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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **2477**

03/23/2017 Authored by Nornes  
The bill was read for the first time and referred to the Committee on Higher Education and Career Readiness Policy and Finance  
03/28/2017 Adoption of Report: Amended and re-referred to the Committee on Ways and Means

A bill for an act

relating to higher education; providing funding and policy changes for the Office of Higher Education, the Minnesota State Colleges and Universities, the University of Minnesota, and other related programs; modifying state grant program calculation parameters; requiring reports; appropriating money; amending Minnesota Statutes 2016, sections 43A.06, subdivision 1; 135A.031, subdivision 7; 135A.15, subdivision 1a; 136A.101, subdivision 5a; 136A.103; 136A.125, subdivisions 2, 4; 136A.1795, subdivision 4; 136A.62, by adding a subdivision; 136A.646; 136A.65, subdivisions 1a, 4, 7; 136A.653; 136A.657, by adding a subdivision; 136A.67; 136A.68; 136A.685; 136A.821, by adding subdivisions; 136A.822, subdivisions 4, 6, 12, 13; 136A.826, subdivision 2; 136A.827, subdivisions 2, 3; 136A.828, subdivision 3; 136A.83; 136A.833; 136A.834, by adding a subdivision; 136A.902, subdivision 1; 148.89, subdivision 5; Laws 2015, chapter 69, article 3, section 20, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 136F; 137; 148.

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

ARTICLE 1

HIGHER EDUCATION APPROPRIATIONS

Section 1. HIGHER EDUCATION APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2018" and "2019" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal years 2018 and 2019.

**APPROPRIATIONS**  
**Available for the Year**

2.1		<u>Ending June 30</u>	
2.2		<u>2018</u>	<u>2019</u>
2.3	<b>Sec. 2. <u>MINNESOTA OFFICE OF HIGHER</u></b>		
2.4	<b><u>EDUCATION</u></b>		
2.5	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 252,725,000</u></b>	<b><u>\$ 248,535,000</u></b>
2.6	<u>The amounts that may be spent for each</u>		
2.7	<u>purpose are specified in the following</u>		
2.8	<u>subdivisions.</u>		
2.9	<b><u>Subd. 2. State Grants</u></b>	<u>193,281,000</u>	<u>193,281,000</u>
2.10	<u>If the appropriation in this subdivision for</u>		
2.11	<u>either year is insufficient, the appropriation</u>		
2.12	<u>for the other year is available for it.</u>		
2.13	<b><u>Subd. 3. Child Care Grants</u></b>	<u>6,708,000</u>	<u>6,709,000</u>
2.14	<b><u>Subd. 4. State Work-Study</u></b>	<u>14,502,000</u>	<u>14,502,000</u>
2.15	<b><u>Subd. 5. Interstate Tuition Reciprocity</u></b>	<u>11,018,000</u>	<u>11,018,000</u>
2.16	<u>If the appropriation in this subdivision for</u>		
2.17	<u>either year is insufficient, the appropriation</u>		
2.18	<u>for the other year is available to meet</u>		
2.19	<u>reciprocity contract obligations.</u>		
2.20	<b><u>Subd. 6. Safety Officer's Survivors</u></b>	<u>100,000</u>	<u>100,000</u>
2.21	<u>(a) This appropriation is to provide educational</u>		
2.22	<u>benefits under Minnesota Statutes, section</u>		
2.23	<u>299A.45, to eligible dependent children and</u>		
2.24	<u>to the spouses of public safety officers killed</u>		
2.25	<u>in the line of duty.</u>		
2.26	<u>(b) If the appropriation in this subdivision for</u>		
2.27	<u>either year is insufficient, the appropriation</u>		
2.28	<u>for the other year is available for it.</u>		
2.29	<b><u>Subd. 7. Indian Scholarships</u></b>	<u>3,500,000</u>	<u>3,500,000</u>
2.30	<u>The commissioner must contract with or</u>		
2.31	<u>employ at least one person with demonstrated</u>		
2.32	<u>competence in American Indian culture and</u>		
2.33	<u>residing in or near the city of Bemidji to assist</u>		

3.1	<u>students with the scholarships under</u>		
3.2	<u>Minnesota Statutes, section 136A.126, and</u>		
3.3	<u>with other information about financial aid for</u>		
3.4	<u>which the students may be eligible. Bemidji</u>		
3.5	<u>State University must provide office space at</u>		
3.6	<u>no cost to the Minnesota Office of Higher</u>		
3.7	<u>Education for purposes of administering the</u>		
3.8	<u>American Indian scholarship program under</u>		
3.9	<u>Minnesota Statutes, section 136A.126. This</u>		
3.10	<u>appropriation includes funding to administer</u>		
3.11	<u>the American Indian scholarship program.</u>		
3.12	<b><u>Subd. 8. Tribal College Grants</u></b>	<u>150,000</u>	<u>150,000</u>
3.13	<u>For tribal college assistance grants under</u>		
3.14	<u>Minnesota Statutes, section 136A.1796.</u>		
3.15	<b><u>Subd. 9. Intervention for College Attendance</u></b>		
3.16	<b><u>Program Grants</u></b>	<u>671,000</u>	<u>671,000</u>
3.17	<u>(a) For the intervention for college attendance</u>		
3.18	<u>program under Minnesota Statutes, section</u>		
3.19	<u>136A.861.</u>		
3.20	<u>(b) This appropriation includes funding to</u>		
3.21	<u>administer the intervention for college</u>		
3.22	<u>attendance program grants.</u>		
3.23	<b><u>Subd. 10. Student-Parent Information</u></b>	<u>122,000</u>	<u>122,000</u>
3.24	<b><u>Subd. 11. Get Ready!</u></b>	<u>180,000</u>	<u>180,000</u>
3.25	<b><u>Subd. 12. Minnesota Education Equity</u></b>		
3.26	<b><u>Partnership</u></b>	<u>45,000</u>	<u>45,000</u>
3.27	<b><u>Subd. 13. Midwest Higher Education Compact</u></b>	<u>115,000</u>	<u>115,000</u>
3.28	<b><u>Subd. 14. United Family Medicine Residency</u></b>		
3.29	<b><u>Program</u></b>	<u>501,000</u>	<u>501,000</u>
3.30	<u>For a grant to United Family Medicine</u>		
3.31	<u>residency program. This appropriation shall</u>		
3.32	<u>be used to support up to 21 resident physicians</u>		
3.33	<u>each year in family practice at United Family</u>		
3.34	<u>Medicine residency programs and shall</u>		
3.35	<u>prepare doctors to practice family care</u>		

4.1 medicine in underserved rural and urban areas  
 4.2 of the state. It is intended that this program  
 4.3 will improve health care in underserved  
 4.4 communities, provide affordable access to  
 4.5 appropriate medical care, and manage the  
 4.6 treatment of patients in a cost-effective  
 4.7 manner.

