

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

S.F. No. 3943

(SENATE AUTHORS: FATEH)

DATE	D-PG	OFFICIAL STATUS
02/26/2026	6410	Introduction and first reading Referred to Higher Education
04/07/2026	7420a	Comm report: To pass as amended and re-refer to Finance HF substituted in committee HF4252

1.1 A bill for an act

1.2 relating to higher education; modifying student aid reporting requirements; requiring

1.3 additional accommodations for parenting students; modifying American Indian

1.4 Scholars program eligibility; modifying provisions related to private career schools;

1.5 modifying provisions related to private and out-of-state public postsecondary

1.6 institutions; expanding eligibility for paid blood donation leave to include

1.7 employees of the Minnesota State Colleges and Universities; requiring

1.8 postsecondary institutions to provide priority registration for pregnant and parenting

1.9 students; limiting the governor's appointment power to fill vacancies on the Board

1.10 of Regents of the University of Minnesota; modifies postsecondary attainment

1.11 goal; requiring reports; amending Minnesota Statutes 2024, sections 43A.187;

1.12 135A.012; 135A.121, subdivision 2; 136A.053; 136A.091, subdivisions 2, 9;

1.13 136A.121, subdivision 2; 136A.1215, subdivision 5; 136A.1241, subdivision 8;

1.14 136A.125, subdivision 2; 136A.1274, subdivision 4; 136A.1275, subdivision 4;

1.15 136A.1465, subdivision 10; 136A.233, subdivision 3; 136A.62, by adding a

1.16 subdivision; 136A.64, subdivision 1; 136A.65, subdivision 8; 136A.653,

1.17 subdivisions 1b, 3a; 136A.672, subdivision 5; 136A.675, subdivision 1, by adding

1.18 a subdivision; 136A.821, subdivisions 13, 16, 17; 136A.822, subdivisions 4, 10,

1.19 12, by adding a subdivision; 136A.823, subdivisions 1, 3; 136A.826, subdivision

1.20 1; 136A.827, subdivisions 1, 4; 136A.828, subdivision 6; 136A.829, subdivisions

1.21 1, 3; 136A.8295, subdivision 5; 136A.83; 136G.03, subdivisions 30, 31, by adding

1.22 a subdivision; 136G.05, subdivision 10; 136G.13, by adding a subdivision;

1.23 137.0246, by adding a subdivision; 137.39, by adding subdivisions; Minnesota

1.24 Statutes 2025 Supplement, sections 135A.1582, subdivisions 1, 2, 3; 136A.246,

1.25 subdivision 1a; 136A.69, subdivision 1; 136A.82, subdivision 1; 136A.821,

1.26 subdivisions 5, 21; 136A.822, subdivisions 6, 8, 13; 136A.824, subdivisions 1, 2;

1.27 136A.833, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes,

1.28 chapter 136A; repealing Minnesota Statutes 2024, sections 124D.09, subdivision

1.29 10a; 136A.657; 136A.827, subdivisions 1b, 2; 136A.834, subdivisions 2, 3, 4;

1.30 136G.03, subdivision 11; 136G.09, subdivision 10; Minnesota Statutes 2025

1.31 Supplement, section 136A.834, subdivisions 1, 5.

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

2.2 Section 1. Minnesota Statutes 2024, section 43A.187, is amended to read:

2.3 **43A.187 BLOOD DONATION LEAVE.**

2.4 A state employee must be granted leave from work with 100 percent of pay to donate
 2.5 blood at a location away from the place of work. The total amount of leave used under this
 2.6 section may not exceed three hours in a 12-month period, and must be determined by the
 2.7 employee. A state employee seeking leave from work under this section must provide 14
 2.8 days' notice to the appointing authority. This leave must not affect the employee's vacation
 2.9 leave, pension, compensatory time, personal vacation days, sick leave, earned overtime
 2.10 accumulation, or cause a loss of seniority. ~~For the purposes of this section, "state employee"~~
 2.11 ~~does not include an employee of the Minnesota State Colleges and Universities.~~

2.12 Sec. 2. Minnesota Statutes 2024, section 135A.012, is amended to read:

2.13 **135A.012 ~~HIGHER EDUCATION~~ EDUCATIONAL ATTAINMENT GOAL.**

2.14 Subdivision 1. **Purpose.** This section sets a goal for postsecondary education and
 2.15 workforce training credential attainment for Minnesota residents.

2.16 Subd. 2. **Postsecondary credentials.** The number of Minnesota residents ages ~~25 to 44~~
 2.17 24 to 55 years who hold postsecondary ~~or industry-recognized~~ credentials should be increased
 2.18 to at least ~~70~~ 75 percent by ~~2025~~ the end of the 2040 calendar year, with subgoals for critical
 2.19 educational benchmarks in early childhood and kindergarten through grade 12 education
 2.20 to be established under subdivision 6.

2.21 Subd. 3. **Rights not created.** The attainment goal in this section is not to the exclusion
 2.22 of any other goals and does not confer a right or create a claim for any person.

2.23 Subd. 4. **Data development and analyses.** The Office of Higher Education shall work
 2.24 with the state demographer's office to measure progress towards the attainment of the goal
 2.25 specified in subdivision 2. The United States Census Bureau data shall be used to calculate
 2.26 the number of individuals in the state who hold a postsecondary degree. The Office of
 2.27 Higher Education; and the state demographer's office, ~~the Department of Employment and~~
 2.28 ~~Economic Development, and the Department of Labor and Industry~~ shall develop a
 2.29 methodology to estimate the number of individuals that hold a credential awarded by a
 2.30 postsecondary institution or, when possible, recognized by an industry authority as their
 2.31 highest credential using data available at the time that the analysis is completed.

3.1 Subd. 5. **Reporting.** (a) Beginning in 2016 and every year thereafter, the Office of
 3.2 Higher Education, in collaboration with the state demographer's office, the Department of
 3.3 Children, Youth, and Families, and the Department of Education, shall, by October 15,
 3.4 report to the chairs and ranking minority members of the legislative committees with primary
 3.5 jurisdiction over higher education policy and finance on the progress towards meeting or
 3.6 exceeding the goal and subgoals of this section.

3.7 (b) Meeting and maintaining the goal of ~~70~~ 75 percent of Minnesota residents ages ~~25~~
 3.8 ~~to 44~~ 24 to 55 years holding a postsecondary or, when possible, industry-recognized
 3.9 credential will likely be difficult without achieving attainment rates that are comparable
 3.10 across all race and ethnicity groups and regions of the state, using existing statewide
 3.11 economic development regions, and by gender. The Office of Higher Education shall utilize
 3.12 benchmarks of ~~30~~ 50 percent ~~or higher~~ and ~~50~~ 75 percent ~~or higher~~ to report progress by
 3.13 ~~race and ethnicity groups~~ these subpopulations toward meeting the educational attainment
 3.14 rate goal of ~~70~~ 75 percent. The Office of Higher Education will additionally report on interim
 3.15 progress of these subpopulations toward the 75 percent goal in 2031 and 2036.

3.16 Subd. 6. **Implementation and coordination.** The Office of Higher Education, in
 3.17 collaboration with the Minnesota P-20 Education Partnership, shall jointly implement,
 3.18 monitor, assess, and report on progress toward meeting the attainment goal established
 3.19 under subdivision 2. Activities under this subdivision include but are not limited to:

3.20 (1) ongoing consultation with relevant stakeholders;

3.21 (2) development of a strategic plan that identifies key metrics and initiatives that ensure
 3.22 all Minnesotans have the academic preparation and access necessary to ultimately attain a
 3.23 postsecondary or, when possible, industry-recognized credential;

3.24 (3) collaborating with other state agencies and additional key stakeholders to ensure
 3.25 alignment with other statewide goals and priorities; and

3.26 (4) identifying subgoals for critical benchmarks in early childhood and kindergarten
 3.27 through grade 12 education that assist in reaching the attainment goal.

3.28 Sec. 3. Minnesota Statutes 2024, section 135A.121, subdivision 2, is amended to read:

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

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

4.1 (2) be either (i) a Minnesota student eligible for a resident for resident tuition purposes
 4.2 tuition rate, or its equivalent, who is an enrolled member or citizen of a federally recognized
 4.3 American Indian Tribe or Canadian First Nation, or (ii) an enrolled member or citizen of a
 4.4 Minnesota Tribal Nation, regardless of resident tuition status;

4.5 (3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for 12 semesters
 4.6 or the equivalent, excluding courses taken that qualify as developmental education or below
 4.7 college-level; and

4.8 (4) meet satisfactory academic progress as defined under section 136A.101, subdivision
 4.9 10.

4.10 Sec. 4. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 1, is amended
 4.11 to read:

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

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

4.16 (c) "Postsecondary institution" means an institution governed by the Board of Trustees
 4.17 of the Minnesota State Colleges and Universities or a private postsecondary institution that
 4.18 offers in-person courses on a campus located in Minnesota and is an eligible institution as
 4.19 defined in section 136A.103. Institutions governed by the Board of Regents of the University
 4.20 of Minnesota are requested to comply with this section.

4.21 ~~(e) (d)~~ "Pregnancy or related conditions" has the meaning given in Code of Federal
 4.22 Regulations, title 34, section 106.2.

4.23 ~~(d) "Postsecondary institution" means an institution governed by the Board of Trustees~~
 4.24 ~~of the Minnesota State Colleges and Universities or a private postsecondary institution that~~
 4.25 ~~offers in-person courses on a campus located in Minnesota and is an eligible institution as~~
 4.26 ~~defined in section 136A.103. Institutions governed by the Board of Regents of the University~~
 4.27 ~~of Minnesota are requested to comply with this section.~~

4.28 (e) "Priority registration" means an opportunity to register for courses before the opening
 4.29 of general registration for the majority of undergraduate students.

5.1 Sec. 5. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 2, is amended
5.2 to read:

5.3 Subd. 2. **Rights and protections.** (a) A postsecondary institution may not require and
5.4 the University of Minnesota is requested not to require a pregnant or parenting student,
5.5 solely because of the student's status as a pregnant or parenting student or due to issues
5.6 related to the student's pregnancy or parenting, to:

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

5.8 (2) limit the student's studies;

5.9 (3) participate in an alternative program;

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

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

5.13 (b) A postsecondary institution shall provide and the University of Minnesota is requested
5.14 to provide reasonable modifications to a pregnant student, including modifications that:

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

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

5.19 (c) A postsecondary institution must and the University of Minnesota is requested to,
5.20 for reasons related to a student's pregnancy, childbirth, or any resulting medical status or
5.21 condition:

5.22 (1) excuse the student's absence;

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

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

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

5.30 (d) A postsecondary institution must and the University of Minnesota is requested to
5.31 allow a pregnant or parenting student to:

6.1 (1) take a leave of absence; and

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

6.5 (e) If a postsecondary institution provides early registration for courses or programs at
6.6 the institution for any group of students, the institution must provide and the University of
6.7 Minnesota is requested to provide early registration for those courses or programs for
6.8 pregnant or parenting students in the same manner. Priority registration for parenting students
6.9 shall include the following considerations:

6.10 (1) automatically assign eligible pregnant and parenting students a registration window
6.11 time that occurs no later than the earliest undergraduate registration period offered;

6.12 (2) ensure that priority registration is granted without a separate petition, discretionary
6.13 approval, or case-by-case determination beyond verification of parenting status;

6.14 (3) annual notification provided to all enrolled students describing the rights and
6.15 protections afforded to pregnant and parenting students;

6.16 (4) provide notification of the priority registration process to each student who
6.17 self-identifies as a pregnant or parenting student; and

6.18 (5) publish information regarding programs, services, and student rights specific to
6.19 parenting students on the public postsecondary institution's public website.

