

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

S.F. No. 4638

(SENATE AUTHORS: FATEH)

DATE	D-PG	OFFICIAL STATUS
03/23/2026	6895	Introduction and first reading
		Referred to Higher Education
04/14/2026	8022a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to higher education and civil law; providing funding for the Office of

1.3 Higher Education and the University of Minnesota; extending the Farmer-Lender

1.4 Mediation Act; requiring public high schools to participate in the direct admissions

1.5 program by default; establishing a student persistence grant program; requiring a

1.6 report; appropriating money; amending Minnesota Statutes 2024, section 583.215;

1.7 proposing coding for new law in Minnesota Statutes, chapter 120B.

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

1.9 **ARTICLE 1**

1.10 **HIGHER EDUCATION APPROPRIATIONS**

1.11 Section 1. OFFICE OF HIGHER EDUCATION.

1.12 Subdivision 1. State grant program. \$131,000,000 in fiscal year 2027 is appropriated

1.13 from the general fund to the commissioner of the Office of Higher Education for the state

1.14 grant program. This appropriation is in addition to the appropriation in Laws 2025, First

1.15 Special Session chapter 5, article 1, section 2, subdivision 2. This is a onetime appropriation.

1.16 Subd. 2. Minitex. \$1,500,000 in fiscal year 2027 is appropriated from the general fund

1.17 to the commissioner of the Office of Higher Education for the Minitex program. This

1.18 appropriation is in addition to the appropriation in Laws 2025, First Special Session chapter

1.19 5, article 1, section 2, subdivision 15.

1.20 Subd. 3. Direct admissions program. \$253,000 in fiscal year 2027 is appropriated from

1.21 the general fund to the commissioner of the Office of Higher Education for the direct

1.22 admissions program. This appropriation is in addition to the appropriation in Laws 2025,

1.23 First Special Session chapter 5, article 1, section 2, subdivision 29.

2.1 Subd. 4. **Minnesota P-20 Education Partnership.** \$1,060,000 in fiscal year 2027 is
 2.2 appropriated from the general fund to the commissioner of the Office of Higher Education
 2.3 for the Minnesota P-20 Education Partnership under Minnesota Statutes, section 127A.70.

2.4 Subd. 5. **Student persistence grant program.** \$900,000 in fiscal year 2027 is
 2.5 appropriated from the general fund to the commissioner of the Office of Higher Education
 2.6 for a student persistence grant program. This is a onetime appropriation.

2.7 **Sec. 2. UNIVERSITY OF MINNESOTA.**

2.8 \$150,000 in fiscal year 2027 is appropriated from the general fund to the Board of
 2.9 Regents of the University of Minnesota for a new University of Minnesota Extension
 2.10 full-time equivalent staff position to support farmer-lender mediation under Minnesota
 2.11 Statutes, chapter 583. This is a onetime appropriation.

2.12 **ARTICLE 2**

2.13 **HIGHER EDUCATION POLICY**

2.14 **Section 1. [120B.1251] PARTICIPATION IN DIRECT ADMISSIONS PROGRAM.**

2.15 Starting in the 2029-2030 school year, a district or charter school high school must
 2.16 participate in the direct admissions program under section 136A.84, unless the school board
 2.17 has adopted a written resolution exempting one or more high schools from participating in
 2.18 the program.

2.19 **EFFECTIVE DATE.** This section is effective July 1, 2026.

2.20 **Sec. 2.** Minnesota Statutes 2024, section 583.215, is amended to read:

2.21 **583.215 EXPIRATION.**

2.22 Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to
 2.23 583.32, expire June 30, ~~2027~~ 2032.

2.24 **Sec. 3. STUDENT PERSISTENCE GRANT PROGRAM.**

2.25 Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education
 2.26 shall establish a competitive grant program to support students enrolled in Minnesota public
 2.27 postsecondary institutions that elect to participate in the program.

2.28 **Subd. 2. Program requirements.** The grant program must:

2.29 (1) serve an initial cohort of at least 1,000 students;

3.1 (2) prioritize students who demonstrate strong potential for degree completion but are
3.2 at risk of noncompletion due to academic, financial, or systemic barriers, including students
3.3 commonly described as in the academic middle, such as those with high school grade point
3.4 averages of approximately 2.5 or higher;

3.5 (3) improve student persistence and completion outcomes through proactive,
3.6 individualized coaching and coordinated academic and financial aid support; and

3.7 (4) require grantees to implement a structured support model that includes:

3.8 (i) assessment of student persistence risk across academic, financial, and social-emotional
3.9 domains;

3.10 (ii) tiered intervention strategies to prioritize support for students facing the greatest
3.11 barriers to degree completion;

3.12 (iii) targeted supports addressing academic progress, financial aid stability, and student
3.13 engagement; and

3.14 (iv) coordination with institutional partners to align supports with existing campus-based
3.15 services.

3.16 Subd. 3. **Eligible applicants.** Eligible applicants include nonprofit organizations or other
3.17 organizations with demonstrated experience supporting student persistence and degree
3.18 completion for low-income students in Minnesota, including experience serving students
3.19 in the academic middle.

3.20 Subd. 4. **Contracted partner qualifications.** A grantee under this section must
3.21 demonstrate the capacity to implement the program described in subdivision 2 and must:

3.22 (1) provide a near-peer, one-to-one, or similarly individualized persistence coaching
3.23 model;

3.24 (2) demonstrate a successful history of operating student persistence or college completion
3.25 programs serving low-income students;

3.26 (3) demonstrate experience working across multiple Minnesota public postsecondary
3.27 systems, including institutions within the Minnesota State Colleges and Universities system
3.28 and the University of Minnesota system;

3.29 (4) demonstrate the administrative and operational capacity to serve a cohort of at least
3.30 1,000 students annually;

3.31 (5) demonstrate a proven track record of supporting students from families with incomes
3.32 at or below 275 percent of the federal poverty guidelines toward degree completion;

4.1 (6) demonstrate experience supporting students commonly described as in the academic
4.2 middle;

4.3 (7) maintain data systems capable of tracking student persistence, completion outcomes,
4.4 and key performance indicators required under subdivision 5; and

4.5 (8) utilize student engagement tools and practices designed to support proactive,
4.6 individualized interventions.

4.7 Subd. 5. Reporting and evaluation. (a) The commissioner must annually submit a
4.8 report to the chairs and ranking minority members of the legislative committees with
4.9 jurisdiction over higher education finance and policy until all grant money has been expended
4.10 and all terms in the grant agreement have been met.

4.11 (b) The report must include:

4.12 (1) participant persistence and completion outcomes, including retention rates and
4.13 credential attainment;

4.14 (2) financial aid renewal rates and credit accumulation trends;

4.15 (3) a comparison of outcomes to a demographically similar cohort who did not participate
4.16 in the program; and

4.17 (4) recommendations regarding program sustainability and potential statewide expansion.

APPENDIX
Article locations for S4638-1

ARTICLE 1 HIGHER EDUCATION APPROPRIATIONS..... Page.Ln 1.9
ARTICLE 2 HIGHER EDUCATION POLICY..... Page.Ln 2.12