A bill for an act

relating to higher education; amending higher education provisions; establishing and modifying certain grants and programs; making technical changes; regulating certain activities and practices; establishing and amending certain scholarships; providing a tuition guarantee; regulating board member and trustee nominations and elections; requiring a certificate of need; defining terms; requiring a report; appropriating money; amending Minnesota Statutes 2008, sections 135A.08, subdivision 1; 135A.25, subdivision 4; 136A.06; 136A.08, subdivision 1, by adding a subdivision; 136A.101, subdivision 4; 136A.121, subdivisions 5, 6, 9; 136A.1701, subdivision 10; 136F.02, subdivision 1; 136F.04; 136F.045; 136F.46, subdivision 3; 137.0246, subdivision 2; 137.025, subdivision 1; 299A.45, subdivision 4; 340A.404, subdivision 4a; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 136F; 137; repealing Minnesota Statutes 2008, sections 136A.127; 136F.03; 137.0245.

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

ARTICLE 1
HIGHER EDUCATION APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

Subdivision 1. **Summary by fund.** The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		2010		2011		Total
General	$	1,388,543,000	$	1,383,285,000	$	2,771,828,000
Health Care Access		2,157,000		2,157,000		4,314,000
Federal Stabilization		180,920,000		180,920,000		361,840,000
Total	**$**	**1,571,620,000**	**$**	**1,566,362,000**	**$**	**3,137,982,000**

Subd. 2. **Summary by agency - all funds.** The amounts shown in this subdivision summarize direct appropriations, by agency, made in this article.

		2010		2011		Total
Minnesota Office of Higher Education	$	195,358,000	$	190,049,000	$	385,407,000
Board of Trustees of the Minnesota State Colleges and Universities		665,883,000		665,883,000		1,331,766,000
Board of Regents of the University of Minnesota		709,079,000		709,079,000		1,418,158,000
Mayo Medical Foundation		1,300,000		1,351,000		2,651,000
Total	**$**	**1,571,620,000**	**$**	**1,566,362,000**	**$**	**3,137,982,000**

Sec. 2. **HIGHER EDUCATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

		APPROPRIATIONS Available for the Year Ending June 30 2010		2011
Sec. 3. **MINNESOTA OFFICE OF HIGHER EDUCATION**				
Subdivision 1. **Total Appropriation**	**$**	**195,358,000**	**$**	**190,049,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **State Grants**	149,721,000	144,618,000

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

The legislature intends that the Office of Higher Education make full grant awards in each year of the biennium.

For the biennium, the tuition maximum for students in four-year programs is $9,938 in each year.

This appropriation sets the living and miscellaneous expense allowance at $6,900 each year.

Subd. 3. **Safety Officers' Survivors**	100,000	100,000

This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to dependent children under age 23 and to the spouses of public safety officers killed in the line of duty.

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

Subd. 4. **Interstate Tuition Reciprocity**	2,750,000	2,750,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 5. **State Work Study**	15,500,000	15,500,000
Subd. 6. **Child Care Grants**	6,675,000	6,675,000
Subd. 7. **Indian Scholarships**	2,375,000	2,375,000

The director of the Minnesota Office of Higher Education must contract with at least one knowledgeable person residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. Bemidji State University must provide office space at no cost to the Minnesota Office of Higher

Education for purposes of administering the American Indian scholarship program under Minnesota Statutes, section 136A.126.

Subd. 8. **Minitex**	5,631,000	5,631,000
Subd. 9. **MnLINK Gateway**	400,000	400,000
Subd. 10. **Learning Network of Minnesota**	4,800,000	4,800,000
Subd. 11. **Minnesota College Savings Plan**	700,000	700,000
Subd. 12. **Midwest Higher Education Compact**	95,000	95,000
Subd. 13. **Other Small Programs**	853,000	853,000

This appropriation includes funding for student and parent information, information for college attendance, and minority education programs.

Subd. 14. **TEACH Program**	300,000	300,000

For the teacher education and compensation helps (TEACH) and the Minnesota early childhood teacher retention programs in Minnesota Statutes, section 136A.126. This is a onetime appropriation.

Subd. 15. **Power of You**	2,000,000	2,000,000

For transfer to MnSCU for the existing Power of You program and for pilot sites under article 2, section 30.

Subd. 16. **Technical and Community College Emergency Grants**	100,000	100,000

For transfer to the financial aid offices at each of the colleges of the Minnesota State Colleges and Universities to provide emergency aid grants to technical and community college students who are experiencing extraordinary economic circumstances that may result in the students dropping out of school without completing the term or their program.

Subd. 17. **Veterinary Loan Forgiveness**	225,000	

For the large animal loan forgiveness program under Minnesota Statutes, section 136A.1795. This appropriation is available until expended.

Subd. 18. **Agency Administration**	2,685,000	2,685,000

Subd. 19. **Balances Forward**

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

Subd. 20. **Transfers**

The Minnesota Office of Higher Education may transfer unencumbered balances from the appropriations in subdivisions 2 to 7 and 11 to the state grant appropriation, the safety officer survivors appropriation, the interstate tuition reciprocity appropriation, the Minnesota college savings plan appropriation, the child care appropriation, and the state work study appropriation.

Subd. 21. **United Family Medicine Residency Program**	448,000	467,000

For a grant to the united family medicine residency program. This appropriation must be used to support up to 18 resident physicians each year in family practice at united family medicine residency programs and must prepare doctors to practice family care medicine in underserved rural and urban areas of the state. At least seven of the resident physicians must be at a publicly owned rural hospital that has an attached nursing home. The legislature intends for this program to improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.

Subd. 22. **TANF Work-Study**

Notwithstanding any rule to the contrary, work-study jobs funded by a TANF appropriation do not require employer matching funds.