6.20 (f) The Board of Trustees of the Minnesota State Colleges and Universities shall adopt
6.21 policies and procedures to implement this subdivision. The Board of Regents of the
6.22 University of Minnesota is requested to comply with this subdivision.

6.23 Sec. 6. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 3, is amended
6.24 to read:

6.25 Subd. 3. **Policy on discrimination.** Each postsecondary institution must adopt and the
6.26 University of Minnesota is requested to adopt a policy for students on pregnancy and
6.27 parenting discrimination. The policy must:

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

7.1 (2) be posted in an easily accessible, straightforward format on the ~~college or university's~~
 7.2 postsecondary institution's website; and

7.3 (3) be made available annually to faculty, staff, and employees of the ~~college or university~~
 7.4 postsecondary institution.

7.5 Sec. 7. Minnesota Statutes 2024, section 136A.053, is amended to read:

7.6 **136A.053 CONSOLIDATED STUDENT AID REPORTING.**

7.7 (a) The commissioner of the Office of Higher Education shall report annually beginning
 7.8 February 15, 2026, to the chairs and ranking minority members of the legislative committees
 7.9 with jurisdiction over higher education, on the details of programs administered under
 7.10 sections ~~136A.091 to 136A.1276~~, 136A.121, 136A.1215, 136A.1241, 136A.125, 136A.126,
 7.11 136A.1274, 136A.1275, 136A.1465, and ~~136A.231 to 136A.246~~ 136A.233, including the:

7.12 (1) total funds appropriated and expended;

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

7.14 (3) total number of students receiving funds;

7.15 (4) average and total award amounts;

7.16 (5) summary demographic data on award recipients;

7.17 (6) retention rates of award recipients;

7.18 (7) completion rates of award recipients;

7.19 (8) average cumulative debt at exit or graduation; and

7.20 (9) average time to completion.

7.21 (b) Data must be disaggregated by aid program, institution, aid year, race and ethnicity,
 7.22 gender, income, socioeconomic status, family type, dependency status, and any other factors
 7.23 determined to be relevant by the commissioner, as available. The commissioner must report
 7.24 any additional data and outcomes relevant to the evaluation of programs administered under
 7.25 sections ~~136A.091 to 136A.1276~~, 136A.121, 136A.1215, 136A.1241, 136A.125, 136A.126,
 7.26 136A.1274, 136A.1275, 136A.1465, and ~~136A.231 to 136A.246~~ 136A.233 as evidenced
 7.27 by activities funded under each program.

7.28 Sec. 8. Minnesota Statutes 2024, section 136A.091, subdivision 2, is amended to read:

7.29 Subd. 2. **Eligibility.** To be eligible for a program stipend, a student shall:

- 8.1 (1) be a resident of Minnesota student under section 136A.101, subdivision 8;
- 8.2 (2) attend an eligible office-approved program;
- 8.3 (3) be in grades 3 through 12, but not have completed high school;
- 8.4 (4) meet income requirements for free or reduced-price school meals; and
- 8.5 (5) be 19 years of age or younger.

8.6 Sec. 9. Minnesota Statutes 2024, section 136A.091, subdivision 9, is amended to read:

8.7 Subd. 9. **Report.** Annually, the office shall submit a report to the legislative committees
 8.8 ~~with jurisdiction over higher education finance regarding the program providers, stipend~~
 8.9 ~~recipients, and program activities. The report shall include information about the students~~
 8.10 ~~served, the organizations providing services, program goals and outcomes, and student~~
 8.11 ~~outcomes~~ in accordance with section 136A.053.

8.12 Sec. 10. Minnesota Statutes 2024, section 136A.121, subdivision 2, is amended to read:

8.13 Subd. 2. **Eligibility for grants.** (a) An applicant is eligible to be considered for a grant,
 8.14 regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections
 8.15 136A.095 to 136A.131 if the office finds that the applicant:

8.16 (1) is a resident of ~~the state of Minnesota~~ student under section 136A.101, subdivision
 8.17 8;

8.18 (2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over,
 8.19 and has met all requirements for admission as a student to an eligible college or technical
 8.20 college of choice as defined in sections 136A.095 to 136A.131;

8.21 (3) has met the financial need criteria established in Minnesota Rules;

8.22 (4) is not in default, as defined by the office, of any federal or state student educational
 8.23 loan;

8.24 (5) is not more than 30 days in arrears in court-ordered child support that is collected or
 8.25 enforced by the public authority responsible for child support enforcement or, if the applicant
 8.26 is more than 30 days in arrears in court-ordered child support that is collected or enforced
 8.27 by the public authority responsible for child support enforcement, but is complying with a
 8.28 written payment agreement under section 518A.69 or order for arrearages; and

9.1 (6) has not been convicted of or pled nolo contendere or guilty to a crime involving
 9.2 fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations,
 9.3 subtitle B, chapter VI, part 668, subpart C.

9.4 (b) A student is entitled to an additional semester or the equivalent of grant eligibility
 9.5 if the student withdraws from enrollment:

9.6 (1) for active military service after December 31, 2002, because the student was ordered
 9.7 to active military service as defined in section 190.05, subdivision 5b or 5c;

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

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

9.12 **Sec. 11. [136A.1212] FRAUD; DENIAL OF FUNDING.**

9.13 Applicants or recipients of any student aid or grant program administered under chapter
 9.14 136A may be denied funding if the applicant or recipient:

9.15 (1) presents information concerning the financial aid or grant application that is false,
 9.16 fraudulent, misleading, deceptive, or inaccurate in a material respect;

9.17 (2) refuses to allow reasonable inspection or to supply reasonable information after a
 9.18 written request by the office or school has been received; or

9.19 (3) has been determined by the commissioner or judicially determined to have committed
 9.20 fraud or a material violation of law involving federal, state, or local government funding.

9.21 Sec. 12. Minnesota Statutes 2024, section 136A.1215, subdivision 5, is amended to read:

9.22 ~~Subd. 5. **Reporting.** By February 15 of each year, the commissioner of higher education~~
 9.23 ~~must submit a report on the details of the program under this section to the legislative~~
 9.24 ~~committees with jurisdiction over higher education finance and policy. The report must~~
 9.25 ~~include the following information, broken out by postsecondary institution: Annually, the~~
 9.26 ~~office must submit a report in accordance with section 135A.053.~~

9.27 ~~(1) the number of students receiving an award;~~

9.28 ~~(2) the average and total award amounts; and~~

9.29 ~~(3) summary demographic data on award recipients.~~

10.1 Sec. 13. Minnesota Statutes 2024, section 136A.1241, subdivision 8, is amended to read:

10.2 Subd. 8. **Report.** ~~(a) Annually, the office shall prepare an anonymized report to be~~
 10.3 ~~submitted annually to the chairperson and minority chairperson of the legislative committees~~
 10.4 ~~with jurisdiction over higher education that contains:~~ must submit a report in accordance
 10.5 with section 136A.053.

10.6 ~~(1) the number of students receiving foster grants and the institutions attended; and~~

10.7 ~~(2) annual retention and graduation data on students receiving foster grants.~~

10.8 ~~(b) The report required under this subdivision may be combined with other legislatively~~
 10.9 ~~required reporting. If submitted as a separate report, the report must be submitted by January~~
 10.10 ~~15.~~

10.11 Sec. 14. Minnesota Statutes 2024, section 136A.125, subdivision 2, is amended to read:

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

10.14 (1) is a resident ~~of the state of Minnesota~~ student under section 136A.101, subdivision
 10.15 8, or the applicant's spouse is a resident of the state of Minnesota;

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

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

10.21 (4) has not received child care grant funds for a period of ten semesters or the equivalent;

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

10.24 (6) is enrolled in at least one credit in an undergraduate program or one credit in a
 10.25 graduate or professional program in an eligible institution; and

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

10.27 (b) A student is entitled to an additional semester or equivalent of grant eligibility and
 10.28 will be considered to be in continuing enrollment status upon return if the student withdraws
 10.29 from enrollment:

10.30 (1) for active military service after December 31, 2002, because the student was ordered
 10.31 to active military service as defined in section 190.05, subdivision 5b or 5c;

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

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

11.5 Sec. 15. Minnesota Statutes 2024, section 136A.1274, subdivision 4, is amended to read:

11.6 Subd. 4. **Reporting.** ~~By February 15 of each year, the commissioner must submit a~~
 11.7 ~~report on the details of the program under this section to the legislative committees with~~
 11.8 ~~jurisdiction over E-12 and higher education finance and policy. The report must include the~~
 11.9 ~~following information:~~ Annually, the office must submit a report in accordance with section
 11.10 136A.053. Additionally, the report must be submitted to the chairs and ranking minority
 11.11 members of the legislative committees with jurisdiction over E-12 finance and policy.

11.12 ~~(1) the number of eligible applicants and the number of teacher candidates receiving an~~
 11.13 ~~award, each broken down by postsecondary institution;~~

11.14 ~~(2) the total number of awards, the total dollar amount of all awards, and the average~~
 11.15 ~~award amount; and~~

11.16 ~~(3) other summary data identified by the commissioner as outcome indicators.~~

11.17 Sec. 16. Minnesota Statutes 2024, section 136A.1275, subdivision 4, is amended to read:

11.18 Subd. 4. **Reporting.** ~~(a) By February 1 of each year, the commissioner must submit a~~
 11.19 ~~report to the chairs and ranking minority members of the legislative committees with~~
 11.20 ~~jurisdiction over E-12 and higher education finance and policy. The report must include the~~
 11.21 ~~following information:~~ Annually, the office must submit a report in accordance with section
 11.22 136A.053. Additionally, the report must include

11.23 ~~(1) the total number of awards, the total dollar amount of all awards, and the average~~
 11.24 ~~award amount;~~

11.25 ~~(2) the number of eligible applicants and the number of student teachers receiving an~~
 11.26 ~~award, each broken down by postsecondary institution;~~

11.27 ~~(3) the licensure areas and school districts in which the student teachers taught; and~~ must
 11.28 be submitted to the chairs and ranking minority members of the legislative committees with
 11.29 jurisdiction over E-12 finance and policy.