4.8	<u>Subd. 15. <b>MnLINK Gateway and Minitex</b></u>	<u>5,905,000</u>	<u>5,905,000</u>
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4.9	<u>Subd. 16. <b>Statewide Longitudinal Education</b></u>		
4.10	<u><b>Data System</b></u>	<u>882,000</u>	<u>882,000</u>

4.11	<u>Subd. 17. <b>Hennepin County Medical Center</b></u>	<u>645,000</u>	<u>645,000</u>
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4.12 For transfer to Hennepin County Medical  
 4.13 Center for graduate family medical education  
 4.14 programs at Hennepin County Medical Center.

4.15	<u>Subd. 18. <b>MNSCU Two-Year Public College</b></u>		
4.16	<u><b>Program</b></u>	<u>3,481,000</u>	<u>0</u>

4.17 For the MNSCU two-year public college  
 4.18 program under Laws 2015, chapter 69, article  
 4.19 3, section 20.

4.20	<u>Subd. 19. <b>College Possible</b></u>	<u>250,000</u>	<u>250,000</u>
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4.21 (a) This appropriation is for immediate transfer  
 4.22 to College Possible to support programs of  
 4.23 college admission and college graduation for  
 4.24 low-income students through an intensive  
 4.25 curriculum of coaching and support at both  
 4.26 the high school and postsecondary level.

4.27 (b) This appropriation must, to the extent  
 4.28 possible, be proportionately allocated between  
 4.29 students from greater Minnesota and students  
 4.30 in the seven-county metropolitan area.

4.31 (c) This appropriation must be used by College  
 4.32 Possible only for programs supporting students  
 4.33 who are residents of Minnesota and attending  
 4.34 colleges or universities within Minnesota.

5.1 (d) By February 1 of each year, College  
 5.2 Possible must report to the chairs and ranking  
 5.3 minority members of the legislative  
 5.4 committees and divisions with jurisdiction  
 5.5 over higher education and E-12 education on  
 5.6 activities funded by this appropriation. The  
 5.7 report must include, but is not limited to,  
 5.8 information about the expansion of College  
 5.9 Possible in Minnesota, the number of College  
 5.10 Possible coaches hired, the expansion within  
 5.11 existing partner high schools, the expansion  
 5.12 of high school partnerships, the number of  
 5.13 high school and college students served, the  
 5.14 total hours of community service by high  
 5.15 school and college students, and a list of  
 5.16 communities and organizations benefiting  
 5.17 from student service hours.

5.18 **Subd. 20. Addiction Medicine Graduate**  
 5.19 **Fellowship Program** 210,000 0

5.20 For the addiction medicine graduate fellowship  
 5.21 program under Laws 2016, chapter 189, article  
 5.22 1, section 2, subdivision 4.

5.23 **Subd. 21. Large Animal Veterinarian Loan**  
 5.24 **Forgiveness Program** 250,000 0

5.25 For the large animal veterinarian loan  
 5.26 forgiveness program under Minnesota Statutes,  
 5.27 section 136A.1795. This is a onetime  
 5.28 appropriation and is available until June 30,  
 5.29 2024.

5.30 **Subd. 22. Spinal Cord Injury and Traumatic**  
 5.31 **Brain Injury Research Grant Program** 2,000,000 2,000,000

5.32 (a) For spinal cord injury and traumatic brain  
 5.33 injury research grants authorized under  
 5.34 Minnesota Statutes, section 136A.901.

6.1 (b) The commissioner may use no more than  
 6.2 three percent of this appropriation to  
 6.3 administer the grant program under this  
 6.4 subdivision.

6.5 **Subd. 23. Summer Academic Enrichment**  
 6.6 **Program** 200,000 200,000

6.7 (a) For summer academic enrichment grants  
 6.8 under Minnesota Statutes, section 136A.091.

6.9 (b) The commissioner may use no more than  
 6.10 three percent of this appropriation to  
 6.11 administer the grant program under this  
 6.12 subdivision.

6.13 **Subd. 24. Dual Training Competency Grants;**  
 6.14 **Office of Higher Education** 2,000,000 2,000,000

6.15 (a) For training grants under Minnesota  
 6.16 Statutes, section 136A.246.

6.17 (b) The commissioner may use no more than  
 6.18 three percent of this appropriation to  
 6.19 administer the grant program under this  
 6.20 subdivision.

6.21 **Subd. 25. Dual Training Competency Grants;**  
 6.22 **Department of Labor and Industry** 200,000 200,000

6.23 For transfer to the commissioner of labor and  
 6.24 industry for identification of competency  
 6.25 standards for dual training under Minnesota  
 6.26 Statutes, section 175.45.

6.27 **Subd. 26. Concurrent Enrollment Courses** 340,000 340,000

6.28 (a) \$225,000 in fiscal year 2018 and \$225,000  
 6.29 in fiscal year 2019 are for grants to develop  
 6.30 new concurrent enrollment courses under  
 6.31 Minnesota Statutes, section 124D.09,  
 6.32 subdivision 10, that satisfy the elective  
 6.33 standard for career and technical education.

6.34 Any balance in the first year does not cancel  
 6.35 but is available in the second year.

7.1 (b) \$115,000 in fiscal year 2018 and \$115,000  
 7.2 in fiscal year 2019 are for grants to  
 7.3 postsecondary institutions currently  
 7.4 sponsoring a concurrent enrollment course to  
 7.5 expand existing programs. The commissioner  
 7.6 shall determine the application process and  
 7.7 the grant amounts. The commissioner must  
 7.8 give preference to expanding programs that  
 7.9 are at capacity. Any balance in the first year  
 7.10 does not cancel but is available in the second  
 7.11 year.

7.12 (c) By December 1 of each year, the office  
 7.13 shall submit a brief report to the chairs and  
 7.14 ranking minority members of the legislative  
 7.15 committees with jurisdiction over higher  
 7.16 education regarding:

7.17 (1) the courses developed by grant recipients  
 7.18 and the number of students who enrolled in  
 7.19 the courses under paragraph (a); and

7.20 (2) the programs expanded and the number of  
 7.21 students who enrolled in programs under  
 7.22 paragraph (b).

7.23	<b><u>Subd. 27. Student Loan Debt Counseling</u></b>	<u>200,000</u>		<u>200,000</u>
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7.24 For student loan debt counseling under  
 7.25 Minnesota Statutes, section 136A.1705.

7.26	<b><u>Subd. 28. Campus Sexual Assault Reporting</u></b>	<u>25,000</u>		<u>25,000</u>
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7.27 For the sexual assault reporting required under  
 7.28 Minnesota Statutes, section 135A.15.

7.29	<b><u>Subd. 29. Teacher Shortage Loan Forgiveness</u></b>	<u>200,000</u>		<u>200,000</u>
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7.30 (a) For the loan forgiveness program under  
 7.31 Minnesota Statutes, section 136A.1791.

8.1 (b) The commissioner may use no more than  
 8.2 three percent of this appropriation to  
 8.3 administer the program under this subdivision.

