, subdivision 9; 136A.61; 136A.62, subdivision 3; 136A.63; 136A.64; 136A.65; 136A.653; 136A.657; 136A.66; 136A.67; 136A.68; 136A.69; 136A.71; 136A.861, subdivisions 1, 2, 3, 6; 136F.02, subdivision 1; 136F.42, subdivision 1; 136F.71, subdivision 2, by adding a subdivision; 136G.11, subdivision 5; 141.21, subdivisions 1a, 5; 141.25, subdivisions 1, 5, 7, 9, 10, 12; 141.255, subdivision 2; 141.265, subdivision 2; 141.271, subdivisions 10, 12; 141.28, subdivision 1; 141.32; 141.35; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 136F; 141; 197; repealing Minnesota Statutes 2006, sections 135A.031, subdivisions 1, 2, 3, 4, 5, 6; 135A.032; 135A.033; 136A.07; 136A.08, subdivision 8; 137.0245; 137.0246.

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

ARTICLE 1

HIGHER EDUCATION APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

2.1		<u>2008</u>	<u>2009</u>	<u>Total</u>
2.2	<u>General</u>	\$ <u>1,555,448,000</u>	\$ <u>1,638,178,000</u>	\$ <u>3,193,626,000</u>
2.3	<u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>	<u>4,314,000</u>
2.4	<u>Total</u>	\$ <u>1,557,605,000</u>	\$ <u>1,640,335,000</u>	\$ <u>3,197,940,000</u>

2.5 Sec. 2. HIGHER EDUCATION APPROPRIATIONS.

2.6 The sums shown in the columns marked "Appropriations" are appropriated to the
2.7 agencies and for the purposes specified in this article. The appropriations are from the
2.8 general fund, or another named fund, and are available for the fiscal years indicated
2.9 for each purpose. The figures "2008" and "2009" used in this article mean that the
2.10 appropriations listed under them are available for the fiscal year ending June 30, 2008, or
2.11 June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal
2.12 year 2009. "The biennium" is fiscal years 2008 and 2009.

2.13		<u>APPROPRIATIONS</u>	
2.14		<u>Available for the Year</u>	
2.15		<u>Ending June 30</u>	
2.16		<u>2008</u>	<u>2009</u>

2.17 Sec. 3. MINNESOTA OFFICE OF HIGHER
2.18 EDUCATION

2.19	<u>Subdivision 1. Total Appropriation</u>	\$ <u>197,933,000</u>	\$ <u>198,654,000</u>
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2.20 The amounts that may be spent for each
2.21 purpose are specified in the following
2.22 subdivisions.

2.23	<u>Subd. 2. Minnesota GI Bill</u>	<u>10,000,000</u>	<u>10,000,000</u>
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2.24 For grants to eligible veterans or the eligible
2.25 spouses and children of veterans as provided
2.26 under Minnesota Statutes, section 197.791.

2.27 Of this appropriation, \$152,000 the first
2.28 year and \$104,000 the second year are for
2.29 the administrative costs of operating this
2.30 program. For the 2010-2011 biennium,
2.31 the base for this program's administrative
2.32 costs must be included within the agency
2.33 administration program activity.

2.34	<u>Subd. 3. State Grants</u>	<u>150,154,000</u>	<u>151,124,000</u>
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S.F. No. 1989, 2nd Unofficial Engrossment - 85th Legislative Session (2007-2008)

3.1 If the appropriation in this subdivision for
3.2 either year is insufficient, the appropriation
3.3 for the other year is available for it.

3.4 For the biennium, the tuition maximum for
3.5 students in four-year programs is \$9,957 in
3.6 each year for students in four-year programs,
3.7 and for students in two-year programs, is
3.8 \$4,717 in the first year and \$4,859 in the
3.9 second year.

3.10 This appropriation sets the living and
3.11 miscellaneous expense allowance at \$6,241
3.12 each year.

3.13	<u>Subd. 4. Safety Officers Survivors</u>	<u>100,000</u>	<u>100,000</u>
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3.14 This appropriation is to provide educational
3.15 benefits under Minnesota Statutes, section
3.16 299A.45, to dependent children under age 23
3.17 and to the spouses of public safety officers
3.18 killed in the line of duty.

3.19 If the appropriation in this subdivision for
3.20 either year is insufficient, the appropriation
3.21 for the other year is available for it.

3.22	<u>Subd. 5. Interstate Tuition Reciprocity</u>	<u>2,000,000</u>	<u>2,000,000</u>
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3.23 If the appropriation in this subdivision for
3.24 either year is insufficient, the appropriation
3.25 for the other year is available to meet
3.26 reciprocity contract obligations.

3.27	<u>Subd. 6. State Work Study</u>	<u>12,444,000</u>	<u>12,444,000</u>
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3.28	<u>Subd. 7. Child Care Grants</u>	<u>4,934,000</u>	<u>4,934,000</u>
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3.29	<u>Subd. 8. Minitex</u>	<u>5,881,000</u>	<u>5,881,000</u>
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3.30	<u>Subd. 9. MnLINK Gateway</u>	<u>400,000</u>	<u>400,000</u>
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3.31	<u>Subd. 10. Learning Network of Minnesota</u>	<u>4,800,000</u>	<u>4,800,000</u>
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3.32	<u>Subd. 11. Minnesota College Savings Plan</u>	<u>1,020,000</u>	<u>1,020,000</u>
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4.1	Subd. 12. <u>Midwest Higher Education Compact</u>	<u>90,000</u>	<u>90,000</u>
4.2	Subd. 13. <u>Other Small Programs</u>	<u>1,960,000</u>	<u>1,670,000</u>
4.3	<u>This appropriation includes funding for</u>		
4.4	<u>postsecondary service learning, student and</u>		
4.5	<u>parent information, get ready, outreach, and</u>		
4.6	<u>intervention for college attendance programs.</u>		
4.7	<u>\$265,000 each year is for grants to increase</u>		
4.8	<u>campus-community collaboration and service</u>		
4.9	<u>learning statewide, including operations of</u>		
4.10	<u>the Minnesota campus compact, grants to</u>		
4.11	<u>member institutions and grants for member</u>		
4.12	<u>institution initiatives. For every \$1 in state</u>		
4.13	<u>funding, grant recipients must contribute \$2</u>		
4.14	<u>in campus or community-based support.</u>		
4.15	<u>\$100,000 each year is for a grant to the</u>		
4.16	<u>Loan Repayment Assistance Program</u>		
4.17	<u>of Minnesota, Inc. for loan repayment</u>		
4.18	<u>assistance awards.</u>		
4.19	<u>\$500,000 each year is for the teacher</u>		
4.20	<u>education and compensation helps (TEACH)</u>		
4.21	<u>and the Minnesota early childhood teacher</u>		
4.22	<u>retention programs in Minnesota Statutes,</u>		
4.23	<u>section 136A.126. This is a onetime</u>		
4.24	<u>appropriation.</u>		
4.25	<u>\$250,000 in the first year is for a grant to</u>		
4.26	<u>Augsburg College for the purpose of its</u>		
4.27	<u>Step UP program to provide educational</u>		
4.28	<u>opportunities to chemically dependent</u>		
4.29	<u>students and to work with other public</u>		
4.30	<u>and private colleges in Minnesota to help</u>		
4.31	<u>replicate this program. This is a onetime</u>		
4.32	<u>appropriation.</u>		
4.33	<u>\$40,000 in the first year is for a grant to</u>		
4.34	<u>the Washington Center for Internships and</u>		

5.1	<u>Academic Seminars for a pilot program</u>		
5.2	<u>for scholarships for students enrolling in a</u>		
5.3	<u>Minnesota four-year college or university</u>		
5.4	<u>beginning in the fall semester of 2007. The</u>		
5.5	<u>grant is available only with a dollar-for-dollar</u>		
5.6	<u>match from nonstate sources.</u>		
5.7	<u>Subd. 14. Access to College and Helping</u>		
5.8	<u>Individuals Everywhere Value Education and</u>		
5.9	<u>Rural Pilot Programs</u>	<u>1,000,000</u>	<u>1,000,000</u>
5.10	<u>For Access to College and Helping</u>		
5.11	<u>Individuals Everywhere Value Education</u>		
5.12	<u>pilot projects that provide distance-learning</u>		
5.13	<u>opportunities through the Minnesota State</u>		
5.14	<u>Colleges and Universities for high school</u>		
5.15	<u>students living in remote and underserved</u>		
5.16	<u>areas where the school district lacks</u>		
5.17	<u>the resources to provide academically</u>		
5.18	<u>challenging educational opportunities,</u>		
5.19	<u>including Advanced Placement and</u>		
5.20	<u>International Baccalaureate programs.</u>		
5.21	<u>Students who successfully complete a course</u>		
5.22	<u>must receive college credit at no cost to the</u>		
5.23	<u>student or the participating school district.</u>		
5.24	<u>The office must report to the committees of</u>		
5.25	<u>the legislature with responsibility for higher</u>		
5.26	<u>education finance by January 15, 2009, on the</u>		
5.27	<u>program outcomes with recommendations on</u>		
5.28	<u>continuing and expanding the program.</u>		
5.29	<u>Subd. 15. United Family Medicine Residency</u>		
5.30	<u>Program</u>	<u>360,000</u>	<u>360,000</u>
5.31	<u>For a grant to the united family medicine</u>		
5.32	<u>residency program. This appropriation</u>		
5.33	<u>must be used to support up to 18 resident</u>		
5.34	<u>physicians each year in family practice at</u>		
5.35	<u>united family medicine residency programs</u>		
5.36	<u>and must prepare doctors to practice family</u>		

6.1 care medicine in underserved rural and
6.2 urban areas of the state. The legislature
6.3 intends this program to improve health
6.4 care in underserved communities, provide
6.5 affordable access to appropriate medical
6.6 care, and manage the treatment of patients in
6.7 a more cost-effective manner.

6.8 Subd. 16. **Agency Administration** 2,690,000 2,731,000

6.9 Of this appropriation, \$39,000 the first
6.10 year and \$80,000 the second year are for
6.11 compensation-related costs associated with
6.12 the delivery of the office's services and
6.13 programs.

6.14 Subd. 17. **Balances Forward**

6.15 A balance in the first year under this section
6.16 does not cancel, but is available for the
6.17 second year.

6.18 Subd. 18. **Transfers**

6.19 The Minnesota Office of Higher Education
6.20 may transfer unencumbered balances from
6.21 the appropriations in subdivisions 2 to 15 to
6.22 the state grant appropriation, the safety officer
6.23 survivors appropriation, the interstate tuition
6.24 reciprocity appropriation, the Minnesota
6.25 college savings plan appropriation, the child
6.26 care appropriation, and the state work study
6.27 appropriation.

6.28 Subd. 19. **Reporting**

6.29 (a) By November 1 and February 15, the
6.30 Minnesota Office of Higher Education
6.31 must provide updated state grant spending
6.32 projections, taking into account the most
6.33 current and projected enrollment and tuition
6.34 and fee information, economic conditions,

7.1 and other relevant factors. Before submitting
7.2 state grant spending projections, the office
7.3 must meet and consult with representatives of
7.4 public and private postsecondary education,
7.5 the Department of Finance, the governor's
7.6 office, legislative staff, and financial aid
7.7 administrators.

(b) The Minnesota Office of Higher Education shall report to the higher education divisions of the house and senate finance committees on participation in postsecondary education by income, and persistence and graduation rates of state grant recipients compared to students who did not receive state grants. The office is authorized to match individual student data from the student record enrollment database with individual student data from the state grant database on data elements necessary to perform the study.

7.20 **Sec. 4. BOARD OF TRUSTEES OF THE**
7.21 **MINNESOTA STATE COLLEGES AND**
7.22 **UNIVERSITIES**

7.23	Subdivision 1. Total Appropriation	\$	662,388,000	\$	698,288,000
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7.24 The amounts that may be spent for each
7.25 purpose are specified in the following
7.26 subdivisions.

7.27	<u>Subd. 2. Central Office and Shared Services</u>				
7.28	Unit	\$	34,170,550	\$	34,170,550

7.29 For the office of the chancellor and the shared
7.30 services division.

7.31	Subd. 3. Operations and Maintenance	\$	628,217,450	\$	664,118,000
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7.32 (a) This appropriation includes funding
7.33 for the board's initiatives on recruiting and
7.34 retaining underrepresented students, strategic

8.1 educational advancements, STEM initiatives,
8.2 and infrastructure and technology, and for
8.3 the costs of inflation. This appropriation
8.4 also includes funding to reduce the tuition
8.5 rate increase to two percent in the first
8.6 year and zero in the second year from the
8.7 board-approved plan of a four percent annual
8.8 increase.

8.9 (b) Appropriations for technology and
8.10 infrastructure under this subdivision must
8.11 not be used to increase permanent positions
8.12 in the office of the chancellor or the shared
8.13 services office. Any new positions funded
8.14 from the technology and infrastructure
8.15 appropriation must be at a campus.

8.16 (c) \$400,000 each year is for
8.17 community-based energy development
8.18 pilot projects at Mesabi Range Technical
8.19 and Community College, the Minnesota
8.20 West Community and Technical College,
8.21 and Riverland Community College. Each
8.22 campus must establish partnerships for
8.23 community-based energy development pilot
8.24 projects that involve students and faculty. An
8.25 allocation for the pilot project is available
8.26 to the participating institutions and the
8.27 partnerships for the biennium ending June
8.28 30, 2009.

8.29 (d) \$750,000 in the first year is for a modular
8.30 clean-room research and training facility
8.31 at St. Paul College. This is a onetime
8.32 appropriation and is available until expended.

8.33 (e) \$300,000 the first year is for a grant to
8.34 the Range Association of Municipalities
8.35 and Schools for a study of student demand

9.1 and employer needs for higher education in
9.2 the Mesabi Range region of northeastern
9.3 Minnesota including the cities of Grand
9.4 Rapids through Eveleth to Ely. The
9.5 association must coordinate and contract for
9.6 a study in cooperation with the Board of
9.7 Regents of the University of Minnesota and
9.8 the Board of Trustees of the Minnesota State
9.9 Colleges and Universities. The governing
9.10 boards must advise on which of the identified
9.11 needs can be met by University of Minnesota
9.12 courses and which can be met by the
9.13 Minnesota State Colleges and Universities,
9.14 and which degree programs may be offered
9.15 jointly. The final report must be submitted to
9.16 the committees of the legislature responsible
9.17 for higher education finance by January 15,
9.18 2008, with recommendations and plans for
9.19 the region.

9.20 (f) \$120,000 in each year is for the Cook
9.21 County Higher Education Board to provide
9.22 educational programs and academic support
9.23 services. The base appropriation for this
9.24 program is \$120,000 in each year of the
9.25 biennium ending June 30, 2011.