12.1 ~~(4) other summary data identified by the commissioner as outcome indicators, including~~
 12.2 ~~how many student teachers awarded a rural teacher grant were employed in a rural school~~
 12.3 ~~district after graduation.~~

12.4 ~~(b) By July 1 of each odd numbered year, the commissioner must update and post on~~
 12.5 ~~the office's website a list of licensure shortage areas eligible for a grant under this section.~~

12.6 Sec. 17. Minnesota Statutes 2024, section 136A.1465, subdivision 10, is amended to read:

12.7 Subd. 10. **Report.** ~~The commissioner of higher education shall submit a preliminary~~
 12.8 ~~report by September 1, 2025, and an annual report beginning February 15, 2026, to the~~
 12.9 ~~chairs and ranking minority members of the legislative committees with jurisdiction over~~
 12.10 ~~higher education, on the details of the program, including the: Annually, the office must~~
 12.11 ~~submit a report in accordance with section 136A.053.~~

12.12 ~~(1) status of the scholarship fund; and~~

12.13 ~~(2) North Star Promise participation data aggregated for each eligible institution to show~~
 12.14 ~~the:~~

12.15 ~~(i) number of eligible students who received scholarships in the prior academic year;~~

12.16 ~~(ii) average and total award amounts;~~

12.17 ~~(iii) summary demographic data on award recipients;~~

12.18 ~~(iv) total number of students enrolled in eligible institutions in the prior academic year;~~

12.19 ~~(v) retention rates of participating students; and~~

12.20 ~~(vi) number of eligible students who graduated with a degree and, for each eligible~~
 12.21 ~~student, the number of consecutive semesters and nonconsecutive semesters attended prior~~
 12.22 ~~to graduation.~~

12.23 Sec. 18. Minnesota Statutes 2024, section 136A.233, subdivision 3, is amended to read:

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

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

12.28 (b) ~~In selecting students for participation, priority must be given to students enrolled for~~
 12.29 ~~at least 12 credits.~~ In each academic year, a student may be awarded work-study payments

13.1 for one period of nonenrollment or less than half-time enrollment if the student will enroll
 13.2 on at least a half-time basis during the following academic term.

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

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

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

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

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

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

13.19 Sec. 19. Minnesota Statutes 2025 Supplement, section 136A.246, subdivision 1a, is
 13.20 amended to read:

13.21 Subd. 1a. **Definitions.** (a) The terms defined in this subdivision apply to this section.

13.22 (b) "Competency standard" has the meaning given in section 175.45, subdivision 2.

13.23 (c) "Eligible training" means training provided by an eligible training provider that:

13.24 (1) includes training to meet one or more identified competency standards;

13.25 (2) is instructor-led for a majority of the training or leads to an accredited certificate,
 13.26 diploma, or degree issued by a postsecondary institution; and

13.27 (3) results in the employee receiving an industry-recognized degree, certificate, or
 13.28 credential.

13.29 (d) "Eligible training provider" means an institution:

13.30 (1) operated by the Board of Trustees of the Minnesota State Colleges and Universities
 13.31 or the Board of Regents of the University of Minnesota;

14.1 (2) licensed or registered as a postsecondary institution by the office; or

14.2 (3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71
14.3 as approved by the office.

14.4 (e) "Industry-recognized degrees, certificates, or credentials" means:

14.5 (1) accredited certificates, diplomas, or degrees issued by a postsecondary institution;

14.6 (2) registered apprenticeship certifications or certificates;

14.7 (3) occupational licenses or registrations;

14.8 (4) certifications issued by, or recognized by, industry or professional associations; and

14.9 (5) other certifications as approved by the commissioner.

14.10 Sec. 20. Minnesota Statutes 2024, section 136A.62, is amended by adding a subdivision
14.11 to read:

14.12 Subd. 3b. **Institution.** "Institution" means school, as defined in this section.

14.13 Sec. 21. Minnesota Statutes 2024, section 136A.64, subdivision 1, is amended to read:

14.14 Subdivision 1. **Schools to provide information.** As a basis for registration, schools
14.15 shall provide the office with such information as the office needs to determine the nature
14.16 and activities of the school, including but not limited to the following which shall be
14.17 accompanied by an affidavit attesting to its accuracy and truthfulness:

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

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

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

14.22 (4) compliance audits and audited financial statements that meet the requirements of
14.23 Code of Federal Regulations, title 34, section 668.23; United States Code, title 20, chapter
14.24 28, section 1094; Code of Federal Regulations, title 2, subpart A, part 200, subpart F, under
14.25 200.501 and 200.503; and United States Code, title 31, chapter 75, which shall be submitted
14.26 to the office on the same schedule stated under section 136A.675, subdivision 1, paragraph
14.27 (a);

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

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

- 15.1 (i) the members of the board of trustees or directors, if any;
- 15.2 (ii) the current institutional officers;
- 15.3 (iii) current full-time and part-time faculty with degrees held or applicable experience;
- 15.4 (iv) a description of all school facilities;
- 15.5 (v) a description of all current course offerings;
- 15.6 (vi) all requirements for satisfactory completion of courses, programs, and degrees;
- 15.7 (vii) the school's policy about freedom or limitation of expression and inquiry;
- 15.8 (viii) a current schedule of fees, charges for tuition, required supplies, student activities,
- 15.9 housing, and all other standard charges;
- 15.10 (ix) the school's policy about refunds and adjustments;
- 15.11 (x) the school's policy about granting credit for prior education, training, and experience;
- 15.12 (xi) the school's policies about student admission, evaluation, suspension, and dismissal;
- 15.13 and
- 15.14 (xii) the school's disclosure to students on the student complaint process under section
- 15.15 136A.672; and
- 15.16 (7) enrollment data by academic term or calendar period following the submission
- 15.17 schedules in section 136A.675, subdivision 1, paragraph (b).

15.18 Sec. 22. Minnesota Statutes 2024, section 136A.65, subdivision 8, is amended to read:

15.19 Subd. 8. **Disapproval of registration; appeal.** (a) By giving written notice and reasons

15.20 to the school, the office may:

- 15.21 (1) revoke, suspend, or refuse to renew registration;
- 15.22 (2) refuse approval of a school's degree; and
- 15.23 (3) refuse approval of the use of a regulated term in its name.

15.24 (b) Reasons for revocation or suspension of registration or approval may be for one or

15.25 more of the following reasons:

- 15.26 (1) violating the provisions of sections 136A.61 to 136A.71;
- 15.27 (2) providing false, misleading, or incomplete information to the office;
- 15.28 (3) presenting information about the school which is false, fraudulent, misleading,
- 15.29 deceptive, or inaccurate in a material respect to students or prospective students;

16.1 (4) refusing to allow reasonable inspection or to supply reasonable information after a
16.2 written request by the office has been received;

16.3 (5) failing to have enrollment within the last two years at the school;

16.4 (6) failing to have any enrollment within two years of a program's approval, except for
16.5 programs that require extensive approval processes by the United States Department of
16.6 Education, or the program's institutional or programmatic accreditor; or

16.7 (7) having been ~~administratively~~ determined by the commissioner or judicially determined
16.8 to have committed fraud or any other material violation of law involving federal, state, or
16.9 local government funds.

16.10 (c) Any order refusing, revoking, or suspending a school's registration, approval of a
16.11 school's degree, or use of a regulated term in the school's name is appealable in accordance
16.12 with chapter 14. The request must be in writing and made to the office within 30 days of
16.13 the date the school is notified of the action of the office. If a school has been operating and
16.14 its registration has been revoked, suspended, or refused by the office, the order is not effective
16.15 until the final determination of the appeal, unless immediate effect is ordered by the court.

16.16 Sec. 23. Minnesota Statutes 2024, section 136A.653, subdivision 1b, is amended to read:

16.17 Subd. 1b. **Tribal colleges.** A Tribal college is exempted from the provisions of sections
16.18 136A.61 to 136A.71. A Tribal college that is exempt may voluntarily waive its ~~exception~~
16.19 exemption by registering under section 136A.63. Upon registration, the Tribal college is
16.20 subject to all applicable requirements of sections 136A.61 to 136A.71.

16.21 Sec. 24. Minnesota Statutes 2024, section 136A.653, subdivision 3a, is amended to read:

16.22 Subd. 3a. **Tuition-free educational courses.** A ~~school~~ course or program, including a
16.23 ~~school~~ course or program using an online platform service, offering training, courses, or
16.24 programs is exempt from sections 136A.61 to 136A.71, to the extent tuition, fees, and any
16.25 other charges for a student to participate do not exceed two percent of the most recent
16.26 average undergraduate tuition and required fees as of January 1 of the current year charged
16.27 for full-time students at all degree-granting institutions as published annually by the United
16.28 States Department of Education as of January 1 of each year. To qualify for an exemption,
16.29 a school or online platform service must prominently display a notice comparable to the
16.30 following: "IMPORTANT: Each educational institution makes its own decision regarding
16.31 whether to accept completed coursework for credit. Check with your university or college."

17.1 Sec. 25. Minnesota Statutes 2024, section 136A.672, subdivision 5, is amended to read:

17.2 Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a
17.3 penalty under section 136A.705 is appealable in accordance with chapter 14. The request
17.4 for an appeal must be made in writing to the office within 30 days of the date the school is
17.5 notified of the action of the office. The court shall award costs and reasonable attorney fees
17.6 in a contested chapter 14 hearing to the office if: ~~(1) the office substantially prevails on the~~
17.7 ~~merits in an action brought under this section; and (2) the school has a net income from~~
17.8 ~~student tuition, fees, and other required institutional charges collected from the last fiscal~~
17.9 ~~year of \$1,000,000 or greater.~~

17.10 Sec. 26. Minnesota Statutes 2024, section 136A.675, subdivision 1, is amended to read:

17.11 Subdivision 1. **Standard development and usage.** (a) To screen and detect whether an
17.12 institution may not be financially or administratively responsible, the office shall ~~develop~~
17.13 use financial and nonfinancial indicators. The ~~development~~ of financial and nonfinancial
17.14 indicators shall use industry standards as guidance.

17.15 (b) Annually, the office must provide a copy of the financial and nonfinancial indicators
17.16 to each registered institution and post a list of reviewed indicators on the office website.

17.17 (c) The office shall use regularly reported data submitted to the federal government or
17.18 other regulatory or accreditation agencies wherever possible.

17.19 (d) The office must use the indicators in this subdivision to identify institutions at
17.20 potential risk of being unable to meet the standards established under sections 136A.646;
17.21 136A.64, subdivision 3; 136A.65, subdivisions 1a and 4, paragraph (a), clauses (1), (2), (3),
17.22 and (7); and 136A.685 and thus unlikely to meet its financial obligations or complete its
17.23 academic terms for the next 18 months.

17.24 Sec. 27. Minnesota Statutes 2024, section 136A.675, is amended by adding a subdivision
17.25 to read:

17.26 Subd. 1a. **Institutional reporting schedules for audits and enrollment data.** (a) An
17.27 institution must submit to the office the required audit reports under section 136A.64,
17.28 subdivision 1, clause (4), by the earlier of 30 days after the issuance date of an audit or nine
17.29 months after the last day of the institution's fiscal year.