8.4 **Subd. 30. Student and Employer Connection**  
 8.5 **Information System** 405,000 405,000

8.6 For a grant to the Saint Paul Foundation in  
 8.7 accordance with Laws 2016, chapter 189,  
 8.8 article 1, section 2, subdivision 5. The  
 8.9 foundation must report by January 15 of each  
 8.10 year on activities under this subdivision to the  
 8.11 chairs and ranking minority members of the  
 8.12 legislative committees with jurisdiction over  
 8.13 higher education finance.

8.14 **Subd. 31. Grants for Students with Intellectual**  
 8.15 **and Developmental Disabilities** 375,000 375,000

8.16 For grants for students with intellectual and  
 8.17 developmental disabilities under Minnesota  
 8.18 Statutes, section 136A.1215.

8.19 **Subd. 32. Agricultural Educators Loan**  
 8.20 **Forgiveness** 250,000 0

8.21 For deposit in the agricultural education loan  
 8.22 forgiveness account.

8.23 **Subd. 33. Loan Repayment Assistance Program** 50,000 50,000

8.24 For a grant to the Loan Repayment Assistance  
 8.25 Program of Minnesota to provide education  
 8.26 debt relief to attorneys with full-time  
 8.27 employment providing legal advice or  
 8.28 representation to low-income clients or support  
 8.29 services for this work.

8.30 **Subd. 34. Minnesota Life College** 1,000,000 1,000,000

8.31 For a grant to Minnesota Life College for  
 8.32 need-based scholarships and tuition reduction.

8.33 **Subd. 35. Aviation Degree Loan Forgiveness**  
 8.34 **Program** 50,000 50,000

9.1	<u>For the aviation degree loan forgiveness</u>		
9.2	<u>program under Minnesota Statutes, section</u>		
9.3	<u>136A.1789.</u>		
9.4	<b><u>Subd. 36. Greater Minnesota Loan Forgiveness</u></b>		
9.5	<b><u>Program</u></b>	<u>150,000</u>	<u>150,000</u>
9.6	<u>For the greater Minnesota loan forgiveness</u>		
9.7	<u>program under Minnesota Statutes, section</u>		
9.8	<u>136A.1788.</u>		
9.9	<b><u>Subd. 37. Teacher Candidates of Color</u></b>		
9.10	<b><u>Scholarship Program</u></b>	<u>200,000</u>	<u>200,000</u>
9.11	<u>For the teacher candidates of color scholarship</u>		
9.12	<u>program under Minnesota Statutes, section</u>		
9.13	<u>136A.1265.</u>		
9.14	<b><u>Subd. 38. Agency Administration</u></b>	<u>2,564,000</u>	<u>2,564,000</u>
9.15	<b><u>Subd. 39. Balances Forward</u></b>		
9.16	<u>A balance in the first year under this section</u>		
9.17	<u>does not cancel, but is available for the second</u>		
9.18	<u>year.</u>		
9.19	<b><u>Subd. 40. Transfers</u></b>		
9.20	<u>The Minnesota Office of Higher Education</u>		
9.21	<u>may transfer unencumbered balances from the</u>		
9.22	<u>appropriations in this section to the state grant</u>		
9.23	<u>appropriation, the interstate tuition reciprocity</u>		
9.24	<u>appropriation, the child care grant</u>		
9.25	<u>appropriation, the Indian scholarship</u>		
9.26	<u>appropriation, the state work-study</u>		
9.27	<u>appropriation, the get ready appropriation, and</u>		
9.28	<u>the public safety officers' survivors</u>		
9.29	<u>appropriation. Transfers from the child care</u>		
9.30	<u>or state work-study appropriations may only</u>		
9.31	<u>be made to the extent there is a projected</u>		
9.32	<u>surplus in the appropriation. A transfer may</u>		
9.33	<u>be made only with prior written notice to the</u>		
9.34	<u>chairs and ranking minority members of the</u>		
9.35	<u>senate and house of representatives</u>		



11.1 and developmental disabilities under  
11.2 Minnesota Statutes, section 136F.38.

11.3 Of this amount, \$150,000 in each year is  
11.4 designated for the existing programs for  
11.5 students with intellectual and developmental  
11.6 disabilities at Ridgewater College and Central  
11.7 Lakes College.

11.8 This appropriation includes \$5,000,000 in  
11.9 fiscal year 2018 and \$5,000,000 in fiscal year  
11.10 2019 for upgrading the Integrated Statewide  
11.11 Record System.

11.12 This appropriation includes \$1,250,000 in  
11.13 fiscal year 2018 and \$1,250,000 in fiscal year  
11.14 2019 for workforce development scholarships  
11.15 under Minnesota Statutes, section 136F.38.

11.16 \$140,000 each year is for transfer to the Cook  
11.17 County Higher Education Board to provide  
11.18 educational programming and academic  
11.19 support services to remote regions in  
11.20 northeastern Minnesota. The Cook County  
11.21 Higher Education Board shall continue to  
11.22 provide information to the Board of Trustees  
11.23 on the number of students served, credit hours  
11.24 delivered, and services provided to students.

11.25 \$175,000 in fiscal year 2018 and \$175,000 in  
11.26 fiscal year 2019 are for the  
11.27 veterans-to-agriculture pilot program  
11.28 established by Laws 2015, chapter 69, article  
11.29 1, section 4, subdivision 3. The program shall  
11.30 continue to conform to the requirements of  
11.31 that subdivision. The appropriation shall be  
11.32 used to support, in equal amounts, up to six  
11.33 program sites statewide. No more than two  
11.34 percent of the total appropriation provided by

- 12.1 this section may be used for administrative  
12.2 purposes at the system level.
- 12.3 No later than December 15, 2018, the program  
12.4 shall report to the committees of the house of  
12.5 representatives and the senate with jurisdiction  
12.6 over issues related to agriculture, veterans  
12.7 affairs, and higher education on program  
12.8 operations, including information on  
12.9 participation rates, new job placements, and  
12.10 any unmet needs.
- 12.11 \$100,000 in fiscal year 2018 is for use by  
12.12 Winona State University for HealthForce  
12.13 Minnesota to develop educational materials  
12.14 that increase awareness of career opportunities  
12.15 available in the field of senior care. The  
12.16 educational materials developed under this  
12.17 provision must be appropriate for students in  
12.18 K-12 education settings, dislocated workers,  
12.19 and rural communities. Materials must be  
12.20 developed in collaboration with employers  
12.21 and trade organizations representing  
12.22 employers in the field of senior care.
- 12.23 Winona State University shall submit a report  
12.24 by February 1, 2019, to the chairs and ranking  
12.25 minority members of the legislative  
12.26 committees with jurisdiction over higher  
12.27 education finance and policy. The report must  
12.28 include information about the materials  
12.29 developed, to whom materials were  
12.30 distributed, and identify any collaborations  
12.31 with employers and trade organizations.
- 12.32 Five percent of the fiscal year 2019  
12.33 appropriation specified in this subdivision is  
12.34 available according to the schedule in clauses  
12.35 (1) to (5) in fiscal year 2019 when the Board