Subd. 23. **Reporting**

By November 1 and February 15, the Minnesota Office of Higher Education must provide updated state grant spending projections, taking into account the most current and projected enrollment and tuition and fee information, economic conditions, and other relevant factors. Before submitting state grant spending projections, the office must meet and consult with representatives of public and private postsecondary education, the Department of Finance, the governor's office, legislative staff, and financial aid administrators.

Subd. 24. **Accreditation**

The office must work with small institutions to identify cost-effective methods to achieve accreditation necessary to be an eligible institution for state and federal financial aid.

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

Subdivision 1. **Total Appropriation**	**$**	**665,883,000**	**$**	**665,883,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Central Office and Shared Services Unit**	47,328,000	47,328,000

For the Office of the Chancellor and the Shared Services Division.

For fiscal years 2012 and 2013 the base for the Central Office and Shared Services Unit is $44,823,000 each year.

Subd. 3. **Operations and Maintenance**	553,366,000	553,366,000

(a) It is the intention of the legislature to increase the amount of funding distributed to colleges and universities through the allocation model to provide direct support of instruction and related functions necessary to protect the core mission of educating students.

(b) Allocations to campuses from appropriations under this section must not be reduced below the allocations for the biennium ending June 30, 2009, after deducting any amount unallotted in the biennium.

(c) The Board of Trustees shall submit expenditure reduction plans by March 15, 2010, to the committees of the legislature with responsibility for higher education finance to achieve the 2012-2013 base established in this section at the central office and at each institution. The plan submitted by the board must be based on plans developed at each institution detailing reductions to achieve lower base allocations at that institution. Each plan must focus on protecting direct instruction while reducing peripheral programs and services that may benefit students and institutions but are not necessary to the education of students seeking certificates, diplomas, and degrees.

(d) During the biennium ending June 30, 2011, except for positions that are essential to the daily operation of an institution, the board must not fill administrative and managerial vacancies, existing on the effective date of this section, in the central office or at any of the campuses of the Minnesota State Colleges and Universities or use a search firm for any hiring. The board must not authorize any increase in salaries for administrative and managerial positions in the Minnesota State Colleges and Universities in the biennium ending June 30, 2011. The board must not charge any of the institutions for reductions under this section to the central office.

(e) For the biennium ending June 30, 2011, the board must not reserve or expend appropriations under this subdivision for competitive salaries, awards of excellence, campus and technology initiatives outside the allocation model, or other board or chancellor initiatives. All amounts saved under this paragraph must be added to the allocation model and distributed to the institutions.

(f) For the biennium ending June 30, 2011, expenditures under this subdivision must not exceed $40,000,000 for technology initiatives, including technology infrastructure improvements, and $5,000,000 for initiatives to recruit and retain traditionally underrepresented students. All amounts saved under this paragraph must be added to the allocation model and distributed to the institutions.

(g) $40,000 each year is for the Cook County Higher Education Board to provide educational programs and academic support services.

(h) $1,000,000 each year is for the Northeast Minnesota Higher Education District and high schools in its area. Students from area high schools may also access the facilities and faculty of the Northeast Minnesota Higher Education District for state-of-the-art technical education opportunities, including MnSCU's 2+2 Pathways initiative.

(i) $225,000 each year is to enhance eFolio Minnesota and for a center to provide on-site and Internet-based support and technical assistance to users of the state's eFolio Minnesota system to promote workforce and economic development and to enable access to workforce information generated through the eFolio Minnesota system.

(j) For fiscal years 2012 and 2013 the base for operations and maintenance is $609,631,000 each year.

Subd. 4. **Federal Stimulus Appropriation**	65,189,000	65,189,000

(a) This appropriation is from the fiscal stabilization account in the federal fund and may be used for modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing but may not be used for maintenance of systems, equipment, or facilities. Amounts in this subdivision must not be allocated to modernization, renovation, or repair of stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public and must not be allocated to any facility used for sectarian instruction or religious worship or in which a substantial portion of the functions of the facilities are subsumed in a religious mission. No amount from this appropriation may be allocated to increase endowment funds.

(b) Appropriations under this subdivision must be used as a bridge for budget reductions in the biennium ending June 30, 2013, and may be used to retain faculty and staff jobs, to provide severance and for early retirement incentives, and to mitigate the rising costs of attendance through minimizing tuition increases and the support of student employment opportunities.

(c) The legislature intends that the tuition increase for a Minnesota resident undergraduate student in the Minnesota State Colleges and Universities, must not exceed five percent per year for the biennium ending June 30, 2011. Federal stimulus money under this subdivision must be used to buy down the tuition increase to no more than two percent per year for these students.

(d) An additional $3,469,000 is appropriated in fiscal year 2009 from the fiscal stabilization account in the federal fund.

Subd. 5. **System Improvements**

To increase efficiencies and equity for faculty and staff, the Board of Trustees is encouraged to place a priority on identifying and implementing measures to improve the human resources system used by the Minnesota State Colleges and Universities. One of the goals of improving the human resources system is to provide seamless information on faculty and employees to facilitate transfers between institutions.

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

Subdivision 1. **Total Appropriation**	**$**	**709,079,000**	**$**	**709,079,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Operations and Maintenance**	517,623,000	517,623,000

(a) In the biennium ending June 30, 2011, the board must not use appropriations under this section to create or fund new administrative positions at the University of Minnesota or to increase salaries for administrative positions.

(b) Appropriations under this subdivision may be used for a new scholarship under Minnesota Statutes, section 137.0225, to complement the University's Founders scholarship.

(c) This appropriation includes amounts for an Ojibwe Indian language program on the Duluth campus.

(d) This appropriation includes money for the Dakota language teacher training immersion program on the Twin Cities campus to prepare teachers to teach in Dakota language immersion programs.

(e) This appropriation includes $600,000 each year for the Veterinary Diagnostic Laboratory.

(f) For fiscal years 2012 and 2013, the base for operations and maintenance is $598,124,000 each year.

Subd. 3. **Health Care Access Fund**	2,157,000	2,157,000

This appropriation is from the health care access fund and is for primary care education initiatives.