17.30 (b) An institution must submit to the office the enrollment data required under section
17.31 136A.64, subdivision 1, clause (7), using one of the two following schedules:

18.1 (1) a school with limited program start dates within its academic year shall provide the
 18.2 office with a copy of the school's internal enrollment report for each academic term as soon
 18.3 as it is released internally. The school may provide the report with no additional data or
 18.4 required calculations; or

18.5 (2) a school with multiple or rolling program start dates must provide enrollment data
 18.6 to the office at least four times per year. Each school must determine four reporting dates
 18.7 per year that would result in the most useful data being provided to the office and must
 18.8 provide the office with the school's proposed enrollment reporting schedule.

18.9 Sec. 28. Minnesota Statutes 2025 Supplement, section 136A.69, subdivision 1, is amended
 18.10 to read:

18.11 Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees
 18.12 that are sufficient to recover, but do not exceed, its costs of administering the registration
 18.13 program. The office shall charge the fees listed in paragraphs (b) to (d) for new registrations.

18.14 (b) A new school must pay registration fees based on the institution's total full-time
 18.15 equivalent enrollment in the following amounts:

18.16 (1) \$5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;

18.17 (2) \$7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;

18.18 (3) \$10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;

18.19 (4) \$15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and

18.20 (5) \$20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and
 18.21 for institutions with no data on the previous year's full-time equivalent enrollment.

18.22 Full-time equivalent enrollment is established using the previous year's full-time equivalent
 18.23 enrollment as established in the United States Department of Education Integrated
 18.24 Postsecondary Education Data System. If enrollment cannot be established using the United
 18.25 States Department of Education Integrated Postsecondary Education Data System, the office
 18.26 may establish an institution's full-time equivalent enrollment through verification of its
 18.27 enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

18.28 (c) A new school must pay registration fees in an amount equal to the fee under paragraph
 18.29 (b), plus fees for each nondegree program or degree as follows:

18.30 nondegree program \$250

18.31 degree program \$750

19.1 ~~(d) In addition to the fees under paragraphs (b) and (c), a fee of \$600 must be paid for~~
19.2 ~~an initial application that: (1) has had four revisions, corrections, amendment requests, or~~
19.3 ~~application reminders for the same application or registration requirement; or (2) cumulatively~~
19.4 ~~has had six revisions, corrections, amendment requests, or application reminders for the~~
19.5 ~~same license application and the school seeks to continue with the application process with~~
19.6 ~~additional application submissions. If this fee is paid, the school may submit two final~~
19.7 ~~application submissions for review prior to application denial under section 136A.65,~~
19.8 ~~subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications~~
19.9 ~~initiated by the school before the submission of the application, initial interpretation questions~~
19.10 ~~or inquiries from the office regarding a completed application, and initial requests from the~~
19.11 ~~office for verification or validation of a completed application.~~

19.12 ~~(e) The annual renewal registration fee is based on an institution's total full-time~~
19.13 ~~equivalent enrollment in the following amounts:~~

19.14 ~~(1) \$1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;~~

19.15 ~~(2) \$3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;~~

19.16 ~~(3) \$5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and~~

19.17 ~~(4) \$7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and~~
19.18 ~~for institutions with no data on the previous year's full-time equivalent enrollment.~~

19.19 ~~Full-time equivalent enrollment is established using the previous year's full-time equivalent~~
19.20 ~~enrollment as established in the United States Department of Education Integrated~~
19.21 ~~Postsecondary Education Data System. If enrollment cannot be established using the United~~
19.22 ~~States Department of Education Integrated Postsecondary Education Data System, the office~~
19.23 ~~may establish an institution's full-time equivalent enrollment through verification of its~~
19.24 ~~enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).~~

19.25 ~~(f) In addition to the fee under paragraph (e), a fee of \$600 must be paid for a renewal~~
19.26 ~~application that: (1) has had four revisions, corrections, amendment requests, or application~~
19.27 ~~reminders for the same application or registration requirement; or (2) cumulatively has had~~
19.28 ~~six revisions, corrections, amendment requests, or application reminders for the same license~~
19.29 ~~application and the school seeks to continue with the application process with additional~~
19.30 ~~application submissions. If this fee is paid, the school may submit two final application~~
19.31 ~~submissions for review prior to application denial under section 136A.65, subdivision 8.~~
19.32 ~~This provision excludes from its scope nonrepetitive questions or clarifications initiated by~~
19.33 ~~the school before the submission of the application, initial interpretation questions or inquiries~~

20.1 ~~from the office regarding a completed application, and initial requests from the office for~~
 20.2 ~~verification or validation of a completed application.~~

20.3 Sec. 29. Minnesota Statutes 2025 Supplement, section 136A.82, subdivision 1, is amended
 20.4 to read:

20.5 Subdivision 1. **Policy.** The legislature has found and hereby declares that the availability
 20.6 of legitimate ~~vocational~~ programs offered by responsible nonprofit and for-profit private
 20.7 career schools are in the best interests of the people of this state. The legislature has found
 20.8 and declares that the state can provide assistance and protection for persons choosing
 20.9 ~~vocational~~ programs by establishing policies and procedures to ensure the authenticity and
 20.10 legitimacy of ~~vocational~~ programs offered by nonprofit and for-profit private career schools.
 20.11 The legislature has found and declares that this same policy applies to any nonprofit and
 20.12 for-profit private career schools located in another state or country that offers or makes
 20.13 available to a Minnesota resident any ~~vocational~~ program which does not require leaving
 20.14 the state for its completion.

20.15 Sec. 30. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 5, is amended
 20.16 to read:

20.17 Subd. 5. **Private career school.** "Private career school" means a person who maintains
 20.18 a physical presence for any program at less than an associate degree level. Except for those
 20.19 required to obtain a license exclusively to participate in state financial aid or be listed on
 20.20 the eligible training provider list, access WIOA funding, or receive the dual training grant,
 20.21 private career school does not extend to:

20.22 (1) public postsecondary institutions with a physical presence in Minnesota;

20.23 (2) postsecondary institutions registered under sections 136A.61 to 136A.71;

20.24 (3) postsecondary institutions exempt from registration under section 136A.653,
 20.25 subdivisions 1b, 2, 3, and 3a; ~~136A.657~~₂; or 136A.658 due to the nature of the institution's
 20.26 programs;

20.27 (4) ~~schools~~ persons, programs, or courses exclusively engaged in training physically or
 20.28 mentally disabled persons;

20.29 (5) persons, programs, or courses taught to students in an apprenticeship program
 20.30 registered by the United States Department of Labor or Minnesota Department of Labor
 20.31 and taught by or required by a trade union in which students are not responsible for tuition,
 20.32 fees, or any other charges, regardless of payment or reimbursement method;

21.1 (6) persons, programs, or courses contracted by persons or government agencies for the
 21.2 training of their own employees for which no fee is charged to the employee, regardless of
 21.3 whether that fee is reimbursed by the employer or a third party after the employee
 21.4 successfully completes the training, ~~except for institutions or programs required to obtain~~
 21.5 ~~a limited license exclusively to receive the dual training grant;~~

21.6 (7) ~~schools~~ persons, programs, or courses with no physical presence in Minnesota engaged
 21.7 exclusively in offering distance programs that are located in and approved by other states
 21.8 or jurisdictions if the distance education program does not include internships, externships,
 21.9 field placements, or clinical placements for residents of Minnesota;

21.10 (8) ~~schools~~ persons, programs, or courses licensed or approved by other state boards or
 21.11 agencies authorized under Minnesota law to issue licenses for institutions or programs,
 21.12 ~~except for institutions or programs required to be licensed exclusively to participate in state~~
 21.13 ~~financial aid or be listed on the eligible training provider list, access WIOA funding, or~~
 21.14 ~~receive the dual training grant;~~

21.15 (9) ~~review classes, courses, or~~ persons, programs, or courses intended to prepare students
 21.16 to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or
 21.17 entrance examinations;

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

21.24 (11) persons, programs in the fine arts provided by organizations, or courses that are
 21.25 exempt from taxation under section 290.05 and registered with the attorney general under
 21.26 chapter 309. ~~For purposes of this clause, "fine arts" means activities resulting in artistic~~
 21.27 ~~creation or artistic performance of works of the imagination which are engaged in for the~~
 21.28 ~~primary purpose of creative expression rather than commercial sale, vocational or career~~
 21.29 ~~advancement, or employment; or~~

21.30 (12) ~~classes, courses, or~~ persons, programs, or courses intended to fulfill the continuing
 21.31 education requirements for a bona fide licensure or certification in a profession that have
 21.32 been approved by a legislatively or judicially established board or agency responsible for
 21.33 regulating the practice of the profession or by an industry-specific certification entity and
 21.34 that are offered exclusively to individuals with the professional licensure or certification.

22.1 Sec. 31. Minnesota Statutes 2024, section 136A.821, subdivision 13, is amended to read:

22.2 Subd. 13. **Compliance audit.** "Compliance audit" means an audit of a private career
 22.3 school's compliance with federal requirements related to its participation in federal Title IV
 22.4 student aid programs or other federal grant programs performed under either Uniform Grant
 22.5 Guidance, including predecessor Federal Circular A-133, or the United States Department
 22.6 of Education's audit guide, Audits of Federal Student Financial Assistance Programs at
 22.7 Participating Institutions and Institution Services administration of federal money conducted
 22.8 by a certified public accountant or federal auditor to determine if the school is adhering to
 22.9 applicable laws, regulations, and other grant conditions as required by Code of Federal
 22.10 Regulations, title 2, subtitle A, chapter II, part 200.

22.11 Sec. 32. Minnesota Statutes 2024, section 136A.821, subdivision 16, is amended to read:

22.12 Subd. 16. **Audited Financial statements audit report.** "~~Audited~~ Financial statements
 22.13 audit report" means the ~~financial statements of an entity or higher-level entity that have~~
 22.14 ~~been examined by a certified public accountant or an equivalent government agency for~~
 22.15 ~~public entities that include (1) an auditor's report, a statement of financial position, an income~~
 22.16 ~~statement, a statement of cash flows, and notes to the financial statements or (2) the required~~
 22.17 ~~equivalents for public entities as determined by the Financial Accounting Standards Board,~~
 22.18 ~~the Governmental Accounting Standards Board, or the Securities and Exchange Commission~~
 22.19 result of a service provided by a certified public accountant or federal auditor that conducts
 22.20 a comprehensive and independent examination of the entity's financial statements as defined
 22.21 in Code of Federal Regulations, title 34, section 668.23(d). If an entity's own financial
 22.22 statements audit report is subsequently consolidated into a higher-level entity's financial
 22.23 statements audit report, financial statements audit report can refer to both the entity's own
 22.24 report and the higher-level entity's consolidated report in accordance with Code of Federal
 22.25 Regulations, section 668.23(d)(2).