- 13.1 of Trustees of the Minnesota State Colleges  
13.2 and Universities demonstrates to the  
13.3 commissioner of management and budget that  
13.4 the board has met the following specified  
13.5 number of performance goals:
- 13.6 (1) 100 percent if the board meets three, four,  
13.7 or five goals;
- 13.8 (2) 67 percent if two of the goals are met;
- 13.9 (3) 33 percent if one of the goals are met; and
- 13.10 (4) zero percent if none of the goals are met.
- 13.11 The performance goals are:
- 13.12 (1) increase by at least four percent in fiscal  
13.13 year 2017, compared to fiscal year 2010,  
13.14 degrees, diplomas, and certificates conferred  
13.15 and provide a report to the chairs and ranking  
13.16 minority members of the legislative  
13.17 committees with jurisdiction over higher  
13.18 education on the separate changes in the  
13.19 number of degrees, diplomas, and certificates  
13.20 conferred;
- 13.21 (2) increase by at least five percent the fiscal  
13.22 year 2017-related employment rate for 2016  
13.23 graduates, compared to the 2013 rate for 2012  
13.24 graduates;
- 13.25 (3) for fiscal year 2018, reallocate \$22,000,000  
13.26 of costs. The Board of Trustees is requested  
13.27 to redirect those funds to invest in direct  
13.28 mission activities, stem growth in tuition and  
13.29 student fees, and to programs that benefit  
13.30 students;
- 13.31 (4) decrease by at least ten percent the fiscal  
13.32 year 2017 headcount of students enrolled in  
13.33 developmental courses compared to fiscal year

14.1 2015 headcount of students enrolled in  
 14.2 developmental courses; and  
 14.3 (5) increase by at least five percent the fiscal  
 14.4 year 2017 degrees awarded to students who  
 14.5 took no more than 128 credits for a  
 14.6 baccalaureate degree and 68 credits for  
 14.7 associate in arts, associate of science, or  
 14.8 associate in fine arts degrees, as compared to  
 14.9 the rate for 2013 graduates.

14.10 By August 1, 2017, the Board of Trustees and  
 14.11 the Minnesota Office of Higher Education  
 14.12 must agree on specific numerical indicators  
 14.13 and definitions for each of the five goals that  
 14.14 will be used to demonstrate the Minnesota  
 14.15 State Colleges and Universities' attainment of  
 14.16 each goal. On or before April 1, 2018, the  
 14.17 Board of Trustees must report to the legislative  
 14.18 committees with primary jurisdiction over  
 14.19 higher education finance and policy the  
 14.20 progress of the Minnesota State Colleges and  
 14.21 Universities toward attaining the goals. The  
 14.22 appropriation base for the next biennium shall  
 14.23 include appropriations not made available  
 14.24 under this subdivision for failure to meet  
 14.25 performance goals. All of the appropriation  
 14.26 that is not available due to failure to meet  
 14.27 performance goals is appropriated to the  
 14.28 commissioner of the Office of Higher  
 14.29 Education for fiscal year 2019 for the purpose  
 14.30 of the state grant program under Minnesota  
 14.31 Statutes, section 136A.121.

14.32 Performance metrics are intended to facilitate  
 14.33 progress toward the attainment goal under  
 14.34 Minnesota Statutes, section 135A.012.

14.35 Subd. 4. **Learning Network of Minnesota** 4,115,000 4,115,000



16.1 with intellectual and developmental disabilities  
16.2 under Minnesota Statutes, section 137.45.

16.3 \$750,000 in fiscal year 2018 and \$750,000 in  
16.4 fiscal year 2019 are for the University of  
16.5 Minnesota, Morris branch, to cover the costs  
16.6 of tuition waivers under Minnesota Statutes,  
16.7 section 137.16.

16.8 Five percent of the fiscal year 2019  
16.9 appropriation specified in this subdivision is  
16.10 available according to the schedule in clauses  
16.11 (1) to (5) in fiscal year 2019 when the Board  
16.12 of Regents of the University of Minnesota  
16.13 demonstrates to the commissioner of  
16.14 management and budget that the board has  
16.15 met the following specified number of  
16.16 performance goals:

16.17 (1) 100 percent if the board meets three, four,  
16.18 or five goals;

16.19 (2) 67 percent if two of the goals are met;

16.20 (3) 33 percent if one of the goals are met; and

16.21 (4) zero percent if none of the goals are met.

16.22 The performance goals are:

16.23 (1) increase by at least one percent the  
16.24 four-year, five-year, or six-year undergraduate  
16.25 graduation rates, averaged over three years,  
16.26 for students of color systemwide at the  
16.27 University of Minnesota reported in fall 2018  
16.28 over fall 2016. The average rate for fall 2016  
16.29 is calculated with the graduation rates reported  
16.30 in fall 2014, 2015, and 2016;

16.31 (2) increase by at least two percent the total  
16.32 number of undergraduate STEM degrees,  
16.33 averaged over three years, conferred

17.1 systemwide by the University of Minnesota  
17.2 reported in fiscal year 2018 over fiscal year  
17.3 2016. The averaged number for fiscal year  
17.4 2016 is calculated with the fiscal year 2014,  
17.5 2015, and 2016 numbers;

17.6 (3) increase by at least one percent the  
17.7 four-year undergraduate graduation rate at the  
17.8 University of Minnesota reported in fall 2018  
17.9 over fall 2016. The average rate for fall 2016  
17.10 is calculated with the graduation rates reported  
17.11 in fall 2014, 2015, and 2016. The averaged  
17.12 number for fiscal year 2016 is calculated with  
17.13 the fiscal year 2014, 2015, and 2016 numbers;

17.14 (4) for fiscal year 2018, reallocate \$15,000,000  
17.15 of administrative costs. The Board of Regents  
17.16 is requested to redirect those funds to invest  
17.17 in direct mission activities, stem growth in  
17.18 cost of attendance, and to programs that  
17.19 benefit students; and

17.20 (5) increase licensing disclosures by three  
17.21 percent for fiscal year 2018 over fiscal year  
17.22 2017.

17.23 By August 1, 2017, the Board of Regents and  
17.24 the Office of Higher Education must agree on  
17.25 specific numerical indicators and definitions  
17.26 for each of the five goals that will be used to  
17.27 demonstrate the University of Minnesota's  
17.28 attainment of each goal. On or before April 1,  
17.29 2018, the Board of Regents must report to the  
17.30 legislative committees with primary  
17.31 jurisdiction over higher education finance and  
17.32 policy the progress of the University of  
17.33 Minnesota toward attaining the goals. The  
17.34 appropriation base for the next biennium shall  
17.35 include appropriations not made available

18.1 under this subdivision for failure to meet  
 18.2 performance goals. All of the appropriation  
 18.3 that is not available due to failure to meet  
 18.4 performance goals is appropriated to the  
 18.5 commissioner of the Office of Higher  
 18.6 Education for fiscal year 2019 for the purpose  
 18.7 of the state grant program under Minnesota  
 18.8 Statutes, section 136A.121.