Subd. 4. **Special Appropriation**	73,468,000	73,468,000
(a) **Agriculture and Extension Service**	52,255,000	52,255,000

(1) This appropriation is for agricultural research and extension activities as provided in this paragraph.

(2) The Agricultural Experiment Stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state.

(3) This appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's production agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota producer organizations:

(i) vegetable crop research;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach; and

(xiii) programs to meet the research and outreach needs of sustainable and organic livestock and crop farmers.

(4) This appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources. The following areas should be prioritized and carried out in consultation

with Minnesota producer and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed.

(5) This appropriation includes funding for analysis of livestock facility siting and regulatory models from other states and countries and the following aspects of ethanol production in Minnesota:

(i) water use trends as compared to other industries and activities;

(ii) the carbon balance of ethanol production;

(iii) the effect of ethanol blending requirements on transportation fuel prices; and

(iv) the economic impacts of ethanol production and use including such measures as employment, economic output, and state and local tax revenues.

(6) This appropriation may be used to establish and maintain a statewide organic research and education initiative, secure a facility and retain current faculty levels for poultry research currently conducted at UMore Park, develop and implement a dairy producer continuing education program

and for scoping a new dairy research and teaching facility.

(7) By February 1, 2011, the Board of Regents must submit a report to the legislative committees with responsibility for agriculture and higher education finance on the status and outcomes of research and initiatives funded in this section.

(b) **Health Sciences**	5,275,000	5,275,000

$346,000 each year is to support up to 12 resident physicians each year in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in the rural areas of the state. The legislature intends for this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.

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

(c) **Institute of Technology**	1,387,000	1,387,000

For the Geological Survey and the talented youth mathematics program.

(d) **System Specials**	6,551,000	6,551,000

For general research, student loans matching money, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, and the Bell Museum of Natural History.

(e) **University of Minnesota and Mayo Foundation Partnership**	8,000,000	8,000,000

For the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. This appropriation is available until expended. All parties to the partnership and chairs of the senate and house of representatives committees responsible for higher education finance must be consulted before the Board of Regents reduces the amount allocated to the partnership under this paragraph during the biennium ending June 30, 2011. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the senate and house of representatives committees responsible for higher education and economic development by June 30 of each fiscal year.

Subd. 5. **Federal Stimulus Appropriation**	115,731,000	115,731,000

(a) This appropriation is from the fiscal stabilization account in the federal fund and may be used for modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing but may not be used for maintenance of systems, equipment, or facilities. Amounts in this subdivision must not be allocated to modernization, renovation, or repair of stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public and must not be allocated to any facility used for sectarian instruction or religious worship or in which a substantial portion of the functions of the facilities are subsumed in a religious mission. No amount from this appropriation may be allocated to increase endowment funds.

(b) Appropriations under this subdivision must be used as a bridge for budget reductions in the biennium ending June 30, 2013, and may be used to retain faculty and staff jobs, to provide severance and for early retirement incentives and to mitigate rising costs of attendance through minimizing tuition increases and support of student employment opportunities.

(c) The legislature intends that the net tuition increase for a Minnesota resident undergraduate student at the University of Minnesota must not exceed $300 per year for the biennium ending June 30, 2011. Appropriations of federal stimulus money under this subdivision must be used to accomplish this goal.

(d) $400,000 of this appropriation in fiscal year 2010 is for a grant to the Minnesota Wildlife Rehabilitation Center for their uncompensated expenses. This is a onetime appropriation.

(e) An additional $27,080,000 is appropriated in fiscal year 2009 from the stabilization account in the federal fund.

Subd. 6. **Academic Health Center**

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is $22,250,000 each year.

Subd. 7. **NRRI Research**

Notwithstanding Minnesota Statutes, section 137.022, subdivision 4, the board may use up to $150,000 of the income credited to the permanent university fund from royalties from mining under state mineral leases to fund research at the Coleraine Minerals Research Laboratory of the Natural Resources Research Institute by taconite engineers who have been laid off by the mining industry.

Subd. 8. **Enrollment Increases**

Over the biennium ending June 30, 2011, the Board of Regents must increase the enrollment of Minnesota resident freshmen with the goal of reaching at least the proportion of Minnesota resident undergraduates enrolled in the University of Minnesota in the 2006-2007 academic year.

Sec. 6. **MAYO CLINIC**

Subdivision 1. **Total Appropriation**	**$**	**1,300,000**	**$**	**1,351,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Medical School**	640,000	665,000

The state must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

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

Subd. 3. **Family Practice and Graduate Residency Program**	660,000	686,000

The state must pay stipend support for up to 27 residents each year.

ARTICLE 2
RELATED HIGHER EDUCATION

Section 1. Minnesota Statutes 2008, section 135A.08, subdivision 1, is amended to read:

Subdivision 1. **Course equivalency.** The Board of Regents of the University of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities shall develop and maintain course equivalency guides for use between institutions that have a high frequency of transfer. The course equivalency guides must include information on the course equivalency and awarding of credit for learning acquired as a result of the successful completion of formal military courses and occupational training. Course equivalency guides ~~shall~~ are not ~~be~~ required for vocational technical programs that have not been divided into identifiable courses. The governing boards of private institutions that grant associate and baccalaureate degrees and that have a high frequency of transfer students are requested to participate in developing these guides.

Sec. 2. Minnesota Statutes 2008, section 135A.25, subdivision 4, is amended to read:

Subd. 4. **Minnesota Office of Higher Education responsibilities.** ~~(a)~~ For private postsecondary institutions, the Minnesota Office of Higher Education must develop educational materials considering the recommendations by the Minnesota Office of Higher Education and others and at least annually convene and sponsor meetings and workshops and provide educational strategies for faculty, students, administrators, institutions, and bookstores to inform 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 identify methods to compile and distribute information on publishers that sell or distribute course material for classroom use in postsecondary institutions in a manner that meets the requirements and complies with subdivision 2. The Minnesota Office of Higher Education must also evaluate ways to make this information available for use by students and faculty in postsecondary institutions.~~

Sec. 3. **[135A.26] AMERICAN MADE CLOTHING IN COLLEGE BOOKSTORES.**

A bookstore located on the campus of a public college or university in Minnesota must only offer for sale clothing or articles of apparel that are manufactured in the United States of America.