22.26 Sec. 33. Minnesota Statutes 2024, section 136A.821, subdivision 17, is amended to read:

22.27 Subd. 17. **~~Review-level engagement~~ Compilation report.** "~~Review-level engagement~~"
 22.28 ~~means a service performed by a certified public accountant that provides limited assurance~~
 22.29 ~~that there are no material modifications that need to be made to an entity's financial statements~~
 22.30 ~~in order for them to conform to generally accepted accounting principles. Review-level~~
 22.31 ~~engagement provides fewer assurances than those reported under audited financial statements~~
 22.32 "Compilation report" means the result of an accounting service provided by a certified public
 22.33 accountant to organize financial information provided by a client into professionally

23.1 formatted financial statements. A compilation report provides no assurances about the
 23.2 financial statements, unlike those provided in a financial statements audit report.

23.3 Sec. 34. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 21, is
 23.4 amended to read:

23.5 Subd. 21. ~~Vocational~~ **Institution or school.** ~~"Vocational" means education or training~~
 23.6 ~~for skills used in the labor market~~ "Institution" or "school" means a private career school
 23.7 or distance education private career school, as defined in this section.

23.8 Sec. 35. Minnesota Statutes 2024, section 136A.822, subdivision 4, is amended to read:

23.9 Subd. 4. **Application.** Application for a license shall be on forms prepared and furnished
 23.10 by the office, and shall include the following and other information as the office may require:

23.11 (1) the title or name of the private career school, ownership and controlling officers,
 23.12 members, managing employees, and director;

23.13 (2) the specific programs which will be offered ~~and the specific purposes of the~~
 23.14 ~~instruction;~~

23.15 (3) the place or places where the instruction will be given;

23.16 (4) a listing of the equipment available for instruction in each program;

23.17 (5) the maximum enrollment to be accommodated with equipment available in each
 23.18 specified program;

23.19 (6) the qualifications of instructors and supervisors in each specified program;

23.20 (7) financial documents related to the entity's and higher-level entity's most recently
 23.21 completed fiscal year; including a federal income tax return and, in accordance with the
 23.22 table below, one or more of the following: a financial statements audit report, compliance
 23.23 audit report, or compilation report. An applicant with financial statements that are
 23.24 consolidated into a higher-level entity's financial statements must include the consolidated
 23.25 financials of the higher-level entity with the documents listed in each row of the table except
 23.26 for the final row. If not stated in the financial statements audit report, compliance audit
 23.27 report, or compilation report, the entity must include a statement providing the total gross
 23.28 tuition and fee revenues associated with the programs and the total amount of institutional
 23.29 discounts and aid provided to students in the programs.

23.30 ~~(i) annual gross revenues from all sources;~~

24.1 ~~(ii) financial statements subjected to a review-level engagement or, if requested by the~~
 24.2 ~~office, audited financial statements;~~

24.3 ~~(iii) a school's most recent compliance audit, if applicable; and~~

24.4 ~~(iv) a current balance sheet, income statement, and adequate supporting documentation,~~
 24.5 ~~prepared and certified by an independent public accountant or CPA;~~

24.6 An entity or higher-level entity subject to fluctuating levels of total gross revenues must
 24.7 continue to submit the required financial documents according to the requirements under
 24.8 items (i) to (vi) even if the most current fiscal year's total gross revenues move the entity
 24.9 or higher-level entity into a different category. If an entity or higher-level entity continues
 24.10 to experience a change in total gross revenues for two consecutive fiscal years, the office
 24.11 must notify the entity that the entity will be subject to the documentation requirements under
 24.12 items (i) to (vi) for the next annual licensing application cycle. If, for the most recently
 24.13 completed fiscal year, the applicant or renewal applicant:

24.14 (i) is required by federal or other external entities to have both a financial statements
 24.15 audit and a compliance audit, the applicant must submit the financial statements audit report
 24.16 and the compliance audit report, which may be combined in one document;

24.17 (ii) is required by federal or other external entities to have a financial statements audit,
 24.18 but not a compliance audit, the applicant must submit the financial statements audit report;

24.19 (iii) is not required to have a financial statements audit, but elects to have one, the
 24.20 applicant must submit the financial statements audit report;

24.21 (iv) does not fall into a prior category but had gross annual revenues from all sources
 24.22 in the most recently completed fiscal year of \$5,000,000 or more and the office requires the
 24.23 applicant to have a financial statements audit, the applicant must submit the financial
 24.24 statement audit report. If the applicant is a nonprofit entity, the applicant must also include
 24.25 the completed Federal Form 990 tax return for the most recently completed fiscal year;

24.26 (v) does not fall into a prior category but had gross annual revenues from all sources in
 24.27 the most recently completed fiscal year of \$250,000 or more but less than \$5,000,000 and
 24.28 the office requires the applicant to have a compilation engagement, the applicant must
 24.29 submit the compilation report, including footnotes for a debt repayment schedule and other
 24.30 material items. If the applicant is a nonprofit entity, the applicant must also include the
 24.31 completed Federal Form 990 tax return for the most recently completed fiscal year; or

24.32 (vi) does not fall into a prior category but had gross annual revenues from all sources
 24.33 in the most recently completed fiscal year of less than \$250,000, the applicant must submit

25.1 (A) depending on the ownership or corporate organization, the applicant's federal income
 25.2 tax return; and (B) if the net income flows through to the owners' personal federal tax returns,
 25.3 a copy of each owner's personal federal tax return. In addition to the tax return information,
 25.4 an applicant must provide a balance sheet dated as of the last day of the most recently ended
 25.5 fiscal year;

25.6 (8) copies of all media advertising and promotional literature and brochures or electronic
 25.7 display currently used or reasonably expected to be used by the private career school; and

25.8 (9) copies of all Minnesota enrollment agreement forms and contract forms and all
 25.9 enrollment agreement forms and contract forms used in Minnesota; and.

25.10 ~~(10) gross income earned in the preceding year from student tuition, fees, and other~~
 25.11 ~~required institutional charges.~~

25.12 Sec. 36. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 6, is amended
 25.13 to read:

25.14 Subd. 6. **Bond.** (a) No license shall be issued to any private career school with a physical
 25.15 presence within the state of Minnesota for any program, unless the applicant files with the
 25.16 office a continuous corporate surety bond written by a company authorized to do business
 25.17 in Minnesota conditioned upon the faithful performance of all contracts and agreements
 25.18 with students made by the applicant.

25.19 (b) The amount of the surety bond shall be ten percent of the preceding year's net revenue
 25.20 from student tuition, fees, and other required institutional charges collected, ~~but in no event~~
 25.21 ~~less than \$10,000~~, except that a private career school ~~may~~ must deposit a greater amount at
 25.22 ~~its own~~ the office's discretion. A private career school in each annual application for licensure
 25.23 must compute the amount of the surety bond and verify that the amount of the surety bond
 25.24 complies with this subdivision. A private career school that operates at two or more locations
 25.25 may combine net revenue from student tuition, fees, and other required institutional charges
 25.26 collected for all locations for the purpose of determining the annual surety bond requirement.
 25.27 The net revenue from tuition and fees used to determine the amount of the surety bond
 25.28 required for a private career school having a license for the sole purpose of recruiting students
 25.29 in Minnesota shall be only that paid to the private career school by the students recruited
 25.30 from Minnesota. In the case of an entity applying for an initial license where no history of
 25.31 revenues from student tuition, fees, or other required institutional charges, the amount of
 25.32 the bond must be ten percent of the total amount of tuition, fees, and other required
 25.33 institutional charges anticipated in the entity's first year of operation, based on a calculation

26.1 of total student tuition, fees, and other required institutional charges multiplied by the
 26.2 maximum student enrollment in one academic year.

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

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

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

26.19 Sec. 37. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 8, is amended
 26.20 to read:

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

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

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

26.25 (ii) refund all tuition and other charges, within 60 days, in the event of dissolution of
 26.26 the private career school or in the event of any justifiable claims for refund against the
 26.27 private career school by the student body;

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

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

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

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

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

27.5 (5) that the quality ~~and content~~ of each occupational course or program of study provides
27.6 education and adequate preparation to enrolled students for entry level positions in the
27.7 occupation for which prepared, based on minimum standards for employment in the field,
27.8 learning outcomes, assessment mechanisms, and clear structure of the curriculum;

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

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

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

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

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

27.25 (11) that the school includes a joint and several liability provision for torts and compliance
27.26 with the requirements of sections 136A.82 to 136A.834 in any contract effective after July
27.27 1, 2026, with any individual, entity, or postsecondary school located in another state for the
27.28 purpose of providing educational or training programs or awarding postsecondary credits
27.29 to Minnesota residents that may be applied to a program.

- 28.1 Sec. 38. Minnesota Statutes 2024, section 136A.822, subdivision 10, is amended to read:
- 28.2 Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a
- 28.3 private career school, the private career school shall furnish to the office a catalog, brochure,
- 28.4 or electronic display including: all required information to students under section 136A.826.
- 28.5 ~~(1) identifying data, such as volume number and date of publication;~~
- 28.6 ~~(2) name and address of the private career school and its governing body and officials;~~
- 28.7 ~~(3) a calendar of the private career school showing legal holidays, beginning and ending~~
- 28.8 ~~dates of each course quarter, term, or semester, and other important dates;~~
- 28.9 ~~(4) the private career school policy and regulations on enrollment including dates and~~
- 28.10 ~~specific entrance requirements for each program;~~
- 28.11 ~~(5) the private career school policy and regulations about leave, absences, class cuts,~~
- 28.12 ~~make-up work, tardiness, and interruptions for unsatisfactory attendance;~~
- 28.13 ~~(6) the private career school policy and regulations about standards of progress for the~~
- 28.14 ~~student including the grading system of the private career school, the minimum grades~~
- 28.15 ~~considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a~~
- 28.16 ~~description of any probationary period allowed by the private career school, and conditions~~
- 28.17 ~~of reentrance for those dismissed for unsatisfactory progress;~~
- 28.18 ~~(7) the private career school policy and regulations about student conduct and conditions~~
- 28.19 ~~for dismissal for unsatisfactory conduct;~~
- 28.20 ~~(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student~~
- 28.21 ~~activities, laboratory fees, service charges, rentals, deposits, and all other charges;~~
- 28.22 ~~(9) the private career school policy and regulations, including an explanation of section~~
- 28.23 ~~136A.827, about refunding tuition, fees, and other charges if the student does not enter the~~
- 28.24 ~~program, withdraws from the program, or the program is discontinued;~~
- 28.25 ~~(10) a description of the available facilities and equipment;~~
- 28.26 ~~(11) a course outline syllabus for each course offered showing course objectives, subjects~~
- 28.27 ~~or units in the course, type of work or skill to be learned, and approximate time, hours, or~~
- 28.28 ~~credits to be spent on each subject or unit;~~
- 28.29 ~~(12) the private career school policy and regulations about granting credit for previous~~
- 28.30 ~~education and preparation;~~

29.1 ~~(13) a notice to students relating to the transferability of any credits earned at the private~~
 29.2 ~~career school to other institutions;~~

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

29.4 ~~(15) the name and address of the office; and~~

29.5 ~~(16) the student complaint process and rights under section 136A.8295.~~

29.6 ~~A private career school that is exclusively a distance education school is exempt from~~
 29.7 ~~clauses (3) and (5).~~

29.8 Sec. 39. Minnesota Statutes 2024, section 136A.822, subdivision 12, is amended to read:

29.9 Subd. 12. **Permanent student records.** (a) A private career school or a distance education
 29.10 private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota
 29.11 shall maintain a ~~permanent~~ student record for each student for 50 years from the last date
 29.12 of the student's attendance. ~~A private career school licensed under this chapter and offering~~
 29.13 ~~distance instruction to a student located in Minnesota shall maintain a permanent record for~~
 29.14 ~~each Minnesota student for 50 years from the last date of the student's attendance~~ The private
 29.15 career school or distance education private career school may choose to reduce the amount
 29.16 of time the school maintains a student record to no less than 20 years if the entity sends the
 29.17 permanent student record to the office to hold for the remainder of the duration the student
 29.18 records are required to be maintained. Records include school transcripts, documents, and
 29.19 files containing student data about academic credits earned, courses completed, grades
 29.20 awarded, degrees awarded, and periods of attendance.