18.9 Performance metrics are intended to facilitate  
 18.10 progress toward the attainment goal under  
 18.11 Minnesota Statutes, section 135A.012.

18.12 <b><u>Subd. 3. Primary Care Education Initiatives</u></b>	<u>2,157,000</u>	<u>2,157,000</u>
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18.13 This appropriation is from the health care  
 18.14 access fund.

18.15 **Subd. 4. Special Appropriations**

18.16 <b><u>(a) Agriculture and Extension Service</u></b>	<u>42,922,000</u>	<u>42,922,000</u>
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18.17 For the Agricultural Experiment Station and  
 18.18 the Minnesota Extension Service:

18.19 (1) the agricultural experiment stations and  
 18.20 Minnesota Extension Service must convene  
 18.21 agricultural advisory groups to focus research,  
 18.22 education, and extension activities on producer  
 18.23 needs and implement an outreach strategy that  
 18.24 more effectively and rapidly transfers research  
 18.25 results and best practices to producers  
 18.26 throughout the state;

18.27 (2) this appropriation includes funding for  
 18.28 research and outreach on the production of  
 18.29 renewable energy from Minnesota biomass  
 18.30 resources, including agronomic crops, plant  
 18.31 and animal wastes, and native plants or trees.

18.32 The following areas should be prioritized and  
 18.33 carried out in consultation with Minnesota

- 19.1 producers, renewable energy, and bioenergy
- 19.2 organizations:
- 19.3 (i) biofuel and other energy production from
- 19.4 perennial crops, small grains, row crops, and
- 19.5 forestry products in conjunction with the
- 19.6 Natural Resources Research Institute (NRRI);
- 19.7 (ii) alternative bioenergy crops and cropping
- 19.8 systems; and
- 19.9 (iii) biofuel coproducts used for livestock feed;
- 19.10 (3) this appropriation includes funding for the
- 19.11 College of Food, Agricultural, and Natural
- 19.12 Resources Sciences to establish and provide
- 19.13 leadership for organic agronomic,
- 19.14 horticultural, livestock, and food systems
- 19.15 research, education, and outreach and for the
- 19.16 purchase of state-of-the-art laboratory,
- 19.17 planting, tilling, harvesting, and processing
- 19.18 equipment necessary for this project;
- 19.19 (4) this appropriation includes funding for
- 19.20 research efforts that demonstrate a renewed
- 19.21 emphasis on the needs of the state's agriculture
- 19.22 community. The following areas should be
- 19.23 prioritized and carried out in consultation with
- 19.24 Minnesota farm organizations:
- 19.25 (i) vegetable crop research with priority for
- 19.26 extending the Minnesota vegetable growing
- 19.27 season;
- 19.28 (ii) fertilizer and soil fertility research and
- 19.29 development;
- 19.30 (iii) soil, groundwater, and surface water
- 19.31 conservation practices and contaminant
- 19.32 reduction research;

- 20.1 (iv) discovering and developing plant varieties
- 20.2 that use nutrients more efficiently;
- 20.3 (v) breeding and development of turf seed and
- 20.4 other biomass resources in all three Minnesota
- 20.5 biomes;
- 20.6 (vi) development of new disease-resistant and
- 20.7 pest-resistant varieties of turf and agronomic
- 20.8 crops;
- 20.9 (vii) utilizing plant and livestock cells to treat
- 20.10 and cure human diseases;
- 20.11 (viii) the development of dairy coproducts;
- 20.12 (ix) a rapid agricultural response fund for
- 20.13 current or emerging animal, plant, and insect
- 20.14 problems affecting production or food safety;
- 20.15 (x) crop pest and animal disease research;
- 20.16 (xi) developing animal agriculture that is
- 20.17 capable of sustainably feeding the world;
- 20.18 (xii) consumer food safety education and
- 20.19 outreach;
- 20.20 (xiii) programs to meet the research and
- 20.21 outreach needs of organic livestock and crop
- 20.22 farmers; and
- 20.23 (xiv) alternative bioenergy crops and cropping
- 20.24 systems; and growing, harvesting, and
- 20.25 transporting biomass plant material; and
- 20.26 (5) by February 1, 2019, the Board of Regents
- 20.27 must submit a report to the legislative
- 20.28 committees and divisions with jurisdiction
- 20.29 over agriculture and higher education finance
- 20.30 on the status and outcomes of research and
- 20.31 initiatives funded in this paragraph.

20.32 (b) **Health Sciences**

9,204,000

9,204,000

21.1	<u>\$346,000 each year is to support up to 12</u>		
21.2	<u>resident physicians in the St. Cloud Hospital</u>		
21.3	<u>family practice residency program. The</u>		
21.4	<u>program must prepare doctors to practice</u>		
21.5	<u>primary care medicine in rural areas of the</u>		
21.6	<u>state. The legislature intends this program to</u>		
21.7	<u>improve health care in rural communities,</u>		
21.8	<u>provide affordable access to appropriate</u>		
21.9	<u>medical care, and manage the treatment of</u>		
21.10	<u>patients in a more cost-effective manner. The</u>		
21.11	<u>remainder of this appropriation is for the rural</u>		
21.12	<u>physicians associates program; the Veterinary</u>		
21.13	<u>Diagnostic Laboratory; health sciences</u>		
21.14	<u>research; dental care; the Biomedical</u>		
21.15	<u>Engineering Center; and the collaborative</u>		
21.16	<u>partnership between the University of</u>		
21.17	<u>Minnesota and Mayo Clinic for regenerative</u>		
21.18	<u>medicine, research, clinical translation, and</u>		
21.19	<u>commercialization.</u>		
21.20	<b><u>(c) Institute of Technology</u></b>	<u>1,140,000</u>	<u>1,140,000</u>
21.21	<u>For the geological survey and the talented</u>		
21.22	<u>youth mathematics program.</u>		
21.23	<b><u>(d) System Special</u></b>	<u>7,181,000</u>	<u>7,181,000</u>
21.24	<u>For general research, the Labor Education</u>		
21.25	<u>Service, Natural Resources Research Institute,</u>		
21.26	<u>Center for Urban and Regional Affairs, Bell</u>		
21.27	<u>Museum of Natural History, and the</u>		
21.28	<u>Humphrey exhibit.</u>		
21.29	<u>Of this amount, \$2,000,000 in fiscal year 2018</u>		
21.30	<u>and \$2,000,000 in fiscal year 2019 are for the</u>		
21.31	<u>Natural Resources Research Institute to invest</u>		
21.32	<u>in applied research for economic development.</u>		
21.33	<b><u>(e) University of Minnesota and Mayo</u></b>		
21.34	<b><u>Foundation Partnership</u></b>	<u>7,991,000</u>	<u>7,991,000</u>

22.1 This appropriation is for the following  
 22.2 activities:  
 22.3 (1) \$7,491,000 in fiscal year 2018 and  
 22.4 \$7,491,000 in fiscal year 2019 are for the  
 22.5 direct and indirect expenses of the  
 22.6 collaborative research partnership between the  
 22.7 University of Minnesota and the Mayo  
 22.8 Foundation for research in biotechnology and  
 22.9 medical genomics. An annual report on the  
 22.10 expenditure of these funds must be submitted  
 22.11 to the governor and the chairs of the legislative  
 22.12 committee responsible for higher education  
 22.13 finance by June 30 of each fiscal year.

