

This Document can be made available in alternative formats upon request

State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4672

03/25/2026 Authored by Swedzinski, Schomacker and Skraba The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy

1.1 A bill for an act
1.2 relating to higher education; imposing an in-state residency and work requirement
1.3 for recipients of North Star Promise scholarships; limiting North Star Promise
1.4 scholarships to students enrolled in programs of study that lead to employment in
1.5 high-demand industries and occupations; amending Minnesota Statutes 2024,
1.6 section 136A.1465, subdivision 10, by adding subdivisions; Minnesota Statutes
1.7 2025 Supplement, section 136A.1465, subdivision 2.

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

1.9 Section 1. Minnesota Statutes 2025 Supplement, section 136A.1465, subdivision 2, is
1.10 amended to read:

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

1.13 (1) has completed the Free Application for Federal Student Aid (FAFSA) or the state
1.14 aid application by 30 days after the start of the term for which a scholarship is being awarded;

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

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

1.18 (4) has not completed the degree requirements for the first baccalaureate degree at the
1.19 time the scholarship is awarded;

1.20 (5) is enrolled in at least one credit per fall, spring, or summer semester;

1.21 (6) is enrolled in a program or course of study that is eligible under subdivision 2a and
1.22 that applies to a degree, diploma, or certificate;

2.1 (7) is not in default, as defined by the office, of any federal or state student educational  
2.2 loan;

2.3 (8) is not more than 30 days in arrears in court-ordered child support that is collected or  
2.4 enforced by the public authority responsible for child support enforcement or, if the applicant  
2.5 is more than 30 days in arrears in court-ordered child support that is collected or enforced  
2.6 by the public authority responsible for child support enforcement, but is complying with a  
2.7 written payment agreement under section 518A.69 or order for arrearages;

2.8 (9) has not been convicted of or pled nolo contendere or guilty to a crime involving  
2.9 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,  
2.10 subtitle B, chapter VI, part 668, subpart C; ~~and~~

2.11 (10) is meeting satisfactory academic progress as defined in section 136A.101, subdivision  
2.12 10; and

2.13 (11) has signed a contract with the Office of Higher Education to have the applicant's  
2.14 total scholarship award under this section converted to a student loan if the applicant fails  
2.15 to fulfill the residency and employment requirement in subdivision 2b.

2.16 Sec. 2. Minnesota Statutes 2024, section 136A.1465, is amended by adding a subdivision  
2.17 to read:

2.18 Subd. 2a. **Eligible programs of study.** (a) Eligibility for the North Star Promise  
2.19 scholarship program is limited to students pursuing programs of study in industries and  
2.20 occupations that are in demand in Minnesota.

2.21 (b) The office shall determine in-demand industries and occupations based on employment  
2.22 data provided by the Department of Employment and Economic Development. The office  
2.23 shall review the list of in-demand industries and occupations at least once every three years.  
2.24 The office may adjust the list as needed to reflect updated employment data from the  
2.25 Department of Employment and Economic Development.

2.26 (c) The office shall approve programs of study that lead to employment in in-demand  
2.27 industries and occupations. The office shall review and update the list of approved programs  
2.28 at least once every three years to ensure alignment with current labor market data.

2.29 Sec. 3. Minnesota Statutes 2024, section 136A.1465, is amended by adding a subdivision  
2.30 to read:

2.31 Subd. 2b. **Minnesota residency and employment requirement.** (a) To receive a  
2.32 scholarship under this section, an eligible student must agree to reside and be employed in

3.1 Minnesota for a five-year term beginning within six months of completion of the degree or  
 3.2 credential program for which the scholarship was awarded. If a scholarship recipient fails  
 3.3 to meet the residency and employment requirement, the commissioner must convert the  
 3.4 recipient's total scholarship award to a student loan and collect from the recipient the total  
 3.5 amount paid plus interest at a rate established according to section 270C.40.

3.6 (b) The commissioner may waive the residency and employment requirement for a  
 3.7 scholarship recipient if, within six years of the initial scholarship award, the scholarship  
 3.8 recipient:

3.9 (1) has not completed the degree or credential program for which the scholarship was  
 3.10 awarded;

3.11 (2) has not earned a baccalaureate degree; and

3.12 (3) is no longer enrolled in any postsecondary institution.

3.13 (c) The commissioner may defer the residency and employment requirement:

3.14 (1) to allow a scholarship recipient to attend a postgraduate education program, provided  
 3.15 that the recipient is enrolled on at least a half-time basis in that program;

3.16 (2) to perform full-time volunteer service through Peace Corps, AmeriCorps, or a similar  
 3.17 program; or

3.18 (3) for circumstances involving extreme hardship.

3.19 (d) A scholarship recipient who becomes ineligible for a scholarship under this section,  
 3.20 or who has a scholarship terminated under subdivision 6, remains subject to the residency  
 3.21 and employment requirement and must complete the requirement within six years of the  
 3.22 initial scholarship award, unless the recipient qualifies for a waiver or deferment under  
 3.23 paragraph (b) or (c).

3.24 (e) An eligible student who receives scholarship awards for more than one degree or  
 3.25 credential program is only required to meet the residency and employment requirement  
 3.26 once. Any obligation to comply with this subdivision cancels upon the death or permanent  
 3.27 and total disability of the scholarship recipient.

3.28 Sec. 4. Minnesota Statutes 2024, section 136A.1465, subdivision 10, is amended to read:

3.29 Subd. 10. **Report.** The commissioner of higher education shall submit a preliminary  
 3.30 report by September 1, 2025, and an annual report beginning February 15, 2026, to the  
 3.31 chairs and ranking minority members of the legislative committees with jurisdiction over  
 3.32 higher education, on the details of the program, including ~~the~~:

- 4.1 (1) the status of the scholarship fund; ~~and~~
- 4.2 (2) a list of all currently eligible programs of study under subdivision 2a; and
- 4.3 ~~(2)~~ (3) North Star Promise participation data aggregated for each eligible institution to
- 4.4 show the:
- 4.5 (i) number of eligible students who received scholarships in the prior academic year;
- 4.6 (ii) average and total award amounts;
- 4.7 (iii) summary demographic data on award recipients;
- 4.8 (iv) total number of students enrolled in eligible institutions in the prior academic year;
- 4.9 (v) retention rates of participating students; ~~and~~
- 4.10 (vi) number of eligible students who graduated with a degree and, for each eligible
- 4.11 student, the number of consecutive semesters and nonconsecutive semesters attended prior
- 4.12 to graduation-; and
- 4.13 (vii) eligible programs of study under subdivision 2a in which scholarship recipients
- 4.14 were enrolled.

4.15 Sec. 5. **EFFECTIVE DATE.**

- 4.16 This act is effective the day following final enactment and applies to scholarship awards
- 4.17 beginning in the fall term of the 2027-2028 academic year.