29.21 (b) A private career school or distance education private career school licensed under
 29.22 sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student
 29.23 record required for professional licensure in Minnesota for each student for ten years from
 29.24 the last date of the student's attendance or the number of years required by an institutional
 29.25 or programmatic accreditor, whichever is greater. ~~A private career school licensed under~~
 29.26 ~~this chapter and offering distance instruction to a student located in Minnesota shall maintain~~
 29.27 ~~records required for professional licensure in Minnesota that are not included in paragraph~~
 29.28 ~~(a) for each Minnesota student for ten years from the last date of the student's attendance~~
 29.29 ~~or the number of years required by an institutional or programmatic accreditor, whichever~~
 29.30 ~~is greater.~~

29.31 (c) To preserve permanent student records, a private career school shall submit a plan
 29.32 that meets the following requirements:

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

30.1 ~~(2)~~ an appropriate official must be designated to provide a student with copies of records
 30.2 or a transcript upon request; and

30.3 ~~(3) an alternative method, approved by the office, of complying with clauses (1) and (2)~~
 30.4 ~~must be established if the private career school ceases to exist; and~~

30.5 ~~(4)~~ (2) a continuous surety bond or irrevocable letter of credit issued by a financial
 30.6 institution must be filed with the office in an amount not to exceed \$20,000 if the private
 30.7 career school has no binding agreement approved by the office, for preserving student
 30.8 records. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the
 30.9 event of a school closure, the surety bond or irrevocable letter of credit must be used by the
 30.10 office to retrieve, recover, maintain, digitize, and destroy academic records.

30.11 Sec. 40. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 13, is
 30.12 amended to read:

30.13 Subd. 13. **Limited license.** (a) Unless otherwise exempt under sections 136A.82 to
 30.14 136A.834:

30.15 (1) a private career school licensed by another state agency or board must be required
 30.16 to obtain a limited license to participate in state financial aid; and

30.17 (2) a private career school exclusively seeking to be listed on the eligible training provider
 30.18 list, access WIOA funding, or receive the dual training grant shall be required to obtain a
 30.19 limited license.

30.20 (b) A private career school seeking a limited license under this subdivision shall be
 30.21 required to satisfy ~~only~~ the requirements of subdivisions 4, clauses (1), (2), and (3), (7), (8),
 30.22 (9), and (10); 5; 8, clauses (1), ~~(4), (7), (8),~~ (9), and (10); ~~9; 10; 11;~~ and 12. If requested by
 30.23 the office, a private career school seeking a limited license under this subdivision must
 30.24 satisfy the requirements of subdivisions 4, clauses (7), (8), (9), and (10); 8, clauses (4), (7),
 30.25 and (8); 9; 10; and 11. If a private career school is licensed to participate in state financial
 30.26 aid under this chapter, the private career school must follow the refund policy in section
 30.27 136A.827, even if that section conflicts with the refund policy of the licensing agency or
 30.28 board. A distance education private career school located in another state, or a distance
 30.29 education private career school licensed to recruit Minnesota residents for attendance at a
 30.30 distance education private career school outside of this state, or a distance education private
 30.31 career school licensed by another state agency as its primary licensing body, may continue
 30.32 to use the distance education private career school's name as permitted by its home state or
 30.33 its primary licensing body.

31.1 Sec. 41. Minnesota Statutes 2024, section 136A.822, is amended by adding a subdivision
31.2 to read:

31.3 Subd. 14. **Data privacy.** (a) Financial records submitted by private career schools are
31.4 nonpublic data, as defined in section 13.02, subdivision 9.

31.5 (b) Accreditation records and reports submitted by private career schools are nonpublic
31.6 data, as defined in section 13.02, subdivision 9.

31.7 (c) The office may disclose data that is classified as not public data under this subdivision
31.8 for the purpose of defending the office's decision to approve or not approve a program or
31.9 institution, or take any other action under sections 136A.82 to 136A.833, in connection with
31.10 a legal or administrative proceeding, or pursuant to a subpoena or judicial warrant.

31.11 Sec. 42. Minnesota Statutes 2024, section 136A.823, subdivision 1, is amended to read:

31.12 Subdivision 1. **Application.** (a) Application for renewal of a license must be made at
31.13 least 60 days, other than the exception in paragraph (b), before expiration of the current
31.14 license on a form provided by the office. A renewal application shall be accompanied by a
31.15 nonrefundable fee as provided in section 136A.824 that is sufficient to recover, but does
31.16 not exceed, the administrative costs of the office.

31.17 (b) The financial documents listed in section 136A.822, subdivision 4, clause (7), required
31.18 to be submitted to the office as part of a renewal application, shall be submitted according
31.19 to the following schedule:

31.20 (1) the financial statements audit reports, compliance audit reports, and compilation
31.21 reports, by the earlier of 30 days after the issuance date of each report or nine months after
31.22 the last day of the entity's or higher-level entity's fiscal year; or

31.23 (2) for federal tax returns and stand-alone balance sheets, by the earlier of 30 days after
31.24 the federal tax return is completed or one week following the last day of a federal filing
31.25 extension period that is usually six months in length.

31.26 Sec. 43. Minnesota Statutes 2024, section 136A.823, subdivision 3, is amended to read:

31.27 Subd. 3. **Change of ownership.** Within 30 days of a change of ownership, a school must
31.28 submit a registration renewal application, the information and materials for an initial
31.29 registration under section 136A.822, subdivision 4, and the applicable registration fees for
31.30 a new institution under section 136A.824, subdivision 1. For purposes of this subdivision,
31.31 "change of ownership" means: a merger or consolidation with a ~~corporation~~ separate entity
31.32 or higher-level entity; a sale, lease, exchange, or other disposition of all or substantially all

32.1 of the assets of a school; the transfer of a controlling interest of at least 51 percent of the
 32.2 school's stock; entering into receivership; or a change in the nonprofit or for-profit status
 32.3 of a school.

32.4 Sec. 44. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 1, is amended
 32.5 to read:

32.6 Subdivision 1. **Initial licensure fee.** ~~(a)~~ The office processing fee for an initial licensure
 32.7 application is:

32.8 (1) \$3,730 for a private career school that will offer no more than one program during
 32.9 its first year of operation;

32.10 (2) \$1,500 for a private career school licensed by another state agency and seeking a
 32.11 limited license exclusively in order to participate in state financial aid; and

32.12 (3) \$3,730, plus \$500 for each additional program offered by the private career school,
 32.13 for a private career school during its first year of licensed operation.

32.14 ~~(b) In addition to the fee under paragraph (a), a fee of \$600 must be paid for an initial~~
 32.15 ~~application that: (1) has had four revisions, corrections, amendment requests, or application~~
 32.16 ~~reminders for the same application or licensure requirement; or (2) cumulatively has had~~
 32.17 ~~six revisions, corrections, amendment requests, or application reminders for the same license~~
 32.18 ~~application and the private career school seeks to continue with the application process with~~
 32.19 ~~additional application submissions. If this fee is paid, the private career school may submit~~
 32.20 ~~two final application submissions for review prior to application denial under section~~
 32.21 ~~136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive~~
 32.22 ~~questions or clarifications initiated by the school before the submission of the application;~~
 32.23 ~~initial interpretation questions or inquiries from the office regarding a completed application;~~
 32.24 ~~and initial requests from the office for verification or validation of a completed application.~~

32.25 Sec. 45. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 2, is amended
 32.26 to read:

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

32.29 (1) for a private career school, the license renewal fee is \$3,160; and

32.30 (2) for a private career school licensed by another state agency and that also has a limited
 32.31 license with the office exclusively in order to participate in state financial aid, the license
 32.32 renewal fee is \$1,500.

33.1 (b) If a license renewal application is not received by the office by the expiration of the
33.2 current license, a late fee of \$100 per business day, not to exceed \$3,000, shall be assessed.

33.3 ~~(c) In addition to the fee under paragraph (a), a fee of \$600 must be paid for a renewal
33.4 application that: (1) has had four revisions, corrections, amendment requests, or application
33.5 reminders for the same application or licensure requirement; or (2) cumulatively has had
33.6 six revisions, corrections, amendment requests, or application reminders for the same license
33.7 application and the private career school seeks to continue with the application process with
33.8 additional application submissions. If this fee is paid, the private career school may submit
33.9 two final application submissions for review prior to application denial under section
33.10 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive
33.11 questions or clarifications initiated by the school before the submission of the application,
33.12 initial interpretation questions or inquiries from the office regarding a completed application,
33.13 and initial requests from the office for verification or validation of a completed application.~~

33.14 Sec. 46. Minnesota Statutes 2024, section 136A.826, subdivision 1, is amended to read:

33.15 Subdivision 1. **Catalog, brochure, or electronic display.** (a) A private career school
33.16 or its agent must provide the catalog, brochure, or electronic display required in this section
33.17 ~~136A.822, subdivision 10~~, to a prospective student in a time or manner that gives the
33.18 prospective student at least five days to read the catalog, brochure, or electronic display
33.19 before signing a contract or enrollment agreement or before being accepted by a private
33.20 career school that does not use a written contract or enrollment agreement.

33.21 (b) A catalog, brochure, or electronic display must include, at a minimum:

33.22 (1) identifying data, such as volume number or date of publication;

33.23 (2) name, address, governing body, and names of senior officials;

33.24 (3) an academic calendar showing legal holidays, beginning and ending dates of each
33.25 course quarter, term, or semester, and other important dates;

33.26 (4) the policy and regulations on enrollment including dates and specific entrance
33.27 requirements for each program;

33.28 (5) the policy and regulations regarding leave, absences, class cuts, make-up work,
33.29 tardiness, and interruptions for unsatisfactory attendance;

33.30 (6) the policy and regulations regarding standards of progress for the student including
33.31 the grading system of the private career school, the minimum grades considered satisfactory,
33.32 conditions for interruption for unsatisfactory grades or progress, a description of any

34.1 probationary period allowed by the private career school, and conditions of reentrance for
 34.2 those dismissed for unsatisfactory progress;

34.3 (7) the policy and regulations regarding student conduct and conditions for dismissal
 34.4 for unsatisfactory conduct;

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

34.7 (9) the policy and regulations, including an explanation of section 136A.827, regarding
 34.8 refunding tuition, fees, and other charges if the student does not enter the program, withdraws
 34.9 from the program, or the program is discontinued;

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

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

34.14 (12) the policy and regulations regarding granting credit for previous education and
 34.15 preparation;

34.16 (13) a notice to students relating to the transferability of any credits earned; or

34.17 (14) a procedure for investigating and resolving student complaints and the rights of the
 34.18 student under section 136A.8295.