9.26 (g) \$2,000,000 the first year and \$1,000,000
9.27 the second year are for a pilot project with
9.28 the Northeast Minnesota Higher Education
9.29 District and high schools in its area. Up to
9.30 \$1,200,000 of the first year appropriation
9.31 must be used to purchase equipment that is
9.32 necessary to reestablish a technical education
9.33 curriculum in the area high schools to
9.34 provide the students with the technical
9.35 skills necessary for the workforce. Students
9.36 from area high schools may also access

10.1 the facilities and faculty of the Northeast
10.2 Minnesota Higher Education District
10.3 for state-of-the-art technical education
10.4 opportunities, including MnSCU's 2+2
10.5 Pathways initiative. \$1,000,000 is added to
10.6 the base for this project.

10.7 (h) \$50,000 in the first year is for St. Paul
10.8 College to collaborate with the United Auto
10.9 Workers Local 879 to purchase a Ford
10.10 Ranger pickup truck to retrofit to run on a
10.11 battery-powered motor. This vehicle must
10.12 be retrofitted to serve as a prototype that
10.13 could be mass-produced at the St. Paul Ford
10.14 assembly plant.

10.15 (i) \$100,000 each year is for a grant to a
10.16 Minnesota public postsecondary institution
10.17 with a total student enrollment under 7,000
10.18 students, that has an existing women's
10.19 hockey team competing in Division I in the
10.20 Western Collegiate Hockey Association.
10.21 The institution may use the grant for
10.22 equipment, facility improvements, travel and
10.23 compensation for coaches, trainers, and other
10.24 necessary personnel.

10.25 (j) \$450,000 each year is to establish a center
10.26 for workforce and economic development
10.27 at the Mesabi Range Community and
10.28 Technical College and to enhance eFolio
10.29 Minnesota. The board, in cooperation with
10.30 the Iron Range Resources and Rehabilitation
10.31 Board (IRRRB) and the Department of
10.32 Employment and Economic Development,
10.33 must establish the center to provide on-site
10.34 and Internet-based support and technical
10.35 assistance to users of the state's eFolio

11.1 Minnesota system to promote workforce and
11.2 economic development. The center must
11.3 assist local economic development agencies
11.4 and officials to enable them to access
11.5 workforce information generated through the
11.6 eFolio Minnesota system. The board must
11.7 enhance the eFolio Minnesota system as
11.8 necessary to serve these purposes. The center
11.9 must report annually to the IRRRB and the
11.10 Department of Employment and Economic
11.11 Development on the outcomes of the center's
11.12 activities.

11.13 (k) \$1,000,000 the first year is to identify
11.14 and improve on practices for selecting and
11.15 purchasing textbooks and course materials
11.16 that are used by students. The board, in
11.17 collaboration with the Minnesota State
11.18 University Student Association (MSUSA)
11.19 and the Minnesota State College Student
11.20 Association (MSCSA) must develop
11.21 and implement pilot projects with this
11.22 appropriation to address the financial burden
11.23 that textbook prices and requirements place
11.24 on students. These projects may include
11.25 textbook rental programs, cooperative
11.26 purchasing efforts, training, and education
11.27 and awareness programs for students and
11.28 faculty on cost considerations and textbook
11.29 options. The student associations must
11.30 be fully involved in the development and
11.31 implementation of any project using this
11.32 appropriation. Each student association
11.33 must vote to approve a project before it is
11.34 implemented. MSUSA and MSCSA must
11.35 report to the committees of the legislature
11.36 responsible for higher education finance by

12.1 February 15, 2009, on the success of the pilot
12.2 projects. This money is available until June
12.3 30, 2009.

12.4 Subd. 4. Board Policies

12.5 (a) The board must adopt a policy that allows
12.6 students to add the cost of textbooks and
12.7 required course materials purchased at a
12.8 campus bookstore, owned by or operated
12.9 under a contract with the campus, to the
12.10 existing waivers or payment plans for tuition
12.11 and fees.

12.12 (b) The board must adopt a policy setting
12.13 the maximum number of semester credits
12.14 required for a baccalaureate degree at 120
12.15 semester credits or the equivalent and the
12.16 number of semester credits required for an
12.17 associate degree at 60 semester credits or the
12.18 equivalent.

12.19 Sec. 5. **BOARD OF REGENTS OF THE**
12.20 **UNIVERSITY OF MINNESOTA**

12.21	Subdivision 1. <u>Total Appropriation</u>	\$	696,082,000	\$	742,143,000
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12.22 The amounts that may be spent for each
12.23 purpose are specified in the following
12.24 subdivisions.

12.25	Subd. 2. Operations and Maintenance	611,112,000	667,550,000
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12.26 (a) This appropriation includes amounts for
12.27 the board:

12.28 (1) to make investments in the university's
12.29 technology and related infrastructure;

12.30 (2) to award faculty and staff compensation

12.31 increases differentially;

12.32 (3) for the board's health workforce and
12.33 clinical sciences initiative;

- 13.1 (4) initiatives in science and engineering;
13.2 (5) initiatives relating to the environment,
13.3 agriculture, and renewable energy; and
13.4 (6) for advancing education, including an
13.5 Ojibwe Indian language program on the
13.6 Duluth campus.
- 13.7 (b) \$2,250,000 each year is to establish
13.8 banded tuition at the Morris, Crookston, and
13.9 Duluth campuses to reduce tuition costs for
13.10 students.
- 13.11 (c) \$7,000,000 for the biennium is for
13.12 scholarships to mitigate the effects of rising
13.13 tuition on Minnesota students and families.
13.14 This appropriation must be matched with
13.15 \$2 of nonstate money for each \$1 of state
13.16 money.
- 13.17 (d) \$12,404,000 in the second year is to
13.18 reduce the proposed tuition rate increase.
13.19 Any of this amount that is not used by the
13.20 board to reduce tuition cancels to the general
13.21 fund.
- 13.22 (e) \$300,000 the first year is for the Center
13.23 for Transportation Studies to complete a
13.24 study to assess public policy options for
13.25 reducing the volume of greenhouse gases
13.26 emitted from the transportation sector in
13.27 Minnesota. The Center for Transportation
13.28 Studies must report its preliminary findings
13.29 to the legislature by February 1, 2008, and
13.30 must issue its full report by June 1, 2008.
13.31 This is a onetime appropriation.
- 13.32 (f) \$250,000 each year is to establish an India
13.33 Center to improve and promote relations with
13.34 India and Southeast Asia. The center must

14.1 partner with public and private organizations
14.2 in Minnesota to:
14.3 (1) foster an understanding of the history,
14.4 culture, and values of India;
14.5 (2) serve as a resource and catalyst to
14.6 promote economic, governmental, and
14.7 academic pursuits involving India; and
14.8 (3) facilitate educational and business
14.9 exchanges and partnerships, collaborative
14.10 research, and teaching and training activities
14.11 for Minnesota students and teachers.
14.12 The Board of Regents may establish an
14.13 advisory council to facilitate the mission
14.14 and objectives of the India Center and must
14.15 report on the progress of the India Center by
14.16 February 15, 2008, to the governor and chairs
14.17 of the legislative committees responsible for
14.18 higher education finance. This is a onetime
14.19 appropriation.
14.20 (g) \$750,000 in the first year is to assist in
14.21 the formation of the neighborhood alliance
14.22 and for projects identified in section 8. The
14.23 alliance, the Board of Regents, and the city of
14.24 Minneapolis may cooperate on the projects
14.25 and may use a public services of other entities
14.26 to complete all or a portion of a project.
14.27 (h) \$300,000 the first year is to establish a
14.28 Dakota language teacher training immersion
14.29 program on the Twin Cities campus to
14.30 prepare teachers to teach in Dakota language
14.31 immersion programs. This is a onetime
14.32 appropriation.
14.33 (i) \$400,000 each year is for the Minnesota
14.34 Institute for Sustainable Agriculture to

15.1	<u>provide funds for on-station and on-farm</u>		
15.2	<u>field scale research and outreach to develop</u>		
15.3	<u>and test the agronomic and economic</u>		
15.4	<u>requirements of diverse strands of prairie</u>		
15.5	<u>plants and other perennials for bioenergy</u>		
15.6	<u>systems including but not limited to</u>		
15.7	<u>multiple species selection and establishment,</u>		
15.8	<u>ecological management between planting</u>		
15.9	<u>and harvest, harvest technologies, financial</u>		
15.10	<u>and agronomic risk management, farmer</u>		
15.11	<u>goal setting and adoption of technologies,</u>		
15.12	<u>integration of wildlife habitat into</u>		
15.13	<u>management approaches, evaluation of</u>		
15.14	<u>carbon and other benefits, and robust policies</u>		
15.15	<u>needed to induce farmer conversion on</u>		
15.16	<u>marginal lands.</u>		
15.17	<u>Subd. 3. Health Care Access Fund</u>	<u>2,157,000</u>	<u>2,157,000</u>
15.18	<u>This appropriation is from the health care</u>		
15.19	<u>access fund and is for primary care education</u>		
15.20	<u>initiatives.</u>		
15.21	<u>Subd. 4. Special Appropriation</u>	<u>65,813,000</u>	<u>65,436,000</u>
15.22	<u>(a) Agriculture and Extension Service</u>	<u>52,625,000</u>	<u>52,275,000</u>
15.23	<u>(1) For the Agricultural Experiment</u>		
15.24	<u>Station, Minnesota Extension Service. This</u>		
15.25	<u>appropriation includes funding to promote</u>		
15.26	<u>alternative livestock research and outreach</u>		
15.27	<u>at the Minnesota Institute for Sustainable</u>		
15.28	<u>Agriculture, and to promote sustainable and</u>		
15.29	<u>organic agricultural research and education.</u>		
15.30	<u>(2) This appropriation includes funding</u>		
15.31	<u>for research efforts that demonstrate a</u>		
15.32	<u>renewed emphasis on the needs of the state's</u>		
15.33	<u>production agriculture community and a</u>		
15.34	<u>continued focus on renewable energy derived</u>		

16.1 from Minnesota biomass resources including
16.2 agronomic crops, plant and animal wastes,
16.3 and native plants or trees, with priority for
16.4 extending the Minnesota vegetable growing
16.5 season; fertilizer and soil fertility research
16.6 and development; treating and curing human
16.7 diseases utilizing plant and livestock cells;
16.8 using biofuel production coproducts as
16.9 feed for livestock; and a rapid agricultural
16.10 response fund for current or emerging
16.11 animal, plant, and insect problems affecting
16.12 production or food safety. In addition, the
16.13 appropriation may be used to secure a facility
16.14 and retain current faculty levels for poultry
16.15 research currently conducted at UMore Park.

16.16 (3) In the area of renewable energy, priority
16.17 should be given to projects pertaining to:
16.18 biofuel and other energy production from
16.19 small grains; alternative bioenergy crops and
16.20 cropping systems; and growing, harvesting,
16.21 and transporting biomass plant material.

16.22 (4) This appropriation includes funding for
16.23 the college of food, agricultural, and natural
16.24 resources sciences to establish and maintain
16.25 a statewide organic research and education
16.26 initiative to provide leadership for organic
16.27 agronomic, horticultural, livestock, and food
16.28 systems research, education, and outreach
16.29 and for the purchase of state-of-the-art
16.30 laboratory, planting, tilling, harvesting, and
16.31 processing equipment necessary for this
16.32 project.

16.33 (5) By February 1, 2009, the Board
16.34 of Regents must report to the legislative
16.35 committees with responsibility for agriculture

17.1 and higher education finance on the research
 17.2 and initiatives under this paragraph.

17.3 (6) The base appropriation is \$51,775,000
 17.4 each year of the biennium ending June 30,
 17.5 2011.

17.6 <u>(b) Health Sciences</u>	<u>5,275,000</u>	<u>5,275,000</u>
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17.7 \$346,000 each year is to support up to 12
 17.8 resident physicians each year in the St.
 17.9 Cloud Hospital family practice residency
 17.10 program. The program must prepare doctors
 17.11 to practice primary care medicine in the rural
 17.12 areas of the state. The legislature intends
 17.13 this program to improve health care in rural
 17.14 communities, provide affordable access to
 17.15 appropriate medical care, and manage the
 17.16 treatment of patients in a more cost-effective
 17.17 manner.

17.18 The remainder of this appropriation is for
 17.19 the rural physicians associates program, the
 17.20 Veterinary Diagnostic Laboratory, health
 17.21 sciences research, dental care, and the
 17.22 Biomedical Engineering Center.

17.23 <u>(c) Institute of Technology</u>	<u>1,387,000</u>	<u>1,387,000</u>
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17.24 For the Geological Survey and the talented
 17.25 youth mathematics program.

17.26 <u>(d) System Specials</u>	<u>6,526,000</u>	<u>6,526,000</u>
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17.27 For general research, student loans matching
 17.28 money, industrial relations education,
 17.29 Natural Resources Research Institute, Center
 17.30 for Urban and Regional Affairs, and the Bell
 17.31 Museum of Natural History. \$100,000 is
 17.32 added to the base appropriation for industrial
 17.33 relations education.

18.1	Subd. 5. <u>University of Minnesota and Mayo</u>		
18.2	<u>Foundation Partnership</u>	<u>17,000,000</u>	<u>7,000,000</u>
18.3	<u>For the direct and indirect expenses of the</u>		
18.4	<u>collaborative research partnership between</u>		
18.5	<u>the University of Minnesota and the Mayo</u>		
18.6	<u>Foundation for research in biotechnology</u>		
18.7	<u>and medical genomics. \$7,000,000 is added</u>		
18.8	<u>to the base. This appropriation is available</u>		
18.9	<u>until expended. An annual report on the</u>		
18.10	<u>expenditure of these funds must be submitted</u>		
18.11	<u>to the governor and the chairs of the senate</u>		
18.12	<u>and house committees responsible for higher</u>		
18.13	<u>education and economic development by</u>		
18.14	<u>June 30 of each fiscal year.</u>		
18.15	Subd. 6. <u>Academic Health Center</u>		
18.16	<u>The appropriation for Academic Health</u>		
18.17	<u>Center funding under Minnesota Statutes,</u>		
18.18	<u>section 297F.10, is \$22,250,000 each year.</u>		
18.19	Sec. 6. <u>MAYO CLINIC</u>		
18.20	Subdivision 1. <u>Total Appropriation</u>	<u>\$ 1,202,000</u>	<u>\$ 1,250,000</u>
18.21	<u>The amounts that may be spent for each</u>		
18.22	<u>purpose are specified in the following</u>		
18.23	<u>subdivisions.</u>		
18.24	Subd. 2. <u>Medical School</u>	<u>591,000</u>	<u>615,000</u>
18.25	<u>The state of Minnesota must pay a capitation</u>		
18.26	<u>each year for each student who is a resident</u>		
18.27	<u>of Minnesota. The appropriation may be</u>		
18.28	<u>transferred between years of the biennium to</u>		
18.29	<u>accommodate enrollment fluctuations. The</u>		
18.30	<u>funding base for this program is \$640,000 in</u>		
18.31	<u>fiscal year 2010 and \$665,000 in fiscal year</u>		
18.32	<u>2011.</u>		

19.1 It is intended that during the biennium the
19.2 Mayo Clinic use the capitation money to
19.3 increase the number of doctors practicing in
19.4 rural areas in need of doctors.