Sec. 4. Minnesota Statutes 2008, section 136A.06, is amended to read:

136A.06 FEDERAL FUNDS.

The Minnesota Office of Higher Education is designated the state agency to apply for, receive, accept, and disburse to both public and private institutions of higher education all federal funds which are allocated to the state of Minnesota to support higher education programs, construction, or other activities and which require administration by a state higher education agency under the Higher Education Facilities Act of 1963, and any amendments thereof, the Higher Education Act of 1965, and any amendments thereof, and any other law which provides funds for higher education and requires administration by a state higher education agency as enacted or may be enacted by the Congress of the United States; provided that no commitment shall be made that shall bind the legislature to make appropriations beyond current allocations of funds. The office may apply for, receive, accept, and disburse all administrative funds available to the office for administering federal funds to support higher education programs, construction, or other activities. The office also may apply for, receive, accept, and disburse any research, planning, or program funds which are available for purposes consistent with the provisions of this chapter. In making application for and administering federal funds the office may comply with any and all requirements of federal law and federal rules and regulations to enable it to receive and accept such funds. The expenditure of any such funds received shall be governed by the laws of the state, except insofar as federal regulations may otherwise provide. The office may contract with both public and private institutions in administering federal funds, and such contracts shall not be subject to the provisions of chapter 16C. All such money received by the office shall be deposited in the state treasury and, subject to section 3.3005, are hereby appropriated to it annually for the purpose for which such funds are received. None of such moneys shall cancel but shall be available until expended.

Sec. 5. Minnesota Statutes 2008, section 136A.08, subdivision 1, is amended to read:

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

(b) "Province" and "provincial" mean the Canadian province of Manitoba.

(c) "Resident of this state" means a resident student as defined in section 136A.101, subdivision 8.

Sec. 6. Minnesota Statutes 2008, section 136A.08, is amended by adding a subdivision to read:

Subd. 9. **Appeal; resident status.** A student who does not meet the definition of resident after residing in Minnesota for 12 months may appeal to the director by providing documentation on the student's reasons for residing in Minnesota. The director may grant resident status to the student upon determining the documentation establishes that postsecondary education was not the student's principle reason for residing in Minnesota.

Sec. 7. Minnesota Statutes 2008, 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 (1) requires, as a condition of enrollment, that each entering Minnesota resident student must complete the federal application for student aid (FAFSA), and is either (2) operated by this state or the Board of Regents of the University of Minnesota, or ~~(2)~~ (3) is operated 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. 8. Minnesota Statutes 2008, 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 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. 9. Minnesota Statutes 2008, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of allowances specified in law for living and miscellaneous expenses, and an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or the tuition and fee maximums ~~established in law~~. The tuition and fee maximum for a student enrolled in a two-year program is the maximum tuition and fee amount charged at a two-year college within the Minnesota State Colleges and Universities. The tuition and fee maximum for a student enrolled in a four-year program shall be set in law.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Sec. 10. Minnesota Statutes 2008, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for ~~eight~~ ten semesters or the equivalent, excluding courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Sec. 11. Minnesota Statutes 2008, section 136A.1701, subdivision 10, is amended to read:

Subd. 10. **Prohibition on use of state money.** Except as provided in section 136A.1787, paragraph (a), no money originating from state sources in the state treasury shall be made available for student loans under this section and all student loans shall be made from money originating from nonstate sources.

Sec. 12. **[136A.1787] SELF LOAN REVENUE BONDS ANNUAL CERTIFICATE OF NEED.**

(a) In order to ensure the payment of the principal of and interest on bonds and notes of the office and the continued maintenance of the loan capital fund under section 136A.1785, the office shall annually determine and certify to the governor, on or before December 1, the amount, if any:

(1) needed to restore the loan capital fund to the minimum amount required by a resolution or indenture relating to any bonds or notes of the office, not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all bonds or notes which are then outstanding;

(2) determined by the office to be needed in the immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all outstanding bonds and notes; and

(3) needed to restore any debt service fund securing any outstanding bonds or notes of the office to the amount required in a resolution or indenture relating to such outstanding bonds or notes.

(b) The governor shall include and submit the amounts certified by the office in accordance with this section to the legislature in the budget for the following fiscal year, or in a supplemental budget if the regular budget for that year has previously been approved.

Sec. 13. **[136A.1795] LARGE ANIMAL VETERINARIAN LOAN FORGIVENESS PROGRAM.**

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

(b) "Veterinarian" means an individual who has been awarded a doctor of veterinary medicine degree from the College of Veterinary Medicine, University of Minnesota.

(c) "Designated rural area" means an area in Minnesota outside the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

(d) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

(e) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the education of a veterinarian.

Subd. 2. **Establishment; administration.** (a) The director of the Minnesota Office of Higher Education shall establish and administer a loan forgiveness program for large animal veterinarians who:

(1) agree to practice in designated rural areas that are considered underserved; and

(2) work full time in a practice that is at least 50 percent involved with the care of food animals.

(b) Appropriations made to the program do not cancel and are available until expended.

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an individual must:

(1) be a veterinarian who has been awarded a veterinary medicine degree within three years of submitting an application under this section, or be enrolled in the veterinarian degree program and making satisfactory progress in the College of Veterinary Medicine, University of Minnesota; and

(2) submit an application to the director of the Minnesota Office of Higher Education in the form and manner prescribed by the director.

(b) An applicant selected to participate must sign a contract agreeing to complete a five-year service obligation to practice as required under subdivision 2, paragraph (a).

Subd. 4. **Loan forgiveness.** (a) The director of the Minnesota Office of Higher Education may select a maximum of five applicants each year for participation in the loan forgiveness program, within the limits of available funding. Applicants are responsible for securing their own qualified educational loans.