34.19 Sec. 47. Minnesota Statutes 2024, section 136A.827, subdivision 1, is amended to read:

34.20 Subdivision 1. **Student.** For the purposes of this section, "student" means the party to
 34.21 the contract, whether the party is the student, the student's parent or guardian, or other person
 34.22 on behalf of the student. If there is no contract, student means the party who has been
 34.23 accepted into the course or program.

34.24 Sec. 48. Minnesota Statutes 2024, section 136A.827, subdivision 4, is amended to read:

34.25 Subd. 4. **Proration.** (a) When a student has been accepted by a private career school
 34.26 and gives notice of cancellation after the program of instruction has begun, the student is
 34.27 entitled to a refund if, at the last documented date of attendance, the student has not completed
 34.28 at least 75 percent of the entire program of instruction. For purposes of this subdivision,
 34.29 program of instruction is calculated under paragraph (c) or (d). Program of instruction does
 34.30 not mean one term, a payment period, a module, or any other portion of the entire
 34.31 instructional program.

35.1 (b) A notice of cancellation from a student under this subdivision must be confirmed in
 35.2 writing by the private career school and mailed to the student's last known address. The
 35.3 confirmation from the school must state that the school has withdrawn the student from
 35.4 enrollment, ~~and if this action was not the student's intent, the student must contact the school.~~

35.5 (c) The length of a program of instruction for a program that has a defined calendar start
 35.6 and end date that does not change after the program has begun equals the number of days
 35.7 from the first scheduled date of the program through the last scheduled date of the program.
 35.8 To calculate the completion percentage, divide the number of calendar days from the first
 35.9 date of the program through the student's last documented date of attendance by the length
 35.10 of the program of instruction, and truncate the result after the second digit following the
 35.11 decimal point. If the completion percentage is less than 75 percent, the private career school
 35.12 may retain:

35.13 (1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied
 35.14 by the completion percentage; plus

35.15 (2) the initial program application fees, not to exceed \$50; plus

35.16 (3) the lesser of (i) 25 percent of the total tuition, or (ii) \$100.

35.17 (d) The length of a program of instruction for a program that is measured in clock hours
 35.18 equals the number of clock hours the student was scheduled to attend. To calculate the
 35.19 completion percentage, divide the number of clock hours that the student actually attended
 35.20 by the length of the program of instruction, and truncate the result after the second digit
 35.21 following the decimal point. If the completion percentage is less than 75 percent, the private
 35.22 career school may retain:

35.23 (1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied
 35.24 by the completion percentage; plus

35.25 (2) the initial program application fees, not to exceed \$50; plus

35.26 (3) the lesser of (i) 25 percent of the total tuition, or (ii) \$100.

35.27 Sec. 49. Minnesota Statutes 2024, section 136A.828, subdivision 6, is amended to read:

35.28 Subd. 6. **Financial aid payments** Transcripts. ~~(a) All private career schools must~~
 35.29 ~~collect, assess, and distribute funds received from loans or other financial aid as provided~~
 35.30 ~~in this subdivision.~~

35.31 ~~(b) Student loans or other financial aid funds received from federal, state, or local~~
 35.32 ~~governments or administered in accordance with federal student financial assistance programs~~

36.1 ~~under title IV of the Higher Education Act of 1965, as amended, United States Code, title~~
 36.2 ~~20, chapter 28, must be collected and applied as provided by applicable federal, state, or~~
 36.3 ~~local law or regulation.~~

36.4 ~~(c) Student loans or other financial aid assistance received from a bank, finance or credit~~
 36.5 ~~card company, or other private lender must be collected or disbursed as provided in~~
 36.6 ~~paragraphs (d) and (e).~~

36.7 ~~(d) Loans or other financial aid payments for amounts greater than \$3,000 must be~~
 36.8 ~~disbursed:~~

36.9 ~~(1) in two equal disbursements, if the term length is more than four months. The loan~~
 36.10 ~~or payment amounts may be disbursed no earlier than the first day the student attends class~~
 36.11 ~~with the remainder to be disbursed halfway through the term; or~~

36.12 ~~(2) in three equal disbursements, if the term length is more than six months. The loan~~
 36.13 ~~or payment amounts may be disbursed no earlier than the first day the student attends class,~~
 36.14 ~~one-third of the way through the term, and two-thirds of the way through the term.~~

36.15 ~~(e) Loans or other financial aid payments for amounts less than \$3,000 may be disbursed~~
 36.16 ~~as a single disbursement on the first day a student attends class, regardless of term length.~~

36.17 ~~(f) No private career school may enter into a contract or agreement with, or receive any~~
 36.18 ~~money from, a bank, finance or credit card company, or other private lender, unless the~~
 36.19 ~~private lender follows the requirements for disbursements provided in paragraphs (d) and~~
 36.20 ~~(e).~~

36.21 ~~(g) No private career school may withhold an official transcript for arrears or default on~~
 36.22 ~~any loan made by the private career school to a student if the loan qualifies as an institutional~~
 36.23 ~~loan under United States Code, title 11, section 523(a)(8)(b).~~

36.24 Sec. 50. Minnesota Statutes 2024, section 136A.829, subdivision 1, is amended to read:

36.25 Subdivision 1. **Grounds.** The office may, after notice and upon providing an opportunity
 36.26 for a hearing; under chapter 14 if requested by the parties adversely affected, refuse to issue,
 36.27 refuse to renew, revoke, or suspend a license or solicitor's permit for any of the following
 36.28 grounds:

36.29 (1) violation of any provisions of sections 136A.821 to 136A.833 or any rule adopted
 36.30 by the office;

36.31 (2) furnishing to the office false, misleading, or incomplete information;

37.1 (3) presenting to prospective students information relating to the private career school
37.2 that is false, fraudulent, deceptive, substantially inaccurate, or misleading;

37.3 (4) refusal to allow reasonable inspection or supply reasonable information after written
37.4 request by the office;

37.5 (5) having been ~~administratively~~ determined by the commissioner or judicially determined
37.6 to have committed fraud or any other material violation of law involving federal, state, or
37.7 local government funds;

37.8 (6) the existence of any circumstance that would be grounds for the refusal of an initial
37.9 or renewal license under section 136A.822; or

37.10 (7) using fraudulent or coercive practices, whether in the course of business in this state
37.11 or elsewhere.

37.12 Sec. 51. Minnesota Statutes 2024, section 136A.829, subdivision 3, is amended to read:

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

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

37.18 (b) To grant conditional private career school license ~~for periods of less than one year~~
37.19 if in the judgment of the office correctable deficiencies exist at the time of application and
37.20 when ~~refusal to issue private career school license would adversely affect currently enrolled~~
37.21 ~~students~~ the risk of harm to students can be minimized through the use of restrictions and
37.22 requirements as conditions of the license. Conditional licenses may include requirements
37.23 and restrictions for:

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

37.26 (2) periodic collaborative consultations with the school on noncompliance with sections
37.27 136A.82 to 136A.834 or how the institution is managing compliance;

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

37.30 (4) a prohibition from accepting tuition and fee payments prior to the add-drop period
37.31 of the current period of instruction or before the funding has been earned by the school
37.32 according to the refund requirements of section 136A.827;

38.1 (5) a prohibition from enrolling new students;

38.2 (6) enrollment caps;

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

38.5 (8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b),
 38.6 that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and
 38.7 other required institutional charges collected; or

38.8 (9) submission of closure information under section 136A.8225;

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

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

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

38.26 ~~(2) periodic collaborative consultations with the school on noncompliance with sections~~
 38.27 ~~136A.82 to 136A.834 or how the institution is managing compliance;~~

38.28 ~~(3) the submission of contingency plans such as teach-out plans or transfer pathways~~
 38.29 ~~for students;~~

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

- 39.1 ~~(5) a prohibition from enrolling new students;~~
- 39.2 ~~(6) enrollment caps;~~
- 39.3 ~~(7) the initiation of alternative processes and communications with students enrolled at~~
 39.4 ~~the school to notify students of deficiencies or probation status;~~
- 39.5 ~~(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b),~~
 39.6 ~~clause (1), that exceeds ten percent of the preceding year's net revenue from student tuition,~~
 39.7 ~~fees, and other required institutional charges collected; or~~
- 39.8 ~~(9) submission of closure information under section 136A.8225.~~

39.9 Sec. 52. Minnesota Statutes 2024, section 136A.8295, subdivision 5, is amended to read:

39.10 Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a
 39.11 penalty under section 136A.832 is appealable in accordance with chapter 14. The request
 39.12 for an appeal must be made in writing to the office within 30 days of the date the school is
 39.13 notified of the action of the office. The court shall award costs and reasonable attorney fees
 39.14 in a contested chapter 14 hearing to the office if: ~~(1) the office substantially prevails on the~~
 39.15 ~~merits in an action brought under this section; and (2) the school has a net income from~~
 39.16 ~~student tuition, fees, and other required institutional charges collected from the last fiscal~~
 39.17 ~~year of \$1,000,000 or greater.~~

39.18 Sec. 53. Minnesota Statutes 2024, section 136A.83, is amended to read:

39.19 **136A.83 INSPECTION.**

39.20 (a) The office or a delegate may inspect the instructional books and records, classrooms,
 39.21 dormitories, tools, equipment and classes of any private career school or applicant for license
 39.22 at any reasonable time. ~~The office may require the submission of audited financial statements.~~
 39.23 The office or a delegate may inspect the financial books and records of the private career
 39.24 school. In no event shall such financial information be used by the office to regulate or set
 39.25 the tuition or fees charged by the private career school.

39.26 (b) Data obtained from an inspection of the financial records of a private career school
 39.27 or submitted to the office as part of a license application or renewal are nonpublic data as
 39.28 defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed
 39.29 to other members of the office, to law enforcement officials, or in connection with a legal
 39.30 or administrative proceeding commenced to enforce a requirement of law.