19.5 <u>Subd. 3. Family Practice and Graduate</u>		
19.6 <u>Residency Program</u>	<u>611,000</u>	<u>635,000</u>

19.7 The state of Minnesota must pay stipend
19.8 support for up to 27 residents each year. The
19.9 funding base for this program is \$660,000 in
19.10 fiscal year 2010 and \$686,000 in fiscal year
19.11 2011.

19.12 Sec. 7. **[135A.035] ACCOMMODATIONS.**

19.13 The Board of Regents of the University of Minnesota is strongly encouraged not to
19.14 authorize and the Board of Trustees of the Minnesota State Colleges and Universities may
19.15 not authorize the use of funds appropriated by the legislature to modify any of its facilities
19.16 or otherwise to accommodate the practices of a specific religious group unless the system
19.17 makes an equal amount of funds appropriated by the legislature to that system available
19.18 for any other religious group requesting modification of the system's facilities or other
19.19 accommodation of that specific religious group's practices.

19.20 Sec. 8. **LEGISLATIVE COMMISSION ON POSTSECONDARY FUNDING.**

19.21 Subdivision 1. **Membership.** A 12-member legislative commission on
19.22 postsecondary funding is established consisting of six members of the house of
19.23 representatives appointed by the speaker and six members of the senate appointed by
19.24 the Subcommittee on Committees of the Committee on Rules and Administration. The
19.25 commission may elect a chair and other officers as necessary.

19.26 Subd. 2. **Charge.** The commission must develop an alternative funding formula
19.27 or funding method for postsecondary education that creates incentives for high quality
19.28 postsecondary education while maintaining access for students. In developing the formula
19.29 or funding method, the commission must consider and address:

19.30 (1) both institutional aid and direct student aid;

19.31 (2) the major cost drivers in postsecondary education, such as inflation and
19.32 enrollment;

19.33 (3) federal postsecondary funding and tax incentives for postsecondary education;
19.34 and

(4) funding the formula or funding method within the projected constraints on the state budget in the coming decade.

Subd. 3. **Report.** The commission must report its recommendations to the house Division on Higher Education and Workforce Development Policy and Finance, and the senate Higher Education Budget and Policy Division by June 30, 2008.

Subd. 4. **Expiration.** The commission expires June 30, 2008.

Sec. 9. **UNIVERSITY OF MINNESOTA MINNEAPOLIS AREA NEIGHBORHOOD ALLIANCE.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Alliance" means a representative body of the constituencies, including, but not limited to, the University of Minnesota, the city of Minneapolis, and the recognized neighborhood organizations and business associations referenced in the report.

(c) "Board" means the Board of Regents of the University of Minnesota.

(d) "Report" means the report and appendix entitled Moving Forward Together: University of Minnesota Minneapolis Area Neighborhood Impact Report, submitted to the legislature in February 2007.

(e) "University partnership district" or "district" means the area located within the city that includes the neighborhoods of Cedar-Riverside, Marcy-Holmes, South East Como, Prospect Park, and University, as they are defined by the city, and the university's Minneapolis campus.

(f) "Tier two impact zone" means the neighborhoods of northeast Minneapolis that house significant numbers of university students and staff. Transportation and housing policy analysis and planning must include these areas but they must not be included in the projects funded through the alliance.

(g) "University" means the University of Minnesota.

Subd. 2. **Alliance; functions.** The alliance may facilitate, initiate, or manage projects with the board, city, or other public or private entities that are intended to maintain the university partnership district as a viable place to study, research, and live. Projects may include, but are not limited to, those outlined in the report, as well as efforts to involve students in activities to maintain and improve the university partnership district; cooperative university and university partnership district long-term planning; and incentives to increase homeownership within the district with particular emphasis on employees of the university and of other major employers located within the district.

21.1 Subd. 3. **Report.** The board must report to the legislature by January 15, 2009, on
21.2 the expenditure of funds appropriated under section 3.

21.3 Sec. 10. MINNESOTA OFFICE OF HIGHER EDUCATION FINANCIAL AID

21.4 STUDY.

21.5 The Minnesota Office of Higher Education must review and evaluate the existing
21.6 financial aid programs that provide loans and grants to students in postsecondary education
21.7 and the needs of the workforce for occupations that are currently or will be in demand.
21.8 The study must evaluate how effective the financial aid programs are at linking the needs
21.9 of the workforce with student need for financial aid. The study must also identify options
21.10 for designing financial aid programs including loan forgiveness and loan repayment
21.11 programs that target the needs of the workforce and provide incentives to students to
21.12 pursue postsecondary education in fields with identified workforce needs. By February
21.13 15, 2008, the office must report to the legislative committees responsible for higher
21.14 education and workforce development on the findings of the study and provide options
21.15 and recommendations on how to deliver financial aid, provide incentives for students,
21.16 and meet the needs of the workforce for occupations that include speech pathologists
21.17 and other occupations with unmet need.

21.18 **ARTICLE 2**
21.19 **MINNESOTA GI BILL FOR VETERANS**

21.20 Section 1. Minnesota Statutes 2006, section 136A.01, subdivision 2, is amended to

21.21 read:

21.22 Subd. 2. **Responsibilities.** The Minnesota Office of Higher Education is responsible

21.23 for:

21.24 (1) necessary state level administration of financial aid and Minnesota GI Bill
21.25 programs, including accounting, auditing, and disbursing state and federal financial aid
21.26 funds, and reporting on financial aid programs to the governor and the legislature;

21.27 (2) approval, registration, licensing, and financial aid eligibility of private collegiate
21.28 and career schools, under sections 136A.61 to 136A.71 and chapter 141;

21.29 (3) administering the Learning Network of Minnesota;

21.30 (4) negotiating and administering reciprocity agreements;

21.31 (5) publishing and distributing financial aid information and materials, and other
21.32 information and materials under section 136A.87, to students and parents;

22.1 (6) collecting and maintaining student enrollment and financial aid data and
22.2 reporting data on students and postsecondary institutions to develop and implement a
22.3 process to measure and report on the effectiveness of postsecondary institutions;

22.4 (7) administering the federal programs that affect students and institutions on a
22.5 statewide basis; and

22.6 (8) prescribing policies, procedures, and rules under chapter 14 necessary to
22.7 administer the programs under its supervision.

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

22.10 Sec. 2. **[197.791] MINNESOTA GI BILL PROGRAM.**

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

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

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

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

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

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

22.24 (f) "Eligible institution" means a postsecondary institution located in this state
22.25 that either (1) is operated by this state; or (2) is operated publicly or privately and, as
22.26 determined by the office, maintains academic standards substantially equivalent to those
22.27 of comparable institutions operated in this state.

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

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

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

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

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

(5) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5).

(h) "Part-time student" means an undergraduate student enrolled for fewer than 12 credits in a semester or the equivalent, or a graduate student as defined by the student's eligible institution.

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

(j) "Service-connected" has the meaning given by the United States Department of Veterans Affairs.

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

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

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

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

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

24.1 Subd. 5. **Eligibility.** (a) A person is eligible for educational assistance under this
24.2 section if:
24.3 (1) the person is:
24.4 (i) a veteran who is serving or has served honorably in any branch or unit of the
24.5 United States armed forces at any time on or after August 2, 1990;
24.6 (ii) a nonveteran who has served honorably for a total of 16 years or more
24.7 cumulatively as a member of the Minnesota national guard or any other active or reserve
24.8 component of the United States armed forces, and any part of that service occurred on
24.9 or after August 2, 1990;
24.10 (iii) the surviving spouse or child of a person described in (i) or (ii) who has died as
24.11 a direct result of that military service; or
24.12 (iv) the spouse or child of a person described in (i) or (ii) who has a total
24.13 and permanent service-connected disability as rated by the United States veterans
24.14 administration;
24.15 (2) the person described in clause (1), item (i) or (ii), had Minnesota as the person's
24.16 state of residence at the time of the person's initial enlistment or any reenlistment in
24.17 the United States armed forces;
24.18 (3) the person receiving the educational assistance is a Minnesota resident, as
24.19 defined in section 136A.101, subdivision 8; and
24.20 (4) the person receiving the educational assistance is an eligible student.
24.21 (b) A person's eligibility terminates when the person becomes eligible for benefits
24.22 under section 135A.52.
24.23 (c) As proof of honorable service and disability or death status for a veteran or
24.24 service member, the director, by policy and in consultation with the commissioner, may
24.25 require official documentation, including the person's federal form DD-214 or other official
24.26 military discharge papers, correspondence from the United States veterans administration,
24.27 birth certificate, marriage certificate, proof of enrollment at an eligible institution, signed
24.28 affidavits, proof of residency, proof of identity, or any other official documentation the
24.29 director considers necessary to determine an applicant's eligibility status.
24.30 (d) The director, in consultation with the commissioner, may deny eligibility or
24.31 terminate benefits under this section to any person who has not provided sufficient proof of
24.32 eligibility for the program. An applicant may appeal the director's eligibility determination
24.33 in writing to the director at any time. The director must rule on any application or appeal
24.34 within 30 days of receipt of all documentation that the director requires. Upon receiving
24.35 an application with insufficient documentation, the director must notify the applicant
24.36 within 30 days of receipt of the application that the application is being suspended pending

receipt by the director of sufficient documentation from the applicant. The decision of the director regarding an appeal is final; however, an applicant whose appeal of an eligibility determination has been rejected by the director may submit an additional appeal of that determination in writing to the director at any time that the applicant is able to provide substantively significant additional information relating to the person's eligibility for the program. An approval of an applicant's eligibility by the director following an appeal by the applicant is not retroactively effective beyond the later of one year previously or the semester of the person's original application.

Subd. 6. **Benefit amount.** (a) On approval by the director of an applicant's eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution. Eligibility for the program terminates upon exhaustion of a person's benefits as specified in paragraph (c).

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

(1) the federal Pell Grant;

(2) the state grant under section 136A.121; and

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

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

(1) \$1,250 per semester or term of enrollment, or in the case of a part-time student \$625 per semester or term of enrollment;

(2) \$3,570 per state fiscal year; and

(3) \$10,000 total.

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

Sec. 3. **ANNUAL REVIEW AND RECOMMENDATION.**

ARTICLE 3
RELATED HIGHER EDUCATION

Section 1. Minnesota Statutes 2006, section 13.322, subdivision 3, is amended to read:

Subd. 3. **Minnesota Office of Higher Education.** (a) **General.** Data sharing involving the Minnesota Office of Higher Education and other institutions is governed by ~~sections section 136A.05 and 136A.08, subdivision 8.~~

(b) **Student financial aid.** Data collected and used by the Minnesota Office of Higher Education on applicants for financial assistance are classified under section 136A.162.

(c) **Minnesota college savings plan data.** Account owner data, account data, and data on beneficiaries of accounts under the Minnesota college savings plan are classified under section 136G.05, subdivision 10.

(d) **School financial records.** Financial records submitted by schools registering with the Minnesota Office of Higher Education are classified under section 136A.64.

(e) **Enrollment and financial aid data.** Data collected from eligible institutions on student enrollment and federal and state financial aid are governed by sections 136A.121, subdivision 18, and 136A.1701, subdivision 11.

Sec. 2. Minnesota Statutes 2006, section 16B.70, is amended by adding a subdivision to read:

Subd. 4. **Construction management education surcharge and account.** (a)
For nonresidential construction building permits, the surcharge under subdivision 1
is increased by an amount equal to one-quarter mill (.00025) of the fee or 25 cents,
whichever amount is greater, and designated for and deposited in the construction
management education account.

(b) The construction management education account is created as an account in the special revenue fund, administered by the Minnesota Office of Higher Education for the purpose of enhancing construction management education in public postsecondary

27.1 institutions. Funds in the account are appropriated in fiscal years 2008 and 2009 to the
27.2 director of the Minnesota Office of Higher Education for the purposes of section 136A.127.

27.3 Sec. 3. Minnesota Statutes 2006, section 41D.01, subdivision 1, is amended to read:

27.4 Subdivision 1. **Establishment; membership.** (a) The Minnesota Agriculture
27.5 Education Leadership Council is established. The council is composed of ~~16~~ 17 members
27.6 as follows:

27.7 (1) the chair of the University of Minnesota agricultural education program;

27.8 (2) a representative of the commissioner of education;

27.9 (3) a representative of the Minnesota State Colleges and Universities recommended
27.10 by the chancellor;

27.11 (4) the president and the president-elect of the Minnesota Association of Agriculture
27.12 Educators;

27.13 (5) a representative of the Future Farmers of America Foundation;

27.14 (6) a representative of the commissioner of agriculture;

27.15 (7) the dean of the College of Agriculture, Food, and Environmental Sciences at the
27.16 University of Minnesota;

27.17 (8) a representative of the Minnesota Private Colleges Council;

27.18 (9) two members representing agriculture education and agriculture business
27.19 appointed by the governor;

27.20 ~~(9)~~ (10) the chair of the senate Committee on Agriculture, General Legislation
27.21 and Veterans Affairs;

27.22 ~~(10)~~ (11) the chair of the house Committee on Agriculture;

27.23 ~~(11)~~ (12) the ranking minority member of the senate Committee on Agriculture,
27.24 General Legislation and Veterans Affairs, and a member of the senate Education
27.25 Committee designated by the Subcommittee on Committees of the Committee on Rules
27.26 and Administration; and

27.27 ~~(12)~~ (13) the ranking minority member of the house Agriculture Committee, and a
27.28 member of the house Education Committee designated by the speaker.

27.29 (b) An ex officio member of the council under paragraph (a), clause (1), (4), (7),
27.30 ~~(9)~~, (10), (11), ~~or~~ (12), or (13), may designate a permanent or temporary replacement
27.31 member representing the same constituency.

27.32 Sec. 4. Minnesota Statutes 2006, section 120B.023, subdivision 2, is amended to read:

27.33 Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must
27.34 revise and appropriately embed technology and information literacy standards consistent

with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:

(1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and

(2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 beginning in the 2010-2011 school year are aligned with the state academic standards in mathematics. The statewide 11th grade mathematics test administered to students under clause (2) beginning in the 2013-2014 school year must include algebra II test items that are aligned with corresponding state academic standards in mathematics. The commissioner, in collaboration with the Minnesota State Colleges and Universities, must ensure that passing score for the statewide 11th grade mathematics test represents readiness for college so that a student who achieves a passing score on this test, upon graduation, is immediately ready to take college courses for college credit in a two-year or a four-year institution, consistent with section 135A.104. The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit. The

29.1 commissioner must implement a review of the academic standards and related benchmarks
29.2 in science beginning in the 2017-2018 school year.