(b) The director must select participants based on their suitability for practice serving the designated rural area, as indicated by experience or training. The director must give preference to applicants closest to completing their training.

(c) The director must make annual disbursements directly to the participant of $15,000 or the balance of the participant's qualifying educational loans, whichever is less, for each year that a participant meets the service obligation required under subdivision 3, paragraph (b), up to a maximum of five years.

(d) Before receiving loan repayment disbursements and as requested, the participant must complete and return to the director an affidavit of practice form provided by the director verifying that the participant is practicing as required under subdivision 2, paragraph (a). The participant must provide the director with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the director and approved before the next loan repayment disbursement is made.

(e) Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2, paragraph (a).

Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required minimum commitment of service required under subdivision 3, paragraph (b), the director of the Minnesota Office of Higher Education must collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The director must deposit the money collected in the state general fund. The director must allow waivers of all or part of the money owed the director as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the service obligation.

Subd. 6. **Rules.** The director may adopt rules to implement this section.

Sec. 14. Minnesota Statutes 2008, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of 15 members ~~appointed by the governor~~ elected by the legislature in a joint convention, including three members who are students who have attended an institution for at least one year and are currently enrolled at least half time in a degree, diploma, or certificate program in an institution governed by the board. The student members shall include one member from a community college, one member from a state university, and one member from a technical college. ~~One member representing labor must be appointed after considering the recommendations made under section 136F.045. The governor is not bound by the recommendations. Appointments to the board are with the advice and consent of the senate.~~ At least one member of the board must be a resident of each congressional district. All other members must be ~~appointed~~ elected to represent the state at large. ~~In selecting appointees, the governor must consider the needs of the board of trustees and the balance of the board membership with respect to labor and business representation and racial, gender, geographic, and ethnic composition.~~

Sec. 15. Minnesota Statutes 2008, section 136F.04, is amended to read:

136F.04 STUDENT BOARD MEMBER SELECTION.

Subdivision 1. **Responsibility.** ~~Notwithstanding section 136F.03,~~ The State University Student Association and the State College Student Association shall each have the responsibility for recruiting, screening, and recommending qualified candidates to the joint committee for their student members of the board.

Subd. 2. **Criteria.** ~~After consulting with the Board of Trustees Candidate Advisory Council,~~ The student associations shall jointly develop a statement of the selection criteria to be applied to potential candidates.

Subd. 3. **Recruiting and screening.** Each student association shall develop processes for identifying and recruiting qualified candidates and for screening those candidates.

Subd. 4. **Recommendations.** Each student association shall recommend at least two and not more than four candidates for its student member. By ~~April 15~~ February 15 of the even-numbered year in which its members' term expires, each student association shall submit its recommendations to the ~~governor~~ joint committee. ~~The governor is not bound by these recommendations.~~

Sec. 16. Minnesota Statutes 2008, section 136F.045, is amended to read:

136F.045 LABOR ORGANIZATION BOARD MEMBER SELECTION PROCESS.

The Minnesota AFL-CIO shall recruit and screen qualified labor candidates to be recommended to the ~~governor for appointment~~ joint committee for election to the board. The organization must develop a process for selecting candidates, and a statement of selection criteria for board membership that is consistent with the requirements under section 136F.02, subdivision 1. The organization must recommend at least two and no more than four candidates to the ~~governor~~ joint committee beginning in 2010 and every six years thereafter. Recommendations must be made by ~~April 15~~ February 15 of the even-numbered year in which the ~~governor makes appointments~~ joint committee makes recommendations for candidates to be elected to the board. ~~The governor is not bound by the recommendations.~~

Sec. 17. **[136F.047] TRUSTEE NOMINATION AND ELECTION.**

Subdivision 1. **Joint legislative committee.** The joint legislative committee consists of the members of the higher education budget and policy divisions in each body of the legislature. The chairs of the divisions from each body shall be cochairs of the joint legislative committee. A majority of the members from each body is a quorum of the joint committee.

Subd. 2. **Meeting.** By March 15 of each odd-numbered year, or at a date agreed to by concurrent resolution, the joint legislative committee shall meet to consider recommendations for trustee of the Minnesota State Colleges and Universities for possible presentation to a joint convention of the legislature. The joint committee must meet as many times as necessary for the purpose of interviewing candidates, recommending candidates for the joint committee to consider, and voting for candidates for recommendation to the joint convention.

Subd. 3. **Recommendations** The joint committee may recommend to the joint convention candidates nominated by the joint committee. If a vacancy exists for a student board member or a member recommended under this section, the joint committee must consider the recommendations made by the responsible organizations to the joint committee for those vacancies. Candidates for any vacancy may be nominated for consideration by the joint committee only if the nomination receives the support of at least three house of representatives members of the committee and two senate members of the committee. A candidate must receive a majority vote of members from the house of representatives on the joint committee and from the senate on the joint committee to be recommended to the joint convention. The joint committee may recommend no more than two candidates for each vacancy. In recommending candidates to the joint convention, the joint committee must consider the needs of the board of trustees and the balance of the board membership with respect to gender, racial, and ethnic composition.

Sec. 18. Minnesota Statutes 2008, section 136F.46, subdivision 3, is amended to read:

Subd. 3. **Solicitation.** Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section ~~309.501~~ 43A.50.

Sec. 19. **[136F.705] UNDERGRADUATE TUITION GUARANTEE.**

(a) A Minnesota resident student who first enrolls in a degree program at a state college or university beginning in the fall of 2010 or later is guaranteed a stable tuition for up to four consecutive academic years.

(b) For an undergraduate student enrolled in a baccalaureate degree program at a state university, the tuition charged to the student for each semester of enrollment during a four-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after four consecutive academic years, the tuition rate for each semester in excess of four years is equal to the tuition rate paid by new enrollees at the state university.