22.14 (2) \$500,000 in fiscal year 2018 and \$500,000  
 22.15 in fiscal year 2019 are to award competitive  
 22.16 grants to conduct research into the prevention,  
 22.17 treatment, causes, and cures of Alzheimer's  
 22.18 disease and other dementias.

22.19 **Subd. 5. Academic Health Center**

22.20 The appropriation for Academic Health Center  
 22.21 funding under Minnesota Statutes, section  
 22.22 297F.10, is estimated to be \$22,250,000 each  
 22.23 year.

22.24 **Sec. 5. MAYO CLINIC**

22.25 <b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>1,351,000</u></b>	<b><u>\$</u></b>	<b><u>1,351,000</u></b>
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22.26 The amounts that may be spent are specified  
 22.27 in the following subdivisions.

22.28 <b><u>Subd. 2. Medical School</u></b>		<b><u>665,000</u></b>		<b><u>665,000</u></b>
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22.29 The state must pay a capitation each year for  
 22.30 each student who is a resident of Minnesota.  
 22.31 The appropriation may be transferred between  
 22.32 each year of the biennium to accommodate  
 22.33 enrollment fluctuations. It is intended that

23.1 during the biennium the Mayo Clinic use the  
 23.2 capitation money to increase the number of  
 23.3 doctors practicing in rural areas in need of  
 23.4 doctors.

23.5	<b>Subd. 3. <u>Family Practice and Graduate</u></b>		
23.6	<b><u>Residency Program</u></b>	<u>686,000</u>	<u>686,000</u>

23.7 The state must pay stipend support for up to  
 23.8 27 residents each year.

23.9 **ARTICLE 2**

23.10 **PUBLIC POSTSECONDARY EDUCATION**

23.11 Section 1. Minnesota Statutes 2016, section 43A.06, subdivision 1, is amended to read:

23.12 Subdivision 1. **General.** (a) The commissioner shall perform the duties assigned to the  
 23.13 commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

23.14 (b) The commissioner shall be the state labor negotiator for purposes of negotiating and  
 23.15 administering agreements with exclusive representatives of employees and shall perform  
 23.16 any other duties delegated by the commissioner subject to the limitations in paragraph (c).

23.17 (c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise  
 23.18 the powers under this section for employees included in the units provided in clauses (9),  
 23.19 (10), and (11) of section 179A.10, subdivision 2, except with respect to sections 43A.22 to  
 23.20 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner  
 23.21 shall have the right to review and comment to the Minnesota State Colleges and Universities  
 23.22 on the board's final proposals prior to exchange of final positions with the designated  
 23.23 bargaining units as well as any requests for interest arbitration. The legislature encourages  
 23.24 the Board of Trustees, in coordination with the commissioner of management and budget  
 23.25 and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining  
 23.26 negotiations to seek fiscal balance recognizing the ability of the employer to fund the  
 23.27 agreements or awards. When submitting a proposed collective bargaining agreement to the  
 23.28 Legislative Coordinating Commission and the legislature under section 3.855, subdivision  
 23.29 2, the Board of Trustees must use procedures and assumptions consistent with those used  
 23.30 by the commissioner in calculating the costs of the proposed contract. The Legislative  
 23.31 Coordinating Commission must, when considering a collective bargaining agreement or  
 23.32 arbitration award submitted by the Board of Trustees, evaluate market conditions affecting  
 23.33 the employees in the bargaining unit, equity with other bargaining units in the executive  
 23.34 branch, and the ability of the trustees and the state to fund the agreement or award.

24.1 Sec. 2. Minnesota Statutes 2016, section 135A.031, subdivision 7, is amended to read:

24.2 Subd. 7. **Reports.** (a) The University of Minnesota and the Minnesota State Colleges  
24.3 and Universities systems shall include in their biennial budget proposals to the legislature:

24.4 (1) a five-year history of systemwide expenditures, reported by:

24.5 (i) functional areas, including instruction, research, public service, student financial aid,  
24.6 and auxiliary services, and including direct costs and indirect costs, such as institutional  
24.7 support, academic support, student services, and facilities management, associated with  
24.8 each functional area; and

24.9 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment;

24.10 (2) a five-year history of the system's total instructional expenditures per full-year  
24.11 equivalent student, by level of instruction, including upper-division undergraduate,  
24.12 lower-division undergraduate, graduate, professional, and other categories of instructional  
24.13 programs offered by the system;

24.14 (3) a five-year history of the system's total revenues by funding source, including tuition,  
24.15 state operations and maintenance appropriations, state special appropriations, other restricted  
24.16 state funds, federal appropriations, sponsored research funds, gifts, auxiliary revenue, indirect  
24.17 cost recovery, and any other revenue sources;

24.18 (4) an explanation describing how state appropriations made to the system in the previous  
24.19 biennium were allocated and the methodology used to determine the allocation;

24.20 (5) data describing how the institution reallocated resources to advance the priorities set  
24.21 forth in the budget submitted under section 135A.034 and the statewide objectives under  
24.22 section 135A.011. The information must indicate whether instruction and support programs  
24.23 received a reduction in or additional resources. The total amount reallocated must be clearly  
24.24 explained;

24.25 (6) the tuition rates and fees established by the governing board in each of the past ten  
24.26 years and comparison data for peer institutions and national averages;

24.27 (7) data on the number and proportion of students graduating within four, five, and six  
24.28 years from universities and within three years from colleges as reported in the integrated  
24.29 postsecondary education data system. These data must be provided for each institution by  
24.30 race, ethnicity, and gender. Data and information must be submitted that describe the system's  
24.31 plan and progress toward attaining the goals set forth in the plan to increase the number and  
24.32 proportion of students that graduate within four, five, or six years from a university or within  
24.33 three years from a college;

25.1 (8) data on, and the methodology used to measure, the number of students traditionally  
 25.2 underrepresented in higher education enrolled at the system's institutions. Data and  
 25.3 information must be submitted that describe the system's plan and progress toward attaining  
 25.4 the goals set forth in the plan to increase the recruitment, retention, and timely graduation  
 25.5 of students traditionally underrepresented in higher education; ~~and~~

25.6 (9) data on the revenue received from all sources to support research or workforce  
 25.7 development activities or the system's efforts to license, sell, or otherwise market products,  
 25.8 ideas, technology, and related inventions created in whole or in part by the system. Data  
 25.9 and information must be submitted that describe the system's plan and progress toward  
 25.10 attaining the goals set forth in the plan to increase the revenue received to support research  
 25.11 or workforce development activities or revenue received from the licensing, sale, or other  
 25.12 marketing and technology transfer activities by the system; and

25.13 (10) data on work completed by any consultant who is not an employee of the system  
 25.14 for which the system paid in excess of \$500,000. Data must include the name of the  
 25.15 consultant, the total cost incurred, a description of the work completed, and a description  
 25.16 of the reasons for using an outside consultant and not internal staff.