29.3 (e) The commissioner in the 2009-2010 school year must revise and align the state's
29.4 academic standards and high school graduation requirements in language arts to require
29.5 that students satisfactorily complete the revised language arts standards beginning in the
29.6 2012-2013 school year. The commissioner, in collaboration with the Minnesota State
29.7 Colleges and Universities, must ensure that the passing score for the statewide tenth
29.8 grade reading and language arts test represents readiness for college so that a student who
29.9 achieves a passing score on this test, upon graduation, is immediately ready to take college
29.10 courses for college credit in a two-year or a four-year institution, consistent with section
29.11 135A.104. The commissioner must implement a review of the academic standards and
29.12 related benchmarks in language arts beginning in the 2018-2019 school year.

29.13 (f) The commissioner in the 2010-2011 school year must revise and align the state's
29.14 academic standards and high school graduation requirements in social studies to require
29.15 that students satisfactorily complete the revised social studies standards beginning in the
29.16 2013-2014 school year. The commissioner must implement a review of the academic
29.17 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

29.18 (g) School districts and charter schools must revise and align local academic
29.19 standards and high school graduation requirements in health, physical education, world
29.20 languages, and career and technical education to require students to complete the revised
29.21 standards beginning in a school year determined by the school district or charter school.
29.22 School districts and charter schools must formally establish a periodic review cycle for
29.23 the academic standards and related benchmarks in health, physical education, world
29.24 languages, and career and technical education.

29.25 Sec. 5. Minnesota Statutes 2006, section 120B.024, is amended to read:

29.26 **120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.**

29.27 (a) Students beginning 9th grade in the 2004-2005 school year and later must
29.28 successfully complete the following high school level course credits for graduation:

29.29 (1) four credits of language arts;

29.30 (2) three credits of mathematics, encompassing at least algebra, geometry, statistics,
29.31 and probability sufficient to satisfy the academic standard;

29.32 (3) three credits of science, including at least one credit in biology;

29.33 (4) three and one-half credits of social studies, encompassing at least United
29.34 States history, geography, government and citizenship, world history, and economics or
29.35 three credits of social studies encompassing at least United States history, geography,

government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department;

(5) one credit in the arts; and

(6) a minimum of seven elective course credits.

A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.

(b) An agriculture science course may fulfill a science credit requirement in addition to the specified science credits in biology and chemistry or physics under paragraph (a), clause (3).

(c) The commissioner, in collaboration with the Minnesota State Colleges and Universities, must develop and implement a statewide plan to communicate with all Minnesota high school students no later than the beginning of ninth grade the state's expectations for college readiness, consistent with sections 120B.023, subdivision 2, paragraphs (b) and (e), and 135A.104.

Sec. 6. Minnesota Statutes 2006, section 135A.031, subdivision 7, is amended to read:

Subd. 7. **Reports.** Instructional expenditure and enrollment data ~~for each instructional category~~ shall be submitted by the public postsecondary systems to the Minnesota Office of Higher Education and the Department of Finance and included in the biennial budget document. The specific data shall be submitted only after the director of the Minnesota Office of Higher Education has consulted with a data advisory task force to determine the need, content, and detail of the information.

Sec. 7. **[135A.043] RESIDENT TUITION.**

(a) A student shall qualify for a resident tuition rate or its equivalent at state universities and colleges, including the University of Minnesota, if the student meets all of the following requirements:

(1) high school attendance within the state for three or more years;

(2) graduation from a state high school or attainment within the state of the equivalent of high school graduation; and

(3) registration as an entering student at, or current enrollment in, a public institution of higher education.

(b) This section is in addition to any other statute, rule, or higher education institution regulation or policy providing eligibility for a resident tuition rate or its equivalent to a student.

31.1 (c) To qualify for resident tuition under this section an individual who is not a citizen
31.2 or permanent resident of the United States must provide the college or university with
31.3 an affidavit that the individual will file an application to become a permanent resident at
31.4 the earliest opportunity the individual is eligible to do so.

31.5 **EFFECTIVE DATE.** This section is effective the day following final enactment
31.6 and applies to tuition for school terms commencing on or after that date.

31.7 Sec. 8. **[135A.044] APPROPRIATION; CONTRACT BUYOUT.**

31.8 No appropriation from the state of Minnesota to the governing boards of the
31.9 University of Minnesota or the Minnesota State Colleges and Universities shall be used
31.10 directly or indirectly for costs related to the early termination of a contract of any person
31.11 who reports to the director of athletics at any campus.

31.12 Sec. 9. Minnesota Statutes 2006, section 135A.053, subdivision 2, is amended to read:

31.13 Subd. 2. **Performance and accountability.** Higher education systems and
31.14 campuses are expected to achieve the objectives in subdivision 1 and will be held
31.15 accountable for doing so. The legislature is increasing the flexibility of the systems and
31.16 campuses to provide greater responsibility to higher education in deciding how to achieve
31.17 statewide objectives, and to decentralize authority so that those decisions can be made
31.18 at the level where the education is delivered. ~~To demonstrate their accountability, the~~
31.19 ~~legislature expects each system and campus to measure and report on its performance,~~
31.20 ~~using meaningful indicators that are critical to achieving the objectives in subdivision 1,~~
31.21 ~~as provided in section 135A.033.~~ Nothing in this section precludes a system or campus
31.22 from determining its own objectives and performance measures beyond those identified
31.23 in this section.

31.24 Sec. 10. **[135A.104] COLLEGE READINESS.**

31.25 (a) Minnesota State Colleges and Universities must collaborate with the
31.26 commissioner of education in establishing passing scores on the Minnesota comprehensive
31.27 assessments in reading for grade 10 and in mathematics for grade 11 under section
31.28 120B.30 so that "passing score" performances on those two assessments represent a
31.29 student's college readiness. For purposes of this section and chapter 120B, "college
31.30 readiness" means that a student who graduates from a public high school is immediately
31.31 ready to take college courses for college credit in a two-year or a four-year institution.
31.32 Minnesota State Colleges and Universities also must collaborate with the commissioner of
31.33 education to develop and implement a statewide plan to communicate with all Minnesota

32.1 high school students no later than the beginning of ninth grade the state's expectations for
32.2 college readiness.

32.3 (b) The entrance and admission materials that the Minnesota State Colleges and
32.4 Universities provide to prospective students must clearly indicate the level of academic
32.5 preparation that the students must have in order to be ready to immediately take college
32.6 courses for college credit in two-year and four-year institutions.

32.7 Sec. 11. Minnesota Statutes 2006, section 135A.14, subdivision 1, is amended to read:

32.8 Subdivision 1. **Definitions.** As used in this section, the following terms have the
32.9 meanings given them.

32.10 (a) "Administrator" means the administrator of the institution or other person with
32.11 general control and supervision of the institution.

32.12 (b) "Public or private postsecondary educational institution" or "institution" means
32.13 any of the following institutions having an enrollment of more than 100 persons during
32.14 any quarter, term, or semester during the preceding year: (1) the University of Minnesota;
32.15 (2) the state universities; (3) the state community colleges; (4) public technical colleges;
32.16 (5) private four-year, professional and graduate institutions; (6) private two-year colleges;
32.17 and (7) schools subject to either chapter 141, sections ~~136A.61~~ 136A.615 to 136A.71, or
32.18 schools exempt under section 136A.657, and which offer educational programs within the
32.19 state for an academic year greater than six consecutive months. An institution's report to
32.20 the Minnesota Office of Higher Education or the Minnesota Department of Education may
32.21 be considered when determining enrollment.

32.22 (c) "Student" means a person born after 1956 who did not graduate from a Minnesota
32.23 high school in 1997 or later, and who is (1) registering for more than one class during
32.24 a full academic term, such as a quarter or a semester or (2) housed on campus and is
32.25 registering for one or more classes. Student does not include persons enrolled in extension
32.26 classes only or correspondence classes only.

32.27 Sec. 12. Minnesota Statutes 2006, section 135A.51, subdivision 2, is amended to read:

32.28 Subd. 2. **Senior citizen.** "Senior citizen" means a person who has reached 62 years
32.29 of age before the beginning of any term, semester or quarter, in which a course of study
32.30 is pursued, or a person receiving a railroad retirement annuity who has reached 60 years
32.31 of age before the beginning of the term.

32.32 Sec. 13. Minnesota Statutes 2006, section 135A.52, subdivision 1, is amended to read:

Subdivision 1. **Fees and tuition.** Except for an administration fee established by the governing board at a level to recover costs, to be collected only when a course is taken for credit, a senior citizen who is a legal resident of Minnesota is entitled without payment of tuition or activity fees to attend courses offered for credit, audit any courses offered for credit, or enroll in any noncredit courses in any state supported institution of higher education in Minnesota when space is available after all tuition-paying students have been accommodated. A senior citizen enrolled under this section must pay any materials, personal property, or service charges for the course. In addition, a senior citizen who is enrolled in a course for credit must pay an administrative fee in an amount established by the governing board of the institution to recover ~~the course~~ costs. There shall be no administrative fee charges to a senior citizen auditing a course. For the purposes of this section and section 135A.51, the term "noncredit courses" shall not include those courses designed and offered specifically and exclusively for senior citizens.

The provisions of this section and section 135A.51 do not apply to noncredit courses designed and offered by the University of Minnesota, and the Minnesota State Colleges and Universities specifically and exclusively for senior citizens. Senior citizens enrolled under the provisions of this section and section 135A.51 shall not be included by such institutions in their computation of full-time equivalent students when requesting staff or appropriations.

Sec. 14. Minnesota Statutes 2006, section 135A.52, subdivision 2, is amended to read:

Subd. 2. **Term; income of senior citizens.** (a) Except under paragraph (b), there shall be no limit to the number of terms, quarters or semesters a senior citizen may attend courses, nor income limitation imposed in determining eligibility.

(b) A senior citizen enrolled in a closed enrollment contract training ~~or professional continuing education~~ program is not eligible for benefits under subdivision 1.

Sec. 15. **[136A.002] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Office of Higher Education or office.** "Office of Higher Education" or "office" means the Minnesota Office of Higher Education.

Sec. 16. Minnesota Statutes 2006, section 136A.01, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** The Minnesota Office of Higher Education is responsible for:

34.1 (1) necessary state level administration of financial aid programs, including
34.2 accounting, auditing, and disbursing state and federal financial aid funds, and reporting on
34.3 financial aid programs to the governor and the legislature;

34.4 (2) approval, registration, licensing, and financial aid eligibility of private collegiate
34.5 and career schools, under sections ~~136A.61~~ 136A.615 to 136A.71 and chapter 141;

34.6 (3) administering the Learning Network of Minnesota;

34.7 (4) negotiating and administering reciprocity agreements;

34.8 (5) publishing and distributing financial aid information and materials, and other
34.9 information and materials under section 136A.87, to students and parents;

34.10 (6) collecting and maintaining student enrollment and financial aid data and
34.11 reporting data on students and postsecondary institutions to develop and implement a
34.12 process to measure and report on the effectiveness of postsecondary institutions;

34.13 (7) administering the federal programs that affect students and institutions on a
34.14 statewide basis; and

34.15 (8) prescribing policies, procedures, and rules under chapter 14 necessary to
34.16 administer the programs under its supervision.

34.17 Sec. 17. Minnesota Statutes 2006, section 136A.031, subdivision 5, is amended to read:

34.18 Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the advisory
34.19 groups established in this section do not expire ~~on June 30, 2007~~.

34.20 Sec. 18. Minnesota Statutes 2006, section 136A.0411, is amended to read:

34.21 **136A.0411 COLLECTING FEES.**

34.22 The office may charge fees for seminars, conferences, workshops, services, and
34.23 materials. The office may collect fees for registration and licensure of private institutions
34.24 under sections ~~136A.61~~ 136A.615 to 136A.71 and chapter 141. The money is annually
34.25 appropriated to the office.

34.26 Sec. 19. Minnesota Statutes 2006, section 136A.08, subdivision 7, is amended to read:

34.27 Subd. 7. **Reporting.** The Minnesota Office of Higher Education must annually,
34.28 before the last day in January, submit a report to the committees in the house of
34.29 representatives and the senate with responsibility for higher education finance on:

34.30 (1) participation in the tuition reciprocity program by Minnesota students and
34.31 students from other states attending Minnesota postsecondary institutions under a
34.32 reciprocity agreement;

34.33 (2) reciprocity and resident tuition rates at each institution; ~~and~~

(3) interstate payments and obligations for each state participating in the tuition reciprocity program in the prior year; and

(4) summary statistics on number of graduates by institution, degree granted, and year of graduation for reciprocity students who attended Minnesota postsecondary institutions.

Sec. 20. Minnesota Statutes 2006, section 136A.101, subdivision 4, is amended to read:

Subd. 4. **Eligible institution.** "Eligible institution" means a postsecondary educational institution located in this state or in a state with which the office has entered into a higher education reciprocity agreement on state student aid programs that ~~either~~ (1) is operated by this state or the Board of Regents of the University of Minnesota, or (2) is operated ~~publicly or~~ privately and, as determined by the office, meets all of the following:
(i) maintains academic standards substantially equivalent to those of comparable institutions operated in this state; (ii) is licensed or registered as a postsecondary institution by the office or another state agency; and (iii) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended.

Sec. 21. Minnesota Statutes 2006, section 136A.121, subdivision 5, is amended to read:

Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) the assigned student responsibility of at least ~~46~~ 45.5 percent of the cost of attending the institution of the applicant's choosing;

(2) the assigned family responsibility as defined in section 136A.101; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100 per academic year.

Sec. 22. Minnesota Statutes 2006, section 136A.125, subdivision 2, is amended to read:

Subd. 2. **Eligible students.** (a) An applicant is eligible for a child care grant if the applicant:

(1) is a resident of the state of Minnesota;

(2) has a child 12 years of age or younger, or 14 years of age or younger who is disabled as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;

(3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;

(4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters or the equivalent;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;

(6) is enrolled at least half time in an eligible institution; and

(7) is in good academic standing and making satisfactory academic progress.

(b) A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return.

Sec. 23. **[136A.126] TEACHER EDUCATION AND COMPENSATION HELPS; MINNESOTA EARLY CHILDHOOD TEACHER RETENTION PROGRAMS.**

Subdivision 1. **TEACH.** The teacher education and compensation helps program (TEACH) is established to provide tuition scholarships, education incentives, and an early childhood teacher retention program to provide retention incentives to early care and education providers. The director shall make a grant with appropriations for this purpose to a nonprofit organization licensed to administer the TEACH early childhood program.

Subd. 2. **Program components.** (a) The nonprofit organization must use the grant for:

(1) tuition scholarships up to \$5,000 per year for courses leading to the nationally recognized child development associate credential or college-level courses leading to an associate's or bachelor's degree in early childhood development and school-age care; and

(2) education incentives of a minimum of \$100 to participants in the tuition scholarship program if they complete a year of working in the early care and education field.