(c) For an undergraduate student enrolled in an associate degree program at a college, the tuition charged to the student for each semester of enrollment during a two-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after two consecutive academic years, the tuition rate for each semester in excess of two years is equal to the tuition rate for new enrollees at the college.

Sec. 20. **[137.0225] UNIVERSITY SCHOLARSHIP.**

The Board of Regents may establish a scholarship to help offset the impact of rising tuition for Minnesota students from middle-income families. To be eligible for a scholarship under this section, a student must be a Minnesota resident undergraduate from a family that is not Pell eligible with an annual adjusted gross income not to exceed $100,000.

Sec. 21. Minnesota Statutes 2008, section 137.0246, subdivision 2, is amended to read:

Subd. 2. **Regent nomination joint committee.** (a) The joint legislative committee consists of the members of the higher education budget and policy divisions in each house of the legislature. The chairs of the divisions from each body shall be cochairs of the joint legislative committee. A majority of the members from each house is a quorum of the joint committee.

(b) By February 28 of each odd-numbered year, or at a date agreed to by concurrent resolution, the joint legislative committee shall meet to consider ~~the advisory council's~~ recommendations for regent of the University of Minnesota for possible presentation to a joint convention of the legislature.

(c) The joint committee may recommend to the joint convention candidates ~~recommended by the advisory council and the other candidates~~ nominated by the joint committee. A candidate ~~other than those recommended by the advisory council~~ may be nominated for consideration by the joint committee only if the nomination receives the support of at least three house of representatives members of the committee and two senate members of the committee. A candidate must receive a majority vote of members from the house of representatives and from the senate on the joint committee to be recommended to the joint convention. The joint committee may recommend no more than ~~one candidate~~ two candidates for each vacancy. In recommending nominees, the joint committee must consider the needs of the board of regents and the balance of the board membership with respect to gender, racial, and ethnic composition.

~~(d) The joint committee must meet twice, approximately one week apart. The first meeting is for the purpose of interviewing candidates and recommending candidates for the joint committee to consider. The second meeting is for the purpose of voting for candidates for recommendation to the joint convention.~~

Sec. 22. Minnesota Statutes 2008, section 137.025, subdivision 1, is amended to read:

Subdivision 1. **Appropriations not for buildings.** ~~The commissioner of finance shall pay no money to the University of Minnesota pursuant to a direct appropriation, other~~

~~than an appropriation for buildings, until the university first certifies to the commissioner of finance that its aggregate balances in the temporary investment pool, cash, or separate investments, resulting from all state maintenance and special appropriations do not exceed $7,000,000, or any other amount specified in the act making the appropriation, plus one-third of all tuition and fee payments from the previous fiscal year. Upon this certification,~~ The commissioner of finance shall pay 1/12 of the annual appropriation to the university ~~shall be paid at the beginning~~ on the 21st day of each month. ~~Additional payments shall be made by the commissioner of finance whenever the state appropriations and tuition aggregate balances in the temporary investment pool, cash, or separate investments are reduced below the indicated levels.~~ If the 21st day of the month falls on a Saturday or Sunday, the monthly payment shall be made on the Monday immediately following the 21st.

Sec. 23. **[137.105] UNDERGRADUATE TUITION GUARANTEE.**

A Minnesota resident student who first enrolls in a degree program at the University of Minnesota beginning in the fall of 2010 or later is guaranteed a stable tuition for up to four consecutive academic years. For an undergraduate student enrolled in a baccalaureate degree program, the tuition charged to the student for each semester of enrollment during a four-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after four consecutive academic years, the tuition rate for each semester in excess of four years is equal to the tuition rate paid by new enrollees at the University of Minnesota.

Sec. 24. **[137.701] UNIVERSITY NEIGHBORHOOD DEVELOPMENT.**

Subdivision 1. **Purpose.** In order to support and create environments surrounding the campuses of the University of Minnesota in Minneapolis and Duluth that are conducive to the purposes of higher education and vital communities, the Board of Regents, the city of Minneapolis, and the city of Duluth are requested to create with surrounding neighborhoods an appropriate organization in each city, to cooperate in the development of those neighborhoods. The purpose of each organization is to improve the university's Minneapolis and Duluth campus area neighborhoods including, without limitation, the following:

(1) providing and supporting the development of good quality university neighborhood housing, including housing for students, faculty, employees, alumni, and others who may wish to live in the university area neighborhoods;

(2) encouraging and assisting university faculty, staff, students, and others to live in the neighborhood as long-term residents;

(3) supporting and assisting appropriate business development in commercial areas of the neighborhood; and

(4) cooperating and coordinating planning and development in all matters affecting the neighborhood with local government, businesses, residents, and other stakeholders in the neighborhood.

Subd. 2. **Membership.** The organization created by the Board of Regents and the city of Minneapolis shall include representatives from the organizations currently represented on the University District Alliance Steering Committee. The Board of Regents and the city of Duluth may establish the membership of an organization for the purposes of subdivision 1.

Subd. 3. **Report.** The Board of Regents, the city of Minneapolis, and the city of Duluth are requested to report by January 15, 2010, to the chairs of the legislative committees with primary jurisdiction over higher education policy and finance on the status and activities of the organization that is created.

Sec. 25. Minnesota Statutes 2008, section 299A.45, subdivision 4, is amended to read:

Subd. 4. **Renewal.** Each award must be given for one academic year and is renewable for a maximum of ~~eight~~ ten semesters or the equivalent. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.

Sec. 26. Minnesota Statutes 2008, section 340A.404, subdivision 4a, is amended to read:

Subd. 4a. **State-owned recreation; entertainment facilities.** Notwithstanding any other law, local ordinance, or charter provision, the commissioner may issue on-sale intoxicating liquor licenses:

(1) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Giants Ridge Recreation Area building or recreational improvement area owned by the state in the ~~town of White~~ city of Biwabik, St. Louis County;

(2) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the

premises of any Ironworld Discovery Center building or facility owned by the state at Chisholm; and

(3) to the Board of Regents of the University of Minnesota for events at Northrop Auditorium, the intercollegiate football stadium, or at no more than seven other locations within the boundaries of the University of Minnesota, provided that the Board of Regents has approved an application for a license for the specified location and provided that the application for a stadium or arena location allows for the legal sale of intoxicating liquor throughout the stadium or arena and does not limit the sale of intoxicating liquor to premium seating areas or suites.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to applications for an on-sale liquor license made after December 1, 2008.