25.17 (b) Data required by this subdivision shall be submitted by the public postsecondary  
 25.18 systems to the Minnesota Office of Higher Education and the Department of Management  
 25.19 and Budget and included in the biennial budget document. Representatives from each system,  
 25.20 in consultation with the commissioner of management and budget and the commissioner  
 25.21 of the Office of Higher Education, shall develop consistent reporting practices for this  
 25.22 purpose.

25.23 (c) To the extent practicable, each system shall develop the ability to respond to legislative  
 25.24 requests for financial analyses that are more detailed than those required by this subdivision,  
 25.25 including but not limited to analyses that show expenditures or revenues by institution or  
 25.26 program, or in multiple categories of expenditures or revenues, and analyses that show  
 25.27 revenue sources for particular types of expenditures.

25.28 **Sec. 3. [135A.0432] AUTOMATIC ADMISSION.**

25.29 Subdivision 1. **Automatic admission.** Each Minnesota public postsecondary institution  
 25.30 must admit an applicant to the institution as an undergraduate student in a baccalaureate  
 25.31 program if:

25.32 (1) the applicant graduated with a grade point average in the top ten percent of the  
 25.33 applicant's high school graduating class;

26.1 (2) the applicant graduated from high school in one of the two years preceding the  
26.2 academic year for which the applicant is applying for admission;

26.3 (3) the applicant graduated from a public or private Minnesota high school; and

26.4 (4) the applicant was a resident of Minnesota for at least the past two years of the  
26.5 applicant's period of attendance at the Minnesota high school.

26.6 Subd. 2. **Applicant qualification.** To qualify for admission under subdivision 1 of this  
26.7 section, the applicant must:

26.8 (1) submit an application before the expiration of the application filing deadline  
26.9 established by the institution; and

26.10 (2) provide a high school transcript or diploma that satisfies the requirements of  
26.11 subdivision 1 of this section.

26.12 Subd. 3. **Other admissions.** A graduating student who does not qualify for automatic  
26.13 admission under subdivision 1 of this section may apply to any Minnesota public  
26.14 postsecondary institution. The institution, after admitting students under subdivision 1, may  
26.15 admit other applications for admission pursuant to the institution's standard admission  
26.16 policies.

26.17 Subd. 4. **Scholarship dollars.** The average amount of scholarship dollars per student  
26.18 received by out-of-state students may not exceed the average amount of scholarship dollars  
26.19 per student received by students admitted under this section.

26.20 Subd. 5. **University of Minnesota.** The Board of Regents of the University of Minnesota  
26.21 is requested to adopt a policy implementing this section.

26.22 Subd. 6. **Reporting requirement.** By January 15 of each year, both the Board of Trustees  
26.23 of the Minnesota State College and Universities and the Board of Regents of the University  
26.24 of Minnesota must submit a report on automatic admissions to the chairs and ranking  
26.25 minority members of the committees in the house of representatives and the senate with  
26.26 jurisdiction over higher education finance and policy. The report must describe, in summary  
26.27 form, the students admitted under subdivision 1 of this section including, but not limited  
26.28 to, information regarding:

26.29 (1) admission and matriculation;

26.30 (2) retention;

26.31 (3) academic performance;

26.32 (4) program outcomes; and

27.1 (5) demographic information including race, ethnicity, economic status, and geographic  
27.2 distribution.

27.3 **EFFECTIVE DATE.** This section is effective beginning in the 2018-2019 academic  
27.4 year.

27.5 Sec. 4. **[135A.0434] MANDATORY STUDENT ACTIVITY FEES PROHIBITED.**

27.6 Subdivision 1. **Mandatory fee prohibition.** (a) The governing board of a public  
27.7 postsecondary institution must not impose on students any mandatory fee funding  
27.8 noninstructional student programs, activities, groups, or services.

27.9 (b) This section does not prohibit mandatory fees paid by students that are directly related  
27.10 to academic, administrative, or health services.

27.11 (c) The Board of Regents of the University of Minnesota is requested to adopt a policy  
27.12 implementing this section.

27.13 Subd. 2. **Penalty.** If the Board of Regents of the University of Minnesota imposes a  
27.14 mandatory fee in violation of this section, the commissioner of management and budget  
27.15 must deduct an amount equal to the net revenue generated by that fee from the university's  
27.16 appropriation base in the first year of the next biennium.

27.17 Sec. 5. **[135A.158] INFORMATION PROVIDED TO STUDENT PARENTS AND**  
27.18 **PREGNANT STUDENTS.**

27.19 A public or regionally accredited private postsecondary educational institution must  
27.20 provide information according to this section to students who are parents of one or more  
27.21 children age 12 or younger, and to students who notify the institution that they are pregnant.  
27.22 The information must include a fact sheet on the legal rights of student parents and pregnant  
27.23 students and a list of resources to support student parents and pregnant students. The list of  
27.24 resources may include resources for prenatal care, child care, transportation, and housing.  
27.25 This information must be available in languages that reflect the primary languages of the  
27.26 institution's student body.

27.27 Sec. 6. **[136F.38] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**  
27.28 **DEVELOPMENTAL DISABILITIES.**

27.29 Subdivision 1. **Program required.** The Board of Trustees of the Minnesota State Colleges  
27.30 and Universities must offer an academic program for students with intellectual and  
27.31 developmental disabilities, consistent with subdivisions 2 to 4.

28.1 Subd. 2. **Program locations.** The program must be offered at no fewer than two college  
28.2 or university campuses. The board must choose the campuses based on:

28.3 (1) the ability to offer a robust program using existing facilities and resources; and

28.4 (2) a goal to provide the program in diverse geographic regions of the state.

28.5 Subd. 3. **Enrollment and admission.** A campus offering a program must establish an  
28.6 enrollment goal of at least 15 incoming students per academic year. The board must establish  
28.7 an application process for the program. A student who successfully completes the program  
28.8 must be awarded a certificate, diploma, or other appropriate academic credential.

28.9 Subd. 4. **Curriculum and activities.** (a) The program must provide an inclusive,  
28.10 full-time, two-year residential college experience for students with intellectual and  
28.11 developmental disabilities. The curriculum must include:

28.12 (1) core courses that develop life skills, financial literacy, and the ability to live  
28.13 independently;

28.14 (2) rigorous academic work in a student's chosen field of study; and

28.15 (3) an internship, apprenticeship, or other skills-based experience to prepare for  
28.16 meaningful employment upon completion of the program.