(b) Applicants for the scholarship must be employed by a licensed early childhood or child care program and working directly with children, a licensed family child care provider, or an employee in a school-age program exempt from licensing under section 245A.03, subdivision 2, clause (12). Lower wage earners must be given priority in awarding the tuition scholarships. Scholarship recipients must contribute ten percent of the total scholarship and must be sponsored by their employers, who must also contribute ten percent of the total scholarship. Scholarship recipients who are self-employed must contribute 20 percent of the total scholarship.

(c) The organization must also use the grant for teacher retention incentives of \$1,000 to \$3,500 annually to be paid biannually. Applicants for the retention incentives must be employed by a licensed early childhood or child care program and working directly with children, a licensed family child care provider, or an employee in a school-age program exempt from licensing under section 245A.03, subdivision 2, clause (12). Lower wage earners must be given priority for the retention incentives. The amount of the retention incentive must be based on the applicant's level of education at the time of application. A provider is eligible for the retention incentive if the provider:

(1) has worked in the field for at least one year and has been working at the same location for at least one year at the time of application;

(2) agrees to remain in the provider's current position for a period of at least one year; and

(3) has an associate's or bachelor's degree or a child development associate's degree.

Subd. 3. **Advisory committee.** The TEACH early childhood and Minnesota early childhood teacher retention programs must have an advisory board as prescribed by the national TEACH organization.

Sec. 24. **[136A.127] CONSTRUCTION MANAGEMENT EDUCATION PROGRAM.**

Subdivision 1. **Construction Management Education Account Advisory Committee.** The director must establish an advisory committee for the construction management education account. Members of the committee must include: the executive vice-president of the Minnesota Mechanical Contractors association or designee, a chapter manager of one of the Minnesota chapters of the National Electrical Contractors Association or designee, the executive director of the Associated General Contractors of Minnesota or designee, two members of the nonresidential construction industry, and a construction management program coordinator or director from an accredited construction management program in the Minnesota State Colleges and Universities. Members serve three-year terms. Advisory committee members are reimbursed for expenses related to committee activities. The director may accept funds from federal, state, or local public agencies, or from private foundations or individuals for deposit into the construction management education account under section 16B.70. All money in the account must be used for the purposes of this section.

Subd. 2. **Grants.** Grants from the construction management education account must be used to maintain and increase the quality and availability of education programs for the construction industry by awarding grants to accredited construction management

programs in the Minnesota State Colleges and Universities. Grants must be used to maintain and upgrade facilities and provide greater industry access to modern construction standards and management practices. In making grants, the director, in consultation with the committee, must:

(1) confirm the qualifications of any program applying for a grant;

(2) affirm applications for American Council for Construction Education accreditation and, when funds are available, award grants to complete the accreditation process;

(3) promote close ties between technical and community colleges and four-year construction management programs; and

(4) support the development of new educational programs with specific emphasis on outreach to the construction industry at large.

Subd. 3. **Grant awards.** (a) The committee may award grants to a Minnesota State Colleges and Universities institution to support construction management education and to promote outreach and continuing education in the construction industry.

(b) An eligible institution must provide one of the following:

(1) a bachelor of science construction management degree accredited by the American Council for Construction Education;

(2) a degree with an American Council for Construction Education accredited option, including, but not limited to, Engineering Technology and Industrial Technology;

(3) a bachelor of science degree program documenting placement of more than 50 percent of their graduates with Minnesota nonresidential contractors; and

(4) the development of a construction management curriculum to meet the American Council for Construction Education criteria.

(c) Grant awards may be made as follows:

(1) \$3,000 per graduate during the past academic year up to a maximum of \$100,000 for institutions qualifying under paragraph (b), clause (1);

(2) \$3,000 per graduate during the past academic year up to a maximum of \$100,000 for institutions qualifying under paragraph (b), clause (2);

(3) \$3,000 per graduate placed with Minnesota nonresidential contractors during the past academic year to a maximum of \$20,000 for institutions qualifying under paragraph (b), clause (3);

(4) up to \$25,000 for the purpose of becoming accredited by the American Council for Construction Education for two years which may be renewed if the institution is continuing progress towards accreditation; and

(5) for faculty recruitment and development in construction management programs, including support for postgraduate work leading to advanced degrees, visiting lecturer compensation and expenses, teaching assistant positions, and faculty positions; and

(6) to support general classroom and laboratory operating expenses.

Grants may only be awarded from the construction management education account to the extent that funds are available. No other state funding may be provided for these grants.

Subd. 4. **Reports.** (a) The director must annually report to the committees of the legislature responsible for higher education finance by January 15. The report must include the names of the public postsecondary educational institutions receiving grants, the amount of the grant, the purposes for each grant, the number of students served, and the number of placements made to the construction industry for the previous academic year.

(b) After receiving an initial grant, the president of the public postsecondary educational institution must annually submit a report to the director listing the amount of all past grants awarded from the construction management education account and the uses of those funds. The report must be submitted with a request for a new or continuing grant and at a minimum must include the following:

(1) the number of graduates placed with the Minnesota contractors during the previous academic year;

(2) the expected enrollment in construction management courses in the upcoming academic year; and

(3) continuing education and extension courses offered in construction management during the previous academic year and their enrollments.

Subd. 5. **Administration.** Up to \$15,000 per year from the construction management education account may be used for the administration of this program.

Sec. 25. Minnesota Statutes 2006, section 136A.15, subdivision 1, is amended to read:

Subdivision 1. **Scope.** For purposes of sections 136A.15 to 136A.1702, the terms defined in this section have the meanings ~~ascribed to~~ given them.

Sec. 26. Minnesota Statutes 2006, section 136A.15, subdivision 6, is amended to read:

Subd. 6. **Eligible institution.** "Eligible institution" means a postsecondary educational institution that ~~either~~ (1) is operated or regulated by this state; or the Board of Regents of the University of Minnesota; (2) is operated publicly or privately in another state, is approved by the United States Secretary of Education, and, as determined by the office, maintains academic standards substantially equal to those of comparable

institutions operated in this state; (3) is licensed or registered as a postsecondary institution by the office or another state agency; and (4) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended. It also includes any institution chartered in a province.

Sec. 27. Minnesota Statutes 2006, section 136A.233, subdivision 3, is amended to read:

Subd. 3. **Payments.** Work-study payments shall be made to eligible students by postsecondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.

(b) In selecting students for participation, priority must be given to students enrolled for at least 12 credits. In each academic year, a student may be awarded work-study payments for one period of nonenrollment or less than half-time enrollment if the student will enroll on at least a half-time basis during the following academic term.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

(f) Each postsecondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

(h) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.

Sec. 28. Minnesota Statutes 2006, section 136A.29, subdivision 9, is amended to read:

Subd. 9. **Revenue bonds; limit.** The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$800,000,000~~ \$950,000,000 and to issue notes, bond anticipation notes, and revenue

41.1 refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42,
41.2 to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling,
41.3 renovating, improving, furnishing, or equipping one or more projects or parts thereof.

41.4 Sec. 29. Minnesota Statutes 2006, section 136A.861, subdivision 1, is amended to read:

41.5 Subdivision 1. **Grants.** The director of the Minnesota Office of Higher Education
41.6 shall award grants to foster postsecondary attendance and retention by providing outreach
41.7 services to historically underserved students in grades six through 12 and historically
41.8 underrepresented college students. Grants must be awarded to programs that provide
41.9 precollege services, including, but not limited to:

- 41.10 (1) academic counseling;
- 41.11 (2) mentoring;
- 41.12 (3) fostering and improving parental involvement in planning for and facilitating a
41.13 college education;
- 41.14 (4) services for students with English as a second language;
- 41.15 (5) academic enrichment activities;
- 41.16 (6) tutoring;
- 41.17 (7) career awareness and exploration;
- 41.18 (8) orientation to college life;
- 41.19 (9) assistance with high school course selection and information about college
41.20 admission requirements; and
- 41.21 (10) financial aid counseling.

41.22 Grants shall be awarded to postsecondary institutions, professional organizations,
41.23 community-based organizations, or others deemed appropriate by the director.

41.24 Grants shall be awarded for one year and may be renewed for a second year with
41.25 documentation to the Minnesota Office of Higher Education of successful program
41.26 outcomes.

41.27 Sec. 30. Minnesota Statutes 2006, section 136A.861, subdivision 2, is amended to read:

41.28 Subd. 2. **Eligible students.** Eligible students include students in grades six through
41.29 12 who meet one or more of the following criteria:

- 41.30 (1) are counted under section 1124(c) of the Elementary and Secondary Education
41.31 Act of 1965 (Title I);
- 41.32 (2) are eligible for free or reduced-price lunch under the National School Lunch Act;
- 41.33 (3) receive assistance under the Temporary Assistance for Needy Families Law (Title
41.34 I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996); or

42.1 (4) are a member of a group traditionally underrepresented in higher education.

42.2 Eligible undergraduate students include those who met the student eligibility criteria
42.3 as 6th through 12th graders.

42.4 Sec. 31. Minnesota Statutes 2006, section 136A.861, subdivision 3, is amended to read:

42.5 Subd. 3. **Application process.** The director of the Minnesota Office of Higher
42.6 Education shall develop a grant application process. The director shall attempt to support
42.7 projects in a manner that ensures that eligible students throughout the state have access
42.8 to ~~precollege~~ precollege program services.

42.9 The grant application must include, at a minimum, the following information:

42.10 (1) a description of the characteristics of the students to be served reflective of the
42.11 need for services listed in subdivision 1;

42.12 (2) a description of the services to be provided and a timeline for implementation of
42.13 the activities;

42.14 (3) a description of how the services provided will foster postsecondary attendance
42.15 and support postsecondary retention;

42.16 (4) a description of how the services will be evaluated to determine whether the
42.17 program goals were met; and

42.18 (5) other information as identified by the director.

42.19 Grant recipients must specify both program and student outcome goals, and performance
42.20 measures for each goal.

42.21 Sec. 32. Minnesota Statutes 2006, section 136A.861, subdivision 6, is amended to read:

42.22 Subd. 6. **Program evaluation.** Each grant recipient must annually submit a report
42.23 to the Minnesota Office of Higher Education delineating its program and student outcome
42.24 goals, and activities implemented to achieve the stated outcomes. The goals must be
42.25 clearly stated and measurable. Grant recipients are required to collect, analyze, and report
42.26 on participation and outcome data that enable the office to verify that the program goals
42.27 were met. The office shall maintain:

42.28 (1) information about successful precollege program and undergraduate student
42.29 retention program activities for dissemination to individuals throughout the state interested
42.30 in adopting or replicating successful program practices; and

42.31 (2) data on the success of the funded projects in increasing the high school
42.32 graduation ~~and~~ college participation, and college graduation rates of students served
42.33 by the grant recipients. The office may convene meetings of the grant recipients, as

43.1 needed, to discuss issues pertaining to the implementation of precollege services and
43.2 undergraduate retention programs.

43.3 Sec. 33. Minnesota Statutes 2006, section 136F.02, subdivision 1, is amended to read:

43.4 Subdivision 1. **Membership.** The board consists of ~~15~~ 17 members appointed by
43.5 the governor with the advice and consent of the senate. At least one member of the board
43.6 must be a resident of each congressional district. Three members must be students who are
43.7 enrolled at least half time in a degree, diploma, or certificate program or have graduated
43.8 from an institution governed by the board within one year of the date of appointment. The
43.9 student members shall include: one member from a community college, one member from
43.10 a state university, and one member from a technical college. Two members must be
43.11 members of the AFL-CIO. The remaining members must be appointed to represent the
43.12 state at large.

43.13 Sec. 34. **[136F.045] UNION MEMBER SELECTION.**

43.14 Notwithstanding section 136F.03, the AFL-CIO has the responsibility for recruiting,
43.15 screening, and recommending qualified candidates for their members of the board. The
43.16 AFL-CIO must develop a statement of selection criteria for board membership and a
43.17 process for recommending candidates. Beginning in 2008, and every six years thereafter,
43.18 the AFL-CIO must recommend four candidates for the two board positions to the governor
43.19 by April 15. The governor must appoint two of the candidates to the board of trustees.

43.20 Sec. 35. Minnesota Statutes 2006, section 136F.42, subdivision 1, is amended to read:

43.21 Subdivision 1. **Time reporting.** As provided in Executive Order 96-2, the board,
43.22 in consultation with the commissioners of employee relations and finance, may develop
43.23 policies to allow system office or campus employees on salaries, as defined in section
43.24 43A.17, subdivision 1, to use negative time reporting in which employees report only that
43.25 time for which leave is taken. ~~By the end of the 1997 fiscal year, the board, in consultation~~
43.26 ~~with the commissioners of employee relations and finance, shall evaluate the use of~~
43.27 ~~negative time reporting and its potential for use with other state employees.~~

43.28 Sec. 36. Minnesota Statutes 2006, section 136F.71, subdivision 2, is amended to read:

43.29 Subd. 2. **Activity funds.** All receipts attributable to the state colleges and
43.30 universities activity funds ~~and deposited in the state treasury~~ are appropriated to the board
43.31 and are not subject to budgetary control as exercised by the commissioner of finance.

Sec. 37. Minnesota Statutes 2006, section 136F.71, is amended by adding a subdivision to read:

Subd. 4. **Banking services.** Notwithstanding section 16A.27, the board shall have authority to control the amount and manner of deposit of all receipts described in this section in depositories selected by the board. The board's authority shall include specifying the considerations, financial activities, and conditions required from the depository, including the requirement of collateral security or a corporate surety bond as described in section 118A.03. The board may compensate the depository, including paying a reasonable charge to the depository, maintaining appropriate compensating balances with the depository, or purchasing non-interest-bearing certificates of deposit from the depository for performing depository-related services.

Sec. 38. Minnesota Statutes 2006, section 136G.11, subdivision 5, is amended to read:

Subd. 5. **Amount of matching grant.** The amount of the matching grant for a beneficiary equals:

(1) if the beneficiary's family income is \$50,000 or less, 15 percent of the sum of the contributions made to the beneficiary's account during the calendar year, not to exceed ~~\$300~~ \$400; and

(2) if the beneficiary's family income is more than \$50,000 but not more than \$80,000, ~~five~~ ten percent of the sum of the contributions made to the beneficiary's account during the calendar year, not to exceed ~~\$300~~ \$400.

Sec. 39. **MINNESOTA WEST COMMUNITY AND TECHNICAL COLLEGE AT WORTHINGTON; YMCA LEASE AGREEMENT.**

(a) The Board of Trustees of Minnesota State Colleges and Universities may enter into a lease agreement with the YMCA not to exceed 40 years, for the lease of land on the Minnesota West Community and Technical College at Worthington campus for the construction of a YMCA facility. The lease may also include the city of Worthington.

(b) Siting and design of the facility must be consistent with the college's master plan and Minnesota State Colleges and Universities' building standards. Minnesota West Community and Technical College may negotiate for use of the facility for college purposes. The lease must contain a provision that the lease shall terminate if the improved property is no longer used for the partial benefit of the students at the Worthington campus.