Sec. 27. **REPORT; FEDERAL TEXTBOOK INFORMATION REQUIREMENTS.**

By January 15, 2010, the Minnesota Office of Higher Education must report to the committees of the legislature responsible for higher education finance on the implementation of textbook information requirements under United States Code, title 20, section 1015b, effective July 1, 2010. In preparing the report, the office must work with representatives of textbook publishers, the Student Advisory Council, Minnesota State Colleges and Universities, the University of Minnesota, and the Private College Council. At a minimum, the report must include a template that publishers may use to provide the required information in a consistent format to all Minnesota campuses, and make recommendations of methods to disseminate pricing information to support students and faculty in making well informed decisions about course materials.

Sec. 28. **MINNESOTA STATE COLLEGE - SOUTHEAST TECHNICAL; AVIATION TRAINING CENTER.**

Notwithstanding Minnesota Statutes, section 136F.60, subdivision 5, the net proceeds of the sale or disposition of the Aviation Training Center in Winona operated by Minnesota State College - Southeast Technical, after paying all expenses incurred in selling the property and retiring any remaining debt attributable to the project, are appropriated to the Board of Trustees of the Minnesota State Colleges and Universities for use in a capital project at the Winona campus and need not be paid to the commissioner of finance, as would otherwise be required by Minnesota Statutes, section 16A.695, subdivision 3.

When the sale is complete and the sale proceeds have been applied as provided in this section, Minnesota Statutes, section 16A.695, no longer applies to the property and the property is no longer state bond financed property.

Sec. 29. **MINNESOTA STATE COLLEGES AND UNIVERSITIES DEGREE REQUIREMENTS.**

Until July 2, 2012, an associate of applied science degree offered by a college in the Minnesota State Colleges and Universities system is exempt from the 60-semester credit length limit for an associate degree specified in the Minnesota State Colleges and Universities Board Policy number 3.36, part 3, subpart C. The chancellor may consider criteria for waiving the credit length limits under this board policy for emerging or innovative programs. By January 2, 2012, the Minnesota State College Faculty and the Minnesota State College Student Association must present a joint report to the house of representatives and senate committees with jurisdiction over higher education policy on a process for reviewing the credit requirements for an associate of applied science degree.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to associate of applied science degrees whether first offered before, on, or after that date.

Sec. 30. **POWER OF YOU PILOT PROGRAMS.**

Subdivision 1. **Power of you pilot programs.** The Board of Trustees of the Minnesota State Colleges and Universities shall establish power of you pilot programs in suburban and rural sites. The pilots shall comply with Minnesota Statutes, section 136F.19.

Subd. 2. **Suburban pilot selection.** By July 1, 2009, the board of trustees shall select one technical college and one community college or community-technical college in the Minneapolis-St. Paul suburban area to develop a new power of you pilot program in conjunction with Metropolitan State University. Each college in the pilot program must work with a high school partner selected by the board in the Minneapolis-St. Paul suburban area.

Subd. 3. **Rural pilot selection.** By July 1, 2009, the Board of Trustees shall select two rural colleges to participate in the power of you pilot programs. One of the pilot programs must be a multicampus college in an agricultural part of the state and the other a multicampus college in a nonagricultural part of the state dependent on natural resources. Each college in the pilot program must work with a high school partner selected by the board.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 31. **REPEALER.**

Minnesota Statutes 2008, sections 136A.127; 136F.03; and 137.0245, are repealed.

Sec. 32. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment.

APPENDIX
Article locations in H0869-1

136A.127 ACHIEVE SCHOLARSHIP PROGRAM.

Subdivision 1. **Establishment.** The achieve scholarship program is established to provide scholarships to eligible students within the limits of appropriations for the program.

Subd. 2. **Definition; qualifying program.** For the purposes of this section, a "qualifying program" means a rigorous secondary school program of study defined by the Department of Education under agreement with the Secretary of Education for the purposes of determining eligibility for the federal Academic Competitiveness Grant Program under Title IV of the Higher Education Act of 1965, as amended.

Subd. 3. **Documentation of qualifying programs.** The student shall request a transcript from the high school. The high school shall provide a transcript to the Office of Higher Education or to the eligible institution in which the student is enrolling, documenting the qualifying program. If the transcript is not sufficient to document a qualifying program, the student may be required to submit further documentation that the office deems sufficient.

Subd. 4. **Student eligibility.** To be eligible to receive a scholarship under this section, in addition to the requirements listed under section 136A.121, a student must:

(1) submit a Free Application for Federal Student Aid (FAFSA);

(2) take and receive at least a grade of C for courses that comprise a rigorous secondary school program of study in a high school or in a home-school setting under section 120A.22, and graduate from a Minnesota high school;

(3) have a family adjusted gross income of less than $75,000 in the last complete calendar year prior to the academic year of postsecondary attendance in which the scholarship is used;

(4) be a United States citizen or eligible noncitizen, as defined in section 484 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and Code of Federal Regulations, title 34, section 668.33;

(5) be a Minnesota resident, as defined in section 136A.101, subdivision 8; and

(6) be enrolled for at least three credits per quarter or semester or the equivalent at an eligible institution as defined under section 136A.101, subdivision 4.

Subd. 5. **Administration.** The achieve scholarship program shall be administered by the Minnesota Office of Higher Education. The director shall develop forms and procedures necessary to administer the program.

Subd. 6. **Application.** A student must complete and submit an application for the achieve scholarship.