40.1 Sec. 54. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 1, is amended
40.2 to read:

40.3 Subdivision 1. **Application for exemptions.** (a) A school that seeks an exemption from
40.4 the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or
40.5 some of its programs must apply to the office to establish that the school or program meets
40.6 the requirements of an exemption. An exemption for the school or program expires two
40.7 years from the date of approval or when a school ~~adds a new program or~~ makes a
40.8 modification ~~equal to or greater than 25 percent to an existing educational program that~~
40.9 brings the school or program outside the scope of the school's or program's exemption. If
40.10 a school is reapplying for an exemption, the application must be submitted to the office 90
40.11 days before the current exemption expires. If a school fails to apply within 90 days of
40.12 expiration or any change that would bring the school or program outside the scope of the
40.13 school's or program's exemption, the school is subject to fees and penalties under sections
40.14 136A.831 and 136A.832. This exemption shall not extend to any school that uses any
40.15 publication or advertisement that is not truthful and gives any false, fraudulent, deceptive,
40.16 inaccurate, or misleading impressions about the school or its personnel, programs, services,
40.17 or occupational opportunities for its graduates for promotion and student recruitment.
40.18 Exemptions denied under this section are subject to appeal under section 136A.829. If an
40.19 appeal is initiated, the denial of the exemption is not effective until the final determination
40.20 of the appeal, unless immediate effect is ordered by the court.

40.21 (b) A school that meets any of the exemptions in this section and exclusively seeks to
40.22 be listed on the eligible training provider list, access WIOA funding, or receive the dual
40.23 training grant, is exempt from sections 136A.822 to 136A.834, except the school must
40.24 satisfy the requirements of section 136A.822, subdivisions 4, clauses (1), (2), and (3); 8,
40.25 clauses (9) and (10); 10, clause (8); and 12.

40.26 Sec. 55. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 2, is amended
40.27 to read:

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

40.30 (1) ~~private career schools engaged exclusively in the teaching of avocational programs~~
40.31 ~~that are engaged primarily for personal development, recreation, or remedial education, and~~
40.32 ~~are not generally intended for vocational or career advancement, including adult basic~~
40.33 ~~education, exercise or fitness teacher programs, modeling, or acting, as determined by the~~
40.34 ~~office;~~

41.1 (2) classes, courses, or programs providing 40 or fewer clock hours of instruction; and
41.2 (3)(2) private career schools providing training, instructional programs, or courses where
41.3 tuition, fees, and any other charges for a student to participate do not exceed \$500.

41.4 Sec. 56. Minnesota Statutes 2024, section 136G.03, subdivision 30, is amended to read:

41.5 Subd. 30. **Qualified higher education expenses.** "Qualified higher education expenses"
41.6 means expenses as defined in ~~section~~ sections 529(c)(7), (8), and (9); 529(e)(3); and 529(f)
41.7 of the Internal Revenue Code.

41.8 Sec. 57. Minnesota Statutes 2024, section 136G.03, subdivision 31, is amended to read:

41.9 Subd. 31. **Qualified rollover distribution.** "Qualified rollover distribution" means a
41.10 distribution that qualifies as a rollover under section 529(c)(3)(C) and (E) of the Internal
41.11 Revenue Code.

41.12 Sec. 58. Minnesota Statutes 2024, section 136G.03, is amended by adding a subdivision
41.13 to read:

41.14 Subd. 35. **Uncashed distribution check.** "Uncashed distribution check" means any
41.15 distribution check generated by an account owner's request regardless of the payee that
41.16 remains uncashed by the payee for at least 180 days.

41.17 Sec. 59. Minnesota Statutes 2024, section 136G.05, subdivision 10, is amended to read:

41.18 Subd. 10. **Data.** Account owner data, account data, and data on beneficiaries of accounts
41.19 are private data on individuals or nonpublic data as defined in section 13.02, except that the
41.20 names and addresses of the beneficiaries of accounts that receive matching grants are public.
41.21 The office may use data received under this chapter to share information with account
41.22 owners about the office's other programs and resources including those that describe the
41.23 process to pay for postsecondary education.

41.24 Sec. 60. Minnesota Statutes 2024, section 136G.13, is amended by adding a subdivision
41.25 to read:

41.26 Subd. 6. **Handling of uncashed distribution checks.** Unless otherwise directed by the
41.27 office, the plan administrator must mark an uncashed distribution check as no longer
41.28 outstanding and must credit back the amount of the check to the account owner's account
41.29 from which the check was originally disbursed. The amount being credited must be accounted

42.1 for as a new contribution and will be invested by the plan administrator according to the
42.2 current instructions on file from the account owner.

42.3 Sec. 61. Minnesota Statutes 2024, section 137.0246, is amended by adding a subdivision
42.4 to read:

42.5 Subd. 3. **Governor appointments.** If the joint legislative committee recommends a
42.6 candidate to the joint convention for a vacancy on the Board of Regents of the University
42.7 of Minnesota and the legislature does not elect a person to fill the vacancy, the governor,
42.8 in making an appointment to fill the vacancy, may only appoint a candidate recommended
42.9 by the joint legislative committee.

42.10 Sec. 62. Minnesota Statutes 2024, section 137.39, is amended by adding a subdivision to
42.11 read:

42.12 Subd. 2a. **Prohibition on curriculum control.** The Board of Regents of the University
42.13 of Minnesota and the medical school are requested to prohibit any for-profit entity from
42.14 developing, managing, or controlling curriculum taught at the medical school. Nothing in
42.15 this subdivision prevents an individual from teaching at the medical school if the individual
42.16 is also employed by a for-profit entity.

42.17 Sec. 63. Minnesota Statutes 2024, section 137.39, is amended by adding a subdivision to
42.18 read:

42.19 Subd. 2b. **Reporting.** By February 15 of each odd-numbered year, the Board of Regents
42.20 of the University of Minnesota is requested to submit a report on medical school curriculum
42.21 to the chairs and ranking minority members of the legislative committees with jurisdiction
42.22 over higher education. At a minimum, the report must include information regarding for-profit
42.23 entity funds used to:

42.24 (1) pay salaries of teaching faculty;

42.25 (2) support new or existing courses offered by the medical school; and

42.26 (3) support initiatives of the medical school.

42.27 Sec. 64. **REPEALER.**

42.28 (a) Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827,
42.29 subdivisions 1b and 2; 136A.834, subdivisions 2, 3, and 4; 136G.03, subdivision 11; and
42.30 136G.09, subdivision 10, are repealed.

- 43.1 (b) Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1 and 5, are
43.2 repealed.

124D.09 POSTSECONDARY ENROLLMENT OPTIONS ACT.

Subd. 10a. **Statewide concurrent enrollment evaluation.** The Office of Higher Education and the Department of Education shall collaborate in order to provide annual statewide evaluative information on concurrent enrollment programs to the legislature. The commissioners of the Office of Higher Education and the Department of Education, in consultation with stakeholders, including students and parents, must determine what student demographics and outcomes data are appropriate to include in the evaluation, and will use systems available to the office and department to minimize the reporting burden on postsecondary institutions. The commissioners must report by December 1, 2021, and each year thereafter, to the committees of the legislature with jurisdiction over early education through grade 12 and Minnesota State Colleges and Universities.

136A.657 EXEMPTION; RELIGIOUS SCHOOLS.

Subdivision 1. **Exemption.** (a) A program is exempt from the provisions of sections 136A.61 to 136A.71 if it is:

(1) offered by a school or any department or branch of a school that is substantially owned, operated, or supported by a bona fide church or religious organization;

(2) 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) 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.

(b) A school or a department or branch of a school is exempt from the provisions of sections 136A.61 to 136A.71 if all of its programs are exempt under paragraph (a).

Subd. 2. **Limitation.** (a) This exemption shall not extend to any program or school or to any department or branch of a school that 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.

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

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

(2) 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 that are not exempt from sections 136A.61 to 136A.71, and rules adopted pursuant thereto.

(c) This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school; its personnel, programs, or services; or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.65, subdivision 8, paragraph (c). If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Subd. 3. **Scope.** Nothing in sections 136A.61 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.

Subd. 5. **Application.** A school that seeks an exemption under this section from the provisions of sections 136A.61 to 136A.71 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires.

136A.827 REFUNDS.

Subd. 1b. **Short-term programs.** Licensed private career schools conducting programs not exceeding 40 hours in length shall not be required to make a full refund once a program has commenced and shall be allowed to prorate any refund based on the actual length of the program as stated in the private career school catalog or advertisements and the number of hours attended by the student.

Subd. 2. **Private career schools using written contracts.** (a) Notwithstanding anything to the contrary, a private career school that uses a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student, if the student gives notice of cancellation within five business days after the day on which the contract was executed regardless of whether the program has started.

(b) When a student has been accepted by the private career school and has entered into a contractual agreement with the private career school and gives notice of cancellation following the fifth business day after the date of execution of contract, but before the start of the program in the case of resident private career schools, or before the first lesson has been serviced by the private career school in the case of distance education private career schools, all tuition, fees and other charges, except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded to the student.

136A.834 EXEMPTION; RELIGIOUS SCHOOLS.

Subdivision 1. **Exemption.** (a) A program is exempt from the provisions of sections 136A.821 to 136A.832 if it is:

(1) offered by a school or any department or branch of a school that is substantially owned, operated, or supported by a bona fide church or religious organization;

(2) 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) 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.

(b) Any school or any department or branch of a school is exempt from the provisions of sections 136A.821 to 136A.832 if all of its programs are exempt under paragraph (a).

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

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

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

(2) provide the student with a general educational program recognized by other private career schools or the broader educational, business, or social community as being substantially equivalent to the educational programs offered by private career schools or departments or branches of private career schools which are not religious in nature and are not exempt from sections 136A.82 to 136A.834 and from rules adopted under sections 136A.82 to 136A.834.

(c) This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.65, subdivision 8, paragraph (c). If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Subd. 3. **Scope.** Nothing in sections 136A.82 to 136A.834 or the rules adopted under them shall be interpreted as permitting the office to determine the truth or falsity of any particular set of religious beliefs.

APPENDIX
Repealed Minnesota Statutes: S3943-1

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

Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections 136A.82 to 136A.834 must apply to the office to establish that the school meets the requirements of an exemption. An exemption expires two years from the date of approval or when a school adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program. If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration, the school is subject to the fees and penalties under sections 136A.831 and 136A.832.

136G.03 DEFINITIONS.

Subd. 11. **Dormant account.** "Dormant account" means an account that has not received contributions for at least three consecutive years and the account statements sent to the account owner have been returned as undeliverable.

136G.09 PLAN ACCOUNTS; GENERALLY.

Subd. 10. **Dormant accounts.** (a) The plan administrator shall attempt to locate the account owner or the beneficiary, or both, to determine the disposition of a dormant account. A fee of five percent of the total account balance of the dormant account, not to exceed \$100, plus allowable costs, may be charged for this service. Costs will not exceed \$100 or five percent of the total account balance in the dormant account, whichever is less.

(b) If the account owner, or the account owner's legal heirs, are not found after three attempts by the plan administrator, the remaining funds in the dormant account must be turned over to the office. The funds are treated as unclaimed property for purposes of sections 345.31 to 345.60, and the office shall turn all remaining dormant account funds over to the commissioner of commerce. If the dormant account has a matching grant account, all amounts in the beneficiary's matching grant account, if any, must be returned to the office.