Sec. 40. **INTEREST RATE SWAP AND OTHER AGREEMENTS; IMPLEMENTATION PLAN.**

45.1 The Minnesota Office of Higher Education must develop a plan for implementing
45.2 interest rate exchanges, swaps, or other interest rate protection agreements for its student
45.3 loan programs. The plan must be presented in a report to the committees of legislature
45.4 responsible for higher education finance by January 15, 2008. The report must address
45.5 potential contracting arrangements and options, benefits and risks associated with these
45.6 agreements, and the potential impacts on the student loan program, its assets, and its
45.7 objectives.

45.8 **Sec. 41. REPEALER.**

45.9 (a) Minnesota Statutes 2006, sections 135A.031, subdivisions 1, 2, 3, 4, 5, and 6;
45.10 135A.032; 135A.033; 136A.07; and 136A.08, subdivision 8, are repealed.

45.11 (b) Minnesota Statutes 2006, sections 137.0245; and 137.0246, are repealed.

45.12 **ARTICLE 4**

45.13 **TEXTBOOK PRICING AND ACCESS**

45.14 Section 1. ~~135A.25~~ **TEXTBOOK DISCLOSURE, PRICING, AND ACCESS.**

45.15 Subdivision 1. **Short title.** This section may be cited as the Textbook Disclosure,
45.16 Pricing, and Access Act.

45.17 Subd. 2. **Purpose and intent.** The purpose of this act is to ensure that every student
45.18 in higher education is offered better and more timely access to affordable course materials
45.19 by educating and informing faculty, students, administrators, institutions, bookstores, and
45.20 publishers on all aspects of the selection, purchase, sales, and use of the materials. It is the
45.21 policy of the state of Minnesota that all involved parties must work together to identify
45.22 ways to decrease the cost of course materials for students while protecting the academic
45.23 freedom of faculty members to provide high-quality course materials for students.

45.24 Subd. 3. **Definitions.** For the purposes of this section, the following definitions
45.25 have the meanings given.

45.26 (1) "Bundled" means any course material packaged together to be sold for one price.

45.27 (2) "Bookstore" means a store that is affiliated with a postsecondary institution or
45.28 has a contract with a postsecondary institution to sell course materials to students enrolled
45.29 at the postsecondary institution.

45.30 (3) "Course material" means textbooks as defined in section 297A.67, subdivision
45.31 13, custom course materials, and instructional materials as defined in section 297A.67,
45.32 subdivision 13a, sold to students by a bookstore in a bundled or unbundled form.

(4) "Custom course materials" means any combination of textbooks, course materials, or any part thereof that has been customized, produced, and sold by a distributor or publisher specifically for a specific course, program, or field of study.

(5) "Distributor" means an independent contractor, including its employees or agents, that is in the business of selling, distributing, advertising, marketing, or maintaining an inventory of course materials for a postsecondary institution or bookstore.

(6) "Postsecondary institution" means a Minnesota institution defined under section 136A.101, subdivision 4.

(7) "Publisher" means a publishing house, firm, or business, including its employees or agents, acting with authority of the publisher that publishes, sells, markets, or maintains an inventory of course materials to a postsecondary institution or bookstore.

Subd. 4. Publisher disclosures. (a) Beginning January 1, 2008, a publisher or distributor must post on its Web site, include in a catalog, or disclose in writing to a faculty member or other individual at a postsecondary institution responsible for selecting course material within seven days of a request, at least the following:

(1) the title, edition, author, and International Standard Book Number (ISBN) of all course material and custom course materials, if applicable;

(2) the price for the course material;

(3) whether the required course material is bundled with optional material, whether it can be unbundled, and the price for each bundled and unbundled component;

(4) whether the material is available in an alternative format and the cost for the alternatively formatted material; and

(5) summary of revisions to requested course material for the previous edition or release for materials that have been in circulation for five years or less and a detailed breakdown of revisions must be made available in writing within seven days of the request.

(b) A publisher or distributor must make all bundled course materials available to bookstores or postsecondary institutions in an unbundled form or provide written or verbal notice within seven days of a request under this subdivision if the unbundled materials are not available.

(c) A publisher or distributor must post on its Web site, include in its marketing materials, or disclose in writing when a request is made under this subdivision for the return policy for course material, including any penalties or conditions for returns.

(d) Disclosure under this section is not required for mass market and trade books that are not published, marketed, or sold primarily for use in or by postsecondary institutions.

Subd. 5. **Payment for course material.** Each postsecondary institution must adopt policies that allow students to add the costs of course material purchased at a bookstore to existing waivers or payment plans for tuition and fees.

Subd. 6. **Notice to purchase.** (a) An instructor shall make reasonable efforts to notify a bookstore of the final order for required and recommended course material including, but not limited to, alternative formats, previous editions, or custom course materials at least 30 days prior to the commencement of the term.

(b) The bookstore must notify students of the following information concerning the required and recommended course material at least 15 days prior to the commencement of the term for which the course material is required, including, but not limited to:

(1) the title, edition, author, and International Standard Book Number (ISBN) of the course material;

(2) the price for the course material;

(3) whether the required course material is bundled with optional material, whether it can be unbundled, and the price for each bundled and unbundled component; and

(4) whether the material is available in an alternative format and the cost for the alternatively formatted material.

Subd. 7. **Educational strategies.** (a) During the biennium ending June 30, 2009, the Minnesota Office of Higher Education shall work with postsecondary institutions to develop educational materials based upon the findings of the Minnesota Textbook Advisory Task Force recommendations and other relevant information, convene and sponsor meetings and workshops, and provide educational materials for faculty, students, administrators, institutions, bookstores, and publishers in order to educate all interested parties on strategies for reducing the costs of course materials for students attending postsecondary institutions.

(b) The Minnesota Office of Higher Education must develop and maintain a standardized request form for publisher disclosure under this section with all required information. The request form must be in an electronic format that can be downloaded from the office Web site.

ARTICLE 5

PRIVATE INSTITUTIONS

Section 1. Minnesota Statutes 2006, section 136A.61, is amended to read:

136A.61 POLICY.

The legislature has found and hereby declares that the availability of legitimate courses and programs leading to academic degrees offered by responsible private not for

profit and for profit institutions of postsecondary education and the existence of legitimate private colleges and universities are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing private institutions and programs, by establishing policies and procedures to assure the authenticity and legitimacy of private postsecondary education institutions and programs. The legislature has also found and declares that this same policy applies to any private and public postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion.

Sec. 2. [136A.615] CITATION.

Sections 136A.615 to 136A.71 may be cited as the "Minnesota Private and Out-of-State Public Postsecondary Education Act."

Sec. 3. Minnesota Statutes 2006, section 136A.62, subdivision 3, is amended to read:

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

(1) any individual, partnership, company, firm, society, trust, association, corporation, or any combination thereof, which (a) (i) is, owns, or operates a private, nonprofit postsecondary education institution; (b) (ii) is, owns, or operates a private, for profit postsecondary education institution; (iii) provides a postsecondary instructional program or course leading to a degree whether or not for profit; (c) (iv) is, owns, or operates a private, postsecondary education institution which uses the term "college", "academy", "institute" or "university" in its name; or (d) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. School shall also mean

(2) any public postsecondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion; or

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

Sec. 4. Minnesota Statutes 2006, section 136A.63, is amended to read:

136A.63 REGISTRATION.

Subdivision 1. Annual registration. All schools located within Minnesota and all schools located outside Minnesota which offer degree programs or courses within Minnesota shall register annually with the office.

Subd. 2. Sale of an institution. Within 30 days of a change of ownership the school must submit a registration renewal application, all usual and ordinary information and materials for an initial registration, and applicable registration fees for a new institution. For purposes of this subdivision, "change of ownership" means a merger or consolidation with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; or a change in the not-for-profit or for profit status of a school.

Sec. 5. Minnesota Statutes 2006, section 136A.64, is amended to read:

136A.64 INFORMATION REQUIRED FOR REGISTRATION.

Subdivision 1. **Schools to provide information.** As a basis for registration, schools shall provide the office with such information as the office needs to determine the nature and activities of the school, including but not limited to, ~~requirements for admission, enrollments, tuition charge, refund policies, curriculum, degrees granted, and faculty employed. The office shall have the authority to verify the accuracy of the information submitted to it by inspection or any other means it deems necessary.~~ the following which shall be accompanied by an affidavit attesting to its accuracy and truthfulness:

(1) articles of incorporation, constitution, bylaws, or other operating documents;

(2) a duly adopted statement of the school's mission and goals;

(3) evidence of current school or program licenses granted by departments or agencies of any state;

(4) a fiscal balance sheet on an accrual basis, or a certified audit of the immediate past fiscal year including any management letters provided by the independent auditor or, if the school is a public institution outside Minnesota, an income statement for the immediate past fiscal year;

(5) all current promotional and recruitment materials and advertisements; and

(6) the current school catalog and, if not contained in the catalog:

(i) the members of the board of trustees or directors, if any;

(ii) the current institutional officers;

(iii) current full-time and part-time faculty with degrees held or applicable experience;

- 50.1 (iv) a description of all school facilities;
- 50.2 (v) a description of all current course offerings;
- 50.3 (vi) all requirements for satisfactory completion of courses, programs, and degrees;
- 50.4 (vii) the school's policy about freedom or limitation of expression and inquiry;
- 50.5 (viii) a current schedule of fees, charges for tuition, required supplies, student
- 50.6 activities, housing, and all other standard charges;
- 50.7 (ix) the school's policy about refunds and adjustments;
- 50.8 (x) the school's policy about granting credit for prior education, training, and
- 50.9 experience; and
- 50.10 (xi) the school's policies about student admission, evaluation, suspension, and
- 50.11 dismissal.

50.12 Subd. 2. **Financial records.** The office shall not disclose financial records or

50.13 accreditation reports provided to it by a school pursuant to this section except for the

50.14 purpose of defending, at hearings pursuant to chapter 14, or other appeal proceedings, its

50.15 decision to approve or not to approve the granting of degrees or the use of a name by the

50.16 school. Section 15.17, subdivision 4, shall not apply to such records.

50.17 Subd. 3. **Additional information.** If the office is unable to determine the nature

50.18 and activities of a school on the basis of the information in subdivision 1, the office shall

50.19 notify the school of additional information needed.

50.20 Subd. 4. **Verification of information.** The office may verify the accuracy of

50.21 submitted information by inspection, visitation, or any other means it considers necessary.

50.22 Subd. 5. **Public information.** All information submitted to the office is public

50.23 information except financial and accreditation records and information. The office may

50.24 disclose financial records or information to defend its decision to approve or disapprove

50.25 granting of degrees or the use of a name or its decisions to revoke the approval at a hearing

50.26 under chapter 14 or other legal proceedings.

50.27 Subd. 6. **Late registration penalty.** Applications for renewal for any registration

50.28 received after the deadline date specified in the renewal materials provided by the office

50.29 are subject to a late fee equal to 20 percent of the annual registration renewal fee.

50.30 Subd. 7. **Out-of-state expenses.** A school shall reimburse the office for actual costs

50.31 associated with a site evaluation visit outside Minnesota if the visit is necessary under

50.32 section 136A.64, subdivision 1 or 3.

50.33 Sec. 6. **[136A.645] SCHOOL CLOSURE.**

50.34 (a) When a school decides to cease postsecondary education operations, or if its

50.35 registration is refused, revoked, or suspended it must cooperate with the office in assisting

51.1 students to find alternative means to complete their studies with a minimum of disruption,
51.2 and inform the office of the following:

51.3 (1) the planned date for termination of postsecondary education operations;

51.4 (2) the planned date for the transfer of the student records;

51.5 (3) confirmation of the name and address of the organization to receive and hold
51.6 the student records; and

51.7 (4) the official at the organization receiving the student records who is designated to
51.8 provide official copies of records or transcripts upon request.

51.9 (b) Upon notice from a school of its intention to cease operations, or if a school's
51.10 registration is revoked, refused, or suspended, the office shall notify the school of the date
51.11 on which it must cease the enrollment of students and all postsecondary educational
51.12 operations.

51.13 **Sec. 7. [136A.646] ADDITIONAL SECURITY.**

51.14 In the event any registered institution is notified by the United States Department
51.15 of Education that it has fallen below minimum financial standards and that its continued
51.16 participation in Title IV will be conditioned upon its satisfying either the Zone Alternative,
51.17 Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit
51.18 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c), the
51.19 institution shall provide a surety bond conditioned upon the faithful performance of all
51.20 contracts and agreements with students in a sum equal to the "letter of credit" required by
51.21 the United States Department of Education in the Letter of Credit Alternative, but in no
51.22 event shall such bond be less than \$10,000 and not more than \$250,000.

51.23 **Sec. 8. Minnesota Statutes 2006, section 136A.65, is amended to read:**

51.24 **136A.65 APPROVAL OF DEGREES AND NAME.**

51.25 **Subdivision 1. Prohibition.** No school subject to registration shall grant a degree
51.26 unless such degree ~~is~~ and its underlying curriculum are approved by the office, nor
51.27 shall any school subject to registration use the name "college," "academy," "institute" or
51.28 "university" in its name without approval by the office.

51.29 **Subd. 1a. Accreditation; requirement.** A school must not be registered or
51.30 authorized to offer any degree at any level unless the school is accredited by an agency
51.31 recognized by the United States Department of Education for purposes of eligibility to
51.32 participate in Title IV federal financial aid programs. Any registered school undergoing
51.33 institutional accreditation shall inform the office of site visits by the accrediting agency

52.1 and provide office staff the opportunity to attend the visits, including any exit interviews.

52.2 The institution must provide the office with a copy of the final report upon receipt.

52.3 Subd. 2. **Procedures.** The office shall establish procedures for approval, including
52.4 notice and an opportunity for a hearing pursuant to chapter 14 if such approval is not
52.5 granted. If a hearing is requested, no disapproval shall take effect until after such hearing.

52.6 Subd. 3. **Application.** A school subject to registration shall be granted approval to
52.7 use the term "college," "academy," "institute" or "university" in its name whether or not it
52.8 offers a program leading to a degree, if it was organized, operating and using such term in
52.9 its name on or before August 1, 1975, and if it meets the other policies and standards for
52.10 approval established by the office.