Subd. 7. **Deadline.** The deadline for the office to accept applications for achieve scholarships is the same as that used for the state grant in section 136A.121, subdivision 13.

Subd. 8. **Documentation of qualifying household income.** Achieve scholarship program applicants must certify on the application that they meet the income eligibility requirement in subdivision 4, clause (3). The Office of Higher Education or the postsecondary institution may request documentation needed to confirm income eligibility.

Subd. 9. **Scholarship awards.** A student may not receive more than $1,200 in Minnesota achieve scholarships, which must be for enrollment during the four-year availability period described in subdivision 12. The scholarships may be used to pay for qualifying expenses at eligible institutions.

Subd. 10. **Qualifying expenses.** Qualifying expenses are components included under the cost of attendance used for federal student financial aid programs, as defined in section 472 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended.

Subd. 11. **Eligible institutions.** The achieve scholarship may only be used to pay qualifying expenses at an eligible institution as defined under section 136A.101, subdivision 4.

Subd. 12. **Availability of scholarship funds.** A scholarship earned by a student is available for four years immediately following high school graduation. The office must certify to the commissioner of finance by October 1 of each year the amounts to be canceled from scholarship eligibility that have expired.

Subd. 13. **Disbursement of scholarships.** The office shall make two equal payments to a postsecondary institution on behalf of the student. After the student successfully completes the first term of enrollment, the second payment must be made during the student's next term of enrollment at an eligible institution. If the second disbursement is not within the same academic year as the first disbursement, the student must request the second disbursement.

Subd. 14. **Evaluation report.** By January 15 of each odd-numbered year, the Office of Higher Education shall submit a report, to the committees of the legislature with jurisdiction over higher education finance and policy, regarding the success of the program in increasing the enrollment of students in rigorous high school courses, including, at a minimum, the following information:

(1) the demographics of individuals participating in the program;

(2) the grades scholarship recipients received for courses in the qualifying program under subdivision 2;

(3) the number of scholarship recipients who persisted at a postsecondary institution for a second year;

(4) the high schools attended by the program participants;

(5) the postsecondary institutions attended by the program participants;

(6) the academic performance of the students after enrolling in a postsecondary institution; and

(7) other information as identified by the director.

136F.03 BOARD OF TRUSTEES CANDIDATE ADVISORY COUNCIL.

Subdivision 1. **Purpose.** A Candidate Advisory Council for the Board of Trustees of the Minnesota State Colleges and Universities shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, nonstudent membership on the board.

Subd. 2. **Membership.** The advisory council consists of 24 members. Twelve members are appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate. Twelve members are appointed by the speaker of the house. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of a member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 governs the advisory council, except that the members must be appointed to six-year terms.

Subd. 3. **Duties.** (a) The advisory council shall:

(1) develop a statement of the selection criteria to be applied and a description of the responsibilities and duties of a member of the board and shall distribute this to potential candidates; and

(2) for each position on the board, identify and recruit qualified candidates for the board, based on the background and experience of the candidates, and their potential for discharging the responsibilities of a member of the board.

(b) Selection criteria developed under this section must include the requirement that trustees represent diversity in geography, gender, race, occupation, and experience.

(c) Selection criteria developed under this section must also include the identification of the membership needs of the board for individual skills relevant to the governance of the Minnesota State Colleges and Universities and the needs for certain individual characteristics that include geographic location, gender, race, occupation, and experience.

Subd. 4. **Recommendations.** Except for seats filled under sections 136F.04 and 136F.045, the advisory council shall recommend at least two and not more than four candidates for each seat. By April 15 of each even-numbered year in which the governor makes appointments to the board, the advisory council shall submit its recommendations to the governor. The governor is not bound by these recommendations.

Subd. 5. **Support services.** The Legislative Coordinating Commission shall provide administrative and support services for the advisory council.

137.0245 REGENT CANDIDATE ADVISORY COUNCIL.

Subdivision 1. **Establishment.** A Regent Candidate Advisory Council is established to assist in determining criteria for, and identifying and recruiting qualified candidates for membership on the Board of Regents and making recommendations to the joint legislative committee described in section 137.0246, subdivision 2.

Subd. 2. **Membership.** The Regent Candidate Advisory Council shall consist of 24 members. Twelve members shall be appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate. Twelve members shall be appointed by the speaker of the house. Each appointing authority must appoint one member who is a student enrolled in a degree program at the University of Minnesota at the time of appointment. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of any member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 shall govern the advisory council, except that:

(1) the members shall be appointed to six-year terms with one-third appointed each even-numbered year; and

(2) student members are appointed to two-year terms with two students appointed each even-numbered year.

Subd. 3. **Duties.** (a) The advisory council shall:

(1) develop, in consultation with current and former regents and the administration of the University of Minnesota, a statement of the selection criteria to be applied and a description of the responsibilities and duties of a regent, and shall distribute this to potential candidates; and

(2) for each position on the board, identify and recruit qualified candidates for the Board of Regents, based on the background and experience of the candidates, their potential for discharging the responsibilities of a member of the Board of Regents, and the needs of the board. The selection criteria must not include a limitation on the number of terms an individual may serve on the Board of Regents.

(b) The selection criteria developed under paragraph (a), clause (1), must include a criterion that regents represent diversity in geography; gender; race; occupation, including business and labor; and experience.

(c) The selection criterion must include an identification of the membership needs of the board for individual skills relevant to the governance of the University of Minnesota and the needs for certain individual characteristics. Individual characteristics relate to qualities such as gender, race, and geographic location of residence.

Subd. 4. **Recommendations.** (a) The advisory council shall recommend at least two and not more than four candidates. By January 15 of each odd-numbered year, the advisory council shall submit its recommendations to the joint legislative committee described in section 137.0246, subdivision 2.

(b) The advisory council must submit a report to the joint committee on the needs criterion identified under subdivision 3, paragraph (c), at the same time it submits its recommendations.

Subd. 5. **Support services.** The Legislative Coordinating Commission shall provide administrative and support services for the advisory council.