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

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

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

52.19 (3) the school operates in conformity with generally accepted budgeting and
52.20 accounting procedures, such as the standards adopted by the National Association of
52.21 College and University Business Officers, located at 1 Dupont Circle, Washington, D.C.,
52.22 20036;

52.23 (4) the school provides an educational program leading to the degree it offers;

52.24 (5) the school provides appropriate and accessible library, laboratory, and other
52.25 physical facilities to support the educational program offered;

52.26 (6) the school has a policy on freedom or limitation of expression and inquiry for
52.27 faculty and students which is published or available on request;

52.28 (7) the school uses only publications and advertisements which are truthful and do
52.29 not give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the
52.30 school, its personnel, programs, services, or occupational opportunities for its graduates
52.31 for promotion and student recruitment;

52.32 (8) the school's compensated recruiting agents who are operating in Minnesota
52.33 identify themselves as agents of the school when talking to or corresponding with students
52.34 and prospective students; and

52.35 (9) the school provides information to students and prospective students concerning:

- 53.1 (i) comprehensive and accurate policies relating to student admission, evaluation,
53.2 suspension, and dismissal;
- 53.3 (ii) clear and accurate policies relating to granting credit for prior education, training,
53.4 and experience and for courses offered by the school;
- 53.5 (iii) current schedules of fees, charges for tuition, required supplies, student
53.6 activities, housing, and all other standard charges;
- 53.7 (iv) policies regarding refunds and adjustments for withdrawal or modification
53.8 of enrollment status; and
- 53.9 (v) procedures and standards used for selection of recipients and the terms of
53.10 payment and repayment for any financial aid program.
- 53.11 (b) An application for degree approval must also include:
- 53.12 (i) title of degree and formal recognition awarded;
- 53.13 (ii) location where such degree will be offered;
- 53.14 (iii) proposed implementation date of the degree;
- 53.15 (iv) admissions requirements for the degree;
- 53.16 (v) length of the degree;
- 53.17 (vi) projected enrollment for a period of five years;
- 53.18 (vii) the curriculum required for the degree, including course syllabi or outlines;
- 53.19 (viii) statement of academic and administrative mechanisms planned for monitoring
53.20 the quality of the proposed degree;
- 53.21 (ix) statement of satisfaction of professional licensure criteria, if applicable;
- 53.22 (x) documentation of the availability of clinical, internship, externship, or practicum
53.23 sites, if applicable; and
- 53.24 (xi) statement of how the degree fulfills the institution's mission and goals,
53.25 complements existing degrees, and contributes to the school's viability.
- 53.26 Subd. 5. Requirements for degree approval. For each degree a school offers to a
53.27 student, where the student does not leave Minnesota for the major portion of the program
53.28 or course leading to the degree, the school must have:
- 53.29 (1) qualified teaching personnel to provide the educational programs for each degree
53.30 for which approval is sought;
- 53.31 (2) appropriate educational programs leading to each degree for which approval
53.32 is sought;
- 53.33 (3) appropriate and accessible library, laboratory, and other physical facilities to
53.34 support the educational program for each degree for which approval is sought; and
- 53.35 (4) a rationale showing that degree programs are consistent with the school's mission
53.36 and goals.

54.1 Subd. 6. **Name.** A school may use the term "academy" or "institute" in its name
54.2 without meeting any additional requirements. A school may use the term "college" in its
54.3 name if it offers at least one program leading to an associate degree. A school may use
54.4 the term "university" in its name if it offers at least one program leading to a master's
54.5 or doctorate degree.

54.6 Subd. 7. **Grandfathered names.** Names used before August 1, 2007, by a school,
54.7 organized, operating, and using the term "academy," "institute," "college," or "university"
54.8 in its name on or before August 1, 2007, may continue using such term whether or not it
54.9 offers a program leading to a degree.

54.10 Subd. 8. **Conditional approval.** The office may grant conditional approval for a
54.11 degree or use of a term in its name for a period of less than one year if doing so would be
54.12 in the best interests of currently enrolled students or prospective students.

54.13 Subd. 9. **Disapproval of registration appeal.** If a school's degree or use of a term
54.14 in its name is disapproved by the office, the school may request a hearing under chapter
54.15 14. The request must be in writing and made to the office within 30 days of the date
54.16 the school is notified of the disapproval.

54.17 (a) The office may refuse to renew, revoke, or suspend registration, approval of
54.18 a school's degree, or use of a regulated term in its name by giving written notice and
54.19 reasons to the school. The school may request a hearing under chapter 14. If a hearing is
54.20 requested, no revocation or suspension shall take effect until after the hearing.

54.21 (b) Reasons for revocation or suspension of registration or approval may be for one
54.22 or more of the following reasons:

54.23 (1) violating the provisions of sections 136A.615 to 136A.71;

54.24 (2) providing false, misleading, or incomplete information to the office;

54.25 (3) presenting information about the school which is false, fraudulent, misleading,
54.26 deceptive, or inaccurate in a material respect to prospective students; or

54.27 (4) refusing to allow reasonable inspection or to supply reasonable information after
54.28 a written request by the office has been received.

54.29 Sec. 9. Minnesota Statutes 2006, section 136A.653, is amended to read:

54.30 **136A.653 EXEMPTIONS.**

54.31 Subdivision 1. **Exemption.** A school that is subject to licensing by the office under
54.32 chapter 141, is exempt from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.
54.33 The determination of the office as to whether a particular school is subject to regulation
54.34 under chapter 141 is final for the purposes of this exemption.

Subd. 2. **Educational program; nonprofit organizations.** Educational programs which are sponsored by a bona fide and nonprofit trade, labor, business, professional or fraternal organization, which programs are conducted solely for that organization's membership or for the members of the particular industries or professions served by that organization, and which are not available to the public on a fee basis, are exempted from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.

Subd. 3. **Educational program; business firms.** Educational programs which are sponsored by a business firm for the training of its employees or the employees of other business firms with which it has contracted to provide educational services at no cost to the employees are exempted from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.

Subd. 4. **Voluntary submission.** Any school or program exempted from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71 by the provisions of this section may voluntarily submit to the provisions of those sections.

Sec. 10. Minnesota Statutes 2006, section 136A.657, is amended to read:

136A.657 EXEMPTION; RELIGIOUS SCHOOLS.

Subdivision 1. **Exemption.** Any school or any department or branch of a school (a) which is substantially owned, operated or supported by a bona fide church or religious organization; (b) whose programs are primarily designed for, aimed at and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and (c) whose programs are primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with, the particular faith of that church or religious organization, is exempt from the provisions of sections ~~136A.61~~ 136A.615 to 136A.71.

Subd. 2. **Limitation.** This exemption shall not extend to any school or to any department or branch of a school which through advertisements or solicitations represents to any students or prospective students that the school, its aims, goals, missions or purposes or its programs are different from those described in subdivision 1. This exemption shall not extend to any school which represents to any student or prospective student that the major purpose of its programs is to prepare the student for a vocation not closely related to that particular religious faith, or to provide the student with a general educational program recognized by other schools or the broader educational, business or social community as being substantially equivalent to the educational programs offered by schools or departments or branches of schools which are not exempt from sections ~~136A.61~~ 136A.615 to 136A.71, and rules adopted pursuant thereto.

Subd. 3. **Scope.** Nothing in sections ~~136A.61~~ 136A.615 to 136A.71, or the rules adopted pursuant thereto, shall be interpreted as permitting the office to determine the truth or falsity of any particular set of religious beliefs.

Subd. 4. **Statement required; religious nature.** Any degree awarded upon completion of a religiously exempt program shall include descriptive language to make the religious nature of the award clear.

Sec. 11. Minnesota Statutes 2006, section 136A.66, is amended to read:

136A.66 LIST.

The office shall maintain a list of ~~schools~~ registered institutions authorized to grant degrees and schools authorized to use the name "college," "academy," "institute" or "university," and shall make such list available to the public.

Sec. 12. Minnesota Statutes 2006, section 136A.67, is amended to read:

136A.67 UNAUTHORIZED REPRESENTATIONS.

~~No school and none of its officials or employees shall advertise or represent in any manner that such school is approved or accredited by the office or state of Minnesota except that any~~ A school which is duly registered with the office, or any of its officials or employees, may represent in advertising and shall disclose in catalogues, applications, and enrollment materials that the school is registered with the office: by prominently displaying the following statement: "(Name of school) is registered as a private institution with the Minnesota Office of Higher Education pursuant to sections 136A.615 to 136A.71. Registration is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions."

Sec. 13. **[136A.675] RISK ANALYSIS.**

The office shall develop a set of financial and programmatic evaluation metrics to aid in the detection of the failure or potential failure of a school to meet the standards established under sections 136A.61 to 136A.71. These metrics shall include indicators of financial stability, changes in the senior management or the financial aid and senior administrative staff of an institution, changes in enrollment, changes in program offerings, and changes in faculty staffing patterns. The development of financial standards shall use industry standards as benchmarks. The development of the nonfinancial standards shall include a measure of trends and dramatic changes in trends or practice. The agency must specify the metrics and standards for each area and provide a copy to each registered institution and post them on the agency Web site. The agency shall use regularly reported

57.1 data submitted to the federal government or other regulatory or accreditation agencies
57.2 wherever possible. The agency may require more frequent data reporting by an institution
57.3 to ascertain whether the standards are being met.

57.4 Sec. 14. Minnesota Statutes 2006, section 136A.68, is amended to read:

57.5 **136A.68 RECORDS.**

57.6 ~~After August 1, 1975, all schools located in this state must maintain permanent~~
57.7 ~~records of all students enrolled therein at any time. The office may require schools to~~
57.8 ~~provide a plan acceptable to the office for preserving all such records for at least ten years.~~
57.9 ~~The office may require that such plan include the filing of a continuous surety bond or a~~
57.10 ~~deposit of funds in trust in an amount not to exceed \$20,000 for the purpose of preserving~~
57.11 ~~records after such school ceases to exist. A registered school shall maintain a permanent~~
57.12 record for each student for 50 years from the last date of the student's attendance. A
57.13 registered school offering distance instruction to a student located in Minnesota shall
57.14 maintain a permanent record for each Minnesota student for 50 years from the last date of
57.15 the student's attendance. Records include a student's academic transcript, documents, and
57.16 files containing student data about academic credits earned, courses completed, grades
57.17 awarded, degrees awarded, and periods of attendance. To preserve permanent records, a
57.18 school shall submit a plan that meets the following requirements:

57.19 (1) at least one copy of the records must be held in a secure, fireproof depository
57.20 or duplicate records must be maintained off site in a secure location and in a manner
57.21 approved by the office;

57.22 (2) an appropriate official must be designated to provide a student with copies of
57.23 records or a transcript upon request;

57.24 (3) an alternative method approved by the office of complying with clauses (1) and
57.25 (2) must be established if the school ceases to exist; and

57.26 (4) if the school has no binding agreement approved by the office for preserving
57.27 student records, a continuous surety bond must be filed with the office in an amount not to
57.28 exceed \$20,000. The bond shall run to the state of Minnesota.

57.29 Sec. 15. Minnesota Statutes 2006, section 136A.69, is amended to read:

57.30 **136A.69 FEES.**

57.31 Subdivision 1. **Registration fees.** The office shall collect reasonable registration
57.32 fees that are sufficient to recover, but do not exceed, its costs of administering the
57.33 registration program. The office shall charge \$1,100 for initial registration fees and \$950
57.34 for annual renewal fees.

Subd. 2. **Degree level addition fee.** The office processing fee for adding a degree level to an existing program is \$2,000 per program.

Subd. 3. **Program addition fee.** The office processing fee for adding a program that represents a significant departure in the objectives, content, or method of delivery of programs that are currently offered by the school is \$500 per program.

Subd. 4. **Visit or consulting fee.** If the office determines that a fact-finding visit or outside consultant is necessary to review or evaluate any new or revised program, the office shall be reimbursed for the expenses incurred related to the review as follows:

(1) \$300 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;

(2) \$300 for each day or part thereof on site per team member; and

(3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Subd. 5. **Modification fee.** The fee for modification of any existing program is \$100 and is due if there is:

(1) an increase or decrease of 25 percent or more from the original date of program approval, in clock hours, credit hours, or calendar length of an existing program;

(2) a change in academic measurement from clock hours to credit hours or vice versa; or

(3) an addition or alteration of courses that represent a 25 percent change or more in the objectives, content, or methods of delivery.

Sec. 16. **[136A.705] PENALTY.**

The director may assess fines for violations of a provision of sections 136A.615 to 136A.71. Each day's failure to comply with a provision of sections 136A.615 to 136A.71 shall be a separate violation and fines shall not exceed \$500 per day per violation.

Amounts received under this section must be deposited in the special revenue fund and are appropriated in fiscal years 2008 and 2009 for the purposes in sections 136A.615 to 136A.71.

Sec. 17. Minnesota Statutes 2006, section 136A.71, is amended to read:

136A.71 INJUNCTION.

Upon application of the attorney general the district courts shall have jurisdiction to enjoin any violations of sections ~~136A.61~~ 136A.615 to 136A.71.

Sec. 18. Minnesota Statutes 2006, section 141.21, subdivision 1a, is amended to read:

59.1 Subd. 1a. **Office of Higher Education or office.** "Office of Higher Education" or
59.2 "office" means the Minnesota Office of Higher Education.

59.3 Sec. 19. Minnesota Statutes 2006, section 141.21, subdivision 5, is amended to read:

59.4 Subd. 5. **School.** "School" means any person, within or outside the state, who
59.5 maintains, advertises, administers, solicits for, or conducts any program ~~for profit~~ at
59.6 ~~any less than an associate degree level other than baccalaureate or graduate programs,~~
59.7 ~~and is not specifically exempted by sections 141.21 to~~ and is not registered as a private
59.8 institution under sections 136A.615 to 136A.71 and is not specifically exempted by
59.9 section 141.35 or 141.37.

59.10 Sec. 20. Minnesota Statutes 2006, section 141.25, subdivision 1, is amended to read:

59.11 Subdivision 1. **Required.** A school must not maintain, advertise, solicit for,
59.12 administer, or conduct any program in Minnesota without first obtaining a license from
59.13 the office.

59.14 Sec. 21. Minnesota Statutes 2006, section 141.25, subdivision 5, is amended to read:

59.15 Subd. 5. **Bond.** (a) No license shall be issued to any school which maintains,
59.16 conducts, solicits for, or advertises within the state of Minnesota any program, unless the
59.17 applicant files with the office a continuous corporate surety bond written by a company
59.18 authorized to do business in Minnesota conditioned upon the faithful performance of all
59.19 contracts and agreements with students made by the applicant.

59.20 (b) The amount of the surety bond shall be ten percent of the preceding year's gross
59.21 income from student tuition, fees, and other required institutional charges, but in no event
59.22 less than \$10,000 nor greater than \$250,000, except that a school may deposit a greater
59.23 amount at its own discretion. A school in each annual application for licensure must
59.24 compute the amount of the surety bond and verify that the amount of the surety bond
59.25 complies with this subdivision, unless the school maintains a surety bond equal to at least
59.26 \$250,000. A school that operates at two or more locations may combine gross income
59.27 from student tuition, fees, and other required institutional charges for all locations for the
59.28 purpose of determining the annual surety bond requirement. The gross tuition and fees
59.29 used to determine the amount of the surety bond required for a school having a license for
59.30 the sole purpose of recruiting students in Minnesota shall be only that paid to the school
59.31 by the students recruited from Minnesota.

59.32 (c) The bond shall run to the state of Minnesota and to any person who may have a
59.33 cause of action against the applicant arising at any time after the bond is filed and before it

is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of finance a sum equal to the amount of the required surety bond in cash, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

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

Sec. 22. Minnesota Statutes 2006, section 141.25, subdivision 7, is amended to read:

Subd. 7. **Minimum standards.** A license shall be issued if the office first determines:

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

(i) meet the school's financial obligations;
(ii) refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school by the student body;

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

(iv) maintain and support the school;

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

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

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

(5) that the premises and conditions under which the students work and study are sanitary, healthful, and safe, according to modern standards;

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

61.1 (7) that the living quarters which are owned, maintained, recommended, or approved
61.2 by the applicant for students are sanitary and safe;

61.3 (8) that the contract or enrollment agreement used by the school complies with
61.4 the provisions in section 141.265;

61.5 (9) that contracts and agreements do not contain a wage assignment provision or a
61.6 confession of judgment clause; and

61.7 (10) that there has been no adjudication of fraud or misrepresentation in any
61.8 criminal, civil, or administrative proceeding in any jurisdiction against the school or its
61.9 owner, officers, agents, or sponsoring organization.

61.10 Sec. 23. Minnesota Statutes 2006, section 141.25, subdivision 9, is amended to read:

61.11 Subd. 9. **Catalog, brochure, or electronic display.** Before a license is issued to
61.12 a school, the school shall furnish to the office a catalog, brochure, or electronic display
61.13 including:

61.14 (1) identifying data, such as volume number and date of publication;

61.15 (2) name and address of the school and its governing body and officials;

61.16 (3) a calendar of the school showing legal holidays, beginning and ending dates of
61.17 each course quarter, term, or semester, and other important dates;

61.18 (4) the school policy and regulations on enrollment including dates and specific
61.19 entrance requirements for each program;

61.20 (5) the school policy and regulations about leave, absences, class cuts, make-up
61.21 work, tardiness, and interruptions for unsatisfactory attendance;

61.22 (6) the school policy and regulations about standards of progress for the student
61.23 including the grading system of the school, the minimum grades considered satisfactory,
61.24 conditions for interruption for unsatisfactory grades or progress, a description of any
61.25 probationary period allowed by the school, and conditions of reentrance for those
61.26 dismissed for unsatisfactory progress;

61.27 (7) the school policy and regulations about student conduct and conditions for
61.28 dismissal for unsatisfactory conduct;

61.29 (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student
61.30 activities, laboratory fees, service charges, rentals, deposits, and all other charges;

61.31 (9) the school policy and regulations, including an explanation of section 141.271,
61.32 about refunding tuition, fees, and other charges if the student does not enter the program,
61.33 withdraws from the program, or the program is discontinued;

61.34 (10) a description of the available facilities and equipment;

62.1 (11) a course outline syllabus for each course offered showing course objectives,
62.2 subjects or units in the course, type of work or skill to be learned, and approximate time,
62.3 hours, or credits to be spent on each subject or unit;

62.4 (12) the school policy and regulations about granting credit for previous education
62.5 and preparation;

62.6 (13) a notice to students relating to the transferability of any credits earned at the
62.7 school to other institutions;

62.8 (14) a procedure for investigating and resolving student complaints; and

62.9 ~~(14)~~ (15) the name and address of the Minnesota Office of Higher Education.

62.10 A school that is exclusively a distance education school is exempt from clauses
62.11 (3) and (5).

62.12 Sec. 24. Minnesota Statutes 2006, section 141.25, subdivision 10, is amended to read:

62.13 Subd. 10. **Placement records.** (a) Before a license is ~~issued~~ reissued to a school
62.14 that offers, advertises or implies a placement service, the school shall file with the office
62.15 for the past year and thereafter at reasonable intervals determined by the office, a certified
62.16 copy of the school's placement record, containing a list of graduates, a description of their
62.17 jobs, names of their employers, and other information as the office may prescribe.

62.18 (b) Each school that offers a placement service shall furnish to each prospective
62.19 student, upon request, prior to enrollment, written information concerning the percentage
62.20 of the previous year's graduates who were placed in the occupation for which prepared or
62.21 in related employment.

62.22 Sec. 25. Minnesota Statutes 2006, section 141.25, subdivision 12, is amended to read:

62.23 Subd. 12. **Permanent records.** A school licensed under this chapter and located
62.24 in Minnesota shall maintain a permanent record for each student for 50 years from the
62.25 last date of the student's attendance. A school licensed under this chapter and offering
62.26 distance instruction to a student located in Minnesota shall maintain a permanent record
62.27 for each Minnesota student for 50 years from the last date of the student's attendance.
62.28 Records include school transcripts, documents, and files containing student data about
62.29 academic credits earned, courses completed, grades awarded, degrees awarded, and
62.30 periods of attendance. To preserve permanent records, a school shall submit a plan that
62.31 meets the following requirements:

62.32 (1) at least one copy of the records must be held in a secure, fireproof depository;

62.33 (2) an appropriate official must be designated to provide a student with copies of
62.34 records or a transcript upon request;

63.1 (3) an alternative method, approved by the office, of complying with clauses (1) and
63.2 (2) must be established if the school ceases to exist; and
63.3 (4) a continuous surety bond must be filed with the office in an amount not to exceed
63.4 \$20,000 if the school has no binding agreement approved by the office, for preserving
63.5 student records ~~or a trust must be arranged if the school ceases to exist.~~ The bond shall run
63.6 to the state of Minnesota.

63.7 Sec. 26. Minnesota Statutes 2006, section 141.255, subdivision 2, is amended to read:

63.8 Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a
63.9 renewal licensure application is:

63.10 (1) for a category A school, as determined by the office, the fee is \$865 if the school
63.11 offers one program or \$1,150 if the school offers two or more programs; and

63.12 (2) for a category B or C school, as determined by the office, the fee is \$430 if the
63.13 school offers one program or \$575 if the school offers two or more programs.

63.14 (b) If a license renewal application is not received by the office by the close of
63.15 business at least 60 days before the expiration of the current license, a late fee of \$100
63.16 per business day, not to exceed \$3,000, shall be assessed.

63.17 Sec. 27. Minnesota Statutes 2006, section 141.265, subdivision 2, is amended to read:

63.18 Subd. 2. **Contract information.** A contract or enrollment agreement used by a
63.19 school must include at least the following:

63.20 (1) the name and address of the school, clearly stated;

63.21 (2) a clear and conspicuous disclosure that the agreement is a legally binding
63.22 instrument upon written acceptance of the student by the school unless canceled under
63.23 section 141.271;

63.24 (3) the school's cancellation and refund policy that shall be clearly and conspicuously
63.25 entitled "Buyer's Right to Cancel";

63.26 (4) a clear statement of total cost of the program including tuition and all other
63.27 charges;

63.28 (5) the name and description of the program, including the number of hours or
63.29 credits of classroom instruction, or distance instruction, that shall be included; and

63.30 (6) a clear and conspicuous explanation of the form and means of notice the student
63.31 should use in the event the student elects to cancel the contract or sale, the effective
63.32 date of cancellation, and the name and address of the seller to which the notice should
63.33 be sent or delivered.

64.1 The contract or enrollment agreement must not include a wage assignment provision or a
64.2 confession of judgment clause.

64.3 Sec. 28. Minnesota Statutes 2006, section 141.271, subdivision 10, is amended to read:

64.4 Subd. 10. **Cancellation occurrence.** Written notice of cancellation shall take place
64.5 on the date the letter of cancellation is postmarked or, in the cases where the notice is hand
64.6 carried, it shall occur on the date the notice is delivered to the school. If a student has not
64.7 attended ~~classes~~ class for a period of 21 consecutive days without contacting the school to
64.8 indicate an intent to continue in school or otherwise making arrangements concerning the
64.9 absence, the student is considered to have withdrawn from school for all purposes as of
64.10 the student's last documented date of attendance.

64.11 Sec. 29. Minnesota Statutes 2006, section 141.271, subdivision 12, is amended to read:

64.12 Subd. 12. **Instrument not to be negotiated.** A school shall not negotiate any
64.13 promissory instrument received as payment of tuition or other charge prior to completion
64.14 of 50 percent of the program-, except that prior to that time, instruments may be transferred
64.15 by assignment to purchasers who shall be subject to all defenses available against the
64.16 school named as payee.

64.17 Sec. 30. Minnesota Statutes 2006, section 141.28, subdivision 1, is amended to read:

64.18 Subdivision 1. ~~Not to advertise state approval~~ **Disclosure required.** ~~Schools,~~
64.19 ~~agents of schools, and solicitors may not advertise or represent in writing or orally that~~
64.20 ~~such school is approved or accredited by the state of Minnesota, except that any A~~
64.21 ~~school, agent, or solicitor may advertise~~ represent in advertisements and shall disclose
64.22 in catalogues, applications, and enrollment materials that the school ~~and solicitor have~~
64.23 ~~been~~ is duly licensed by the state ~~using~~ by prominently displaying the following ~~language~~
64.24 statement:

64.25 "(Name of school) is licensed as a private career school with the Minnesota Office of
64.26 Higher Education. Licensure is not an endorsement of the institution. Credits earned at the
64.27 institution may not transfer to all other institutions. ~~The educational programs may not~~
64.28 ~~meet the needs of every student or employer."~~

64.29 Sec. 31. Minnesota Statutes 2006, section 141.32, is amended to read:

64.30 **141.32 PENALTY.**

64.31 ~~Violation of a provision of this chapter shall be a misdemeanor. Each day's failure~~
64.32 ~~to comply with this chapter shall be a separate violation. The office shall adopt rules~~

65.1 ~~establishing a list of civil penalties and the fine associated with each violation. Fines for~~
65.2 ~~violations shall not exceed \$500 per day per violation. The director may assess fines for~~
65.3 ~~violations of a provision of this chapter. Each day's failure to comply with a provision~~
65.4 ~~of sections 136A.615 to 136A.71 shall be a separate violation and fines shall not exceed~~
65.5 ~~\$500 per day per violation. Amounts received under this section must be deposited in the~~
65.6 ~~special revenue fund and are appropriated in fiscal years 2008 and 2009 for the purposes~~
65.7 ~~of this chapter.~~

65.8 Sec. 32. Minnesota Statutes 2006, section 141.35, is amended to read:

65.9 **141.35 EXEMPTIONS.**

65.10 Sections 141.21 to ~~141.35~~ 141.32 shall not apply to the following:

65.11 (1) public postsecondary institutions;

65.12 (2) ~~private~~ postsecondary institutions registered under sections ~~136A.61~~ 136A.615
65.13 ~~to 136A.71 that are nonprofit, or that are for profit and registered under sections 136A.61~~
65.14 ~~to 136A.71 as of December 31, 1998, or are approved to offer exclusively baccalaureate~~
65.15 ~~or postbaccalaureate programs;~~

65.16 (3) schools of nursing accredited by the state Board of Nursing or an equivalent
65.17 public board of another state or foreign country;

65.18 (4) private schools complying with the requirements of section 120A.22, subdivision
65.19 4;

65.20 (5) courses taught to students in a valid apprenticeship program taught by or
65.21 required by a trade union;

65.22 (6) schools exclusively engaged in training physically or mentally disabled persons
65.23 for the state of Minnesota;

65.24 (7) schools licensed by boards authorized under Minnesota law to issue licenses;

65.25 (8) schools and educational programs, or training programs, contracted for by
65.26 persons, firms, corporations, government agencies, or associations, for the training of their
65.27 own employees, for which no fee is charged the employee;

65.28 (9) schools engaged exclusively in the teaching of purely avocational, recreational,
65.29 or remedial subjects as determined by the office;

65.30 (10) ~~driver training schools and instructors as defined in section 171.33, subdivisions~~
65.31 ~~1 and 2;~~

65.32 ~~(11)~~ classes, courses, or programs conducted by a bona fide trade, professional, or
65.33 fraternal organization, solely for that organization's membership;

65.34 ~~(12)~~ (11) programs in the fine arts provided by organizations exempt from taxation
65.35 under section 290.05 and registered with the attorney general under chapter 309. For

the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;

~~(13)~~ (12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;

~~(14)~~ (13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

~~(15)~~ (14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment;

~~(16)~~ (15) classes, courses, or programs providing instruction in personal development, modeling, or acting;

~~(17)~~ (16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; and

~~(18)~~ (17) schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions.

Sec. 33. **[141.37] EXEMPTION; RELIGIOUS SCHOOLS.**

Subdivision 1. Exemption. Any school or any department or branch of a school:

(1) which is substantially owned, operated, or supported by a bona fide church or religious organization;

(2) whose programs are primarily designed for, aimed at, and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and

(3) whose programs are primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with the particular faith of that church or religious organization,
is exempt from the provisions of sections 141.21 to 141.32.

67.1 Subd. 2. **Limitations.** (a) An exemption shall not extend to any school, department
67.2 or branch of a school, or program of a school which through advertisements or solicitations
67.3 represents to any students or prospective students that the school, its aims, goals, missions,
67.4 purposes, or programs are different from those described in subdivision 1.

67.5 (b) An exemption shall not extend to any school which represents to any student or
67.6 prospective student that the major purpose of its programs is to:

67.7 (1) prepare the student for a vocation not closely related to that particular religious
67.8 faith; or

67.9 (2) provide the student with a general educational program recognized by other
67.10 schools or the broader educational, business, or social community as being substantially
67.11 equivalent to the educational programs offered by schools or departments or branches of
67.12 schools which are not religious in nature and are not exempt from chapter 141 and from
67.13 rules adopted pursuant under this chapter.

67.14 Subd. 3. **Scope.** Nothing in this chapter or the rules adopted under it shall be
67.15 interpreted as permitting the office to determine the truth or falsity of any particular set
67.16 of religious beliefs.

67.17 Subd. 4. **Descriptive language required.** Any certificate, diploma, degree, or other
67.18 formal recognition awarded upon completion of any religiously exempt program shall
67.19 include such descriptive language as to make the religious nature of the award clear.

67.20 Sec. 34. **EFFECTIVE DATE; TRANSITION PROCESS.**

67.21 Changes in Minnesota Statutes, chapter 141, and sections 136A.615 to 136A.71,
67.22 shall be effective July 1, 2007. Schools currently licensed pursuant to Minnesota Statutes,
67.23 chapter 141, that qualify for private institution registration after July 1, 2007, shall apply
67.24 for and complete the process for registration prior to the expiration of their current private
67.25 career school license. Schools currently registered as private institutions pursuant to
67.26 Minnesota Statutes, sections 136A.61 to 136A.71, that are required to obtain a private
67.27 career school license after August 1, 2007, shall apply for and complete the process for
67.28 licensure prior to the expiration of the current registration, but in any event no later than
67.29 December 31, 2007. The office is authorized to extend existing license or registration for a
67.30 reasonable period of time to allow for the completion of the new processes when necessary.