28.17 (b) In addition to academic requirements, the program must allow participating students  
28.18 the opportunity to engage fully in campus life. Program activities must include, but are not  
28.19 limited to:

28.20 (1) the establishment of on-campus mentoring and peer support communities; and

28.21 (2) opportunities for personal growth through leadership development and other  
28.22 community engagement activities.

28.23 (c) A participating campus may tailor its program curriculum and activities to highlight  
28.24 academic programs, student and community life experiences, and employment opportunities  
28.25 unique to that campus or the region of the state where the campus is located.

28.26 Subd. 5. **Reporting.** By January 15 of each year, the board must submit a report on the  
28.27 program to the chairs and ranking minority members of the committees in the house of  
28.28 representatives and the senate with jurisdiction over higher education finance and policy.  
28.29 The report must include, but need not be limited to, information regarding:

28.30 (1) the number of students participating in the program;

28.31 (2) program goals and outcomes; and

29.1 (3) the success rate of participants.

29.2 **EFFECTIVE DATE.** This section is effective for the 2018-2019 academic year and  
29.3 later.

29.4 Sec. 7. **[136F.38] WORKFORCE DEVELOPMENT SCHOLARSHIPS.**

29.5 Subdivision 1. **Program established.** The board shall develop a scholarship program  
29.6 to incentivize new students to enter high-demand occupations upon graduation.

29.7 Subd. 2. **Scholarship awards.** The program shall award scholarships at the beginning  
29.8 of an academic term, in the amount of \$2,500, to be distributed evenly between two terms.

29.9 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible  
29.10 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following  
29.11 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health  
29.12 care services; or (4) information technology.

29.13 (b) The student must be enrolled for at least nine credits at a two-year college in the  
29.14 Minnesota State Colleges and Universities system.

29.15 Subd. 4. **Renewal; cap.** A student who has received a scholarship may apply again but  
29.16 total lifetime awards are not to exceed \$5,000 per student. Students may only be awarded  
29.17 a second scholarship upon completion of two academic terms.

29.18 Subd. 5. **Administration.** (a) The board shall establish an application process and other  
29.19 guidelines for implementing this program.

29.20 (b) The board shall give preference to students in financial need.

29.21 Subd. 6. **Report required.** The board must submit an annual report by February 1 of  
29.22 each year about the scholarship awards to the chairs and ranking minority members of the  
29.23 senate and house of representatives committees with jurisdiction over higher education  
29.24 finance and policy. The first report is due no later than February 1, 2019. The annual report  
29.25 shall describe the following:

29.26 (1) the number of students receiving a scholarship at each two-year college during the  
29.27 previous fiscal year;

29.28 (2) the number of scholarships awarded for each program of study or certification  
29.29 described in subdivision 3, paragraph (a);

29.30 (3) the number of scholarship recipients who completed a program of study or certification  
29.31 described in subdivision 3, paragraph (a);

30.1 (4) the number of scholarship recipients who secured employment by their graduation  
30.2 date and those who secured employment within three months of their graduation date;

30.3 (5) a list of occupations scholarship recipients are entering; and

30.4 (6) the number of students who were denied a scholarship.

30.5 **Sec. 8. [137.45] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**  
30.6 **DEVELOPMENTAL DISABILITIES.**

30.7 The Board of Regents of the University of Minnesota is requested to offer an academic  
30.8 program for students with intellectual and developmental disabilities, consistent with the  
30.9 requirements of section 136F.38, subdivisions 2 to 5.

30.10 **EFFECTIVE DATE.** This section is effective for the 2018-2019 academic year and  
30.11 later.

30.12 Sec. 9. Minnesota Statutes 2016, section 148.89, subdivision 5, is amended to read:

30.13 Subd. 5. **Practice of psychology.** "Practice of psychology" means the observation,  
30.14 description, evaluation, interpretation, or modification of human behavior by the application  
30.15 of psychological principles, methods, or procedures for any reason, including to prevent,  
30.16 eliminate, or manage symptomatic, maladaptive, or undesired behavior and to enhance  
30.17 interpersonal relationships, work, life and developmental adjustment, personal and  
30.18 organizational effectiveness, behavioral health, and mental health. The practice of psychology  
30.19 includes, but is not limited to, the following services, regardless of whether the provider  
30.20 receives payment for the services:

30.21 (1) psychological research and teaching of psychology subject to the exemptions in  
30.22 section 148.9075;

30.23 (2) assessment, including psychological testing and other means of evaluating personal  
30.24 characteristics such as intelligence, personality, abilities, interests, aptitudes, and  
30.25 neuropsychological functioning;

30.26 (3) a psychological report, whether written or oral, including testimony of a provider as  
30.27 an expert witness, concerning the characteristics of an individual or entity;

30.28 (4) psychotherapy, including but not limited to, categories such as behavioral, cognitive,  
30.29 emotive, systems, psychophysiological, or insight-oriented therapies; counseling; hypnosis;  
30.30 and diagnosis and treatment of:

30.31 (i) mental and emotional disorder or disability;

- 31.1 (ii) alcohol and substance dependence or abuse;
- 31.2 (iii) disorders of habit or conduct;
- 31.3 (iv) the psychological aspects of physical illness or condition, accident, injury, or
- 31.4 disability, including the psychological impact of medications;
- 31.5 (v) life adjustment issues, including work-related and bereavement issues; and
- 31.6 (vi) child, family, or relationship issues;
- 31.7 (5) psychoeducational services and treatment; and
- 31.8 (6) consultation and supervision.

31.9 Sec. 10. **[148.9075] LICENSURE EXEMPTIONS.**

31.10 **Subdivision 1. Teaching and research.** Nothing in sections 148.88 to 148.98 shall be

31.11 construed to prevent a person employed in a secondary, postsecondary, or graduate institution

31.12 from teaching and conducting research in psychology within an educational institution that

31.13 is recognized by a regional accrediting organization or by a federal, state, county, or local

31.14 government institution, agency, or research facility, so long as:

31.15 (1) the institution, agency, or facility provides appropriate oversight mechanisms to

31.16 ensure public protections; and

31.17 (2) the person is not providing direct clinical services to a client or clients as defined in

31.18 sections 148.88 to 148.98.

31.19 **Subd. 2. Students.** Nothing in sections 148.88 to 148.98 shall prohibit the practice of

31.20 psychology under qualified supervision by practicum psychology students, predoctoral

31.21 psychology interns, or an individual who has earned a doctoral degree in psychology and

31.22 is in the process of completing their postdoctoral supervised psychological employment.

31.23 **ARTICLE 3**

31.24 **OFFICE OF HIGHER EDUCATION**

31.25 Section 1. **[136A.055] DEVELOPMENTAL EDUCATION REPORTING.**

31.26 (a) The commissioner must report on the department's Web site the following summary

31.27 data on students who graduated from a Minnesota high school and are attending a public

31.28 postsecondary institution in Minnesota:

31.29 (1) the number of students placed in supplemental or developmental education;

32.1 (2) the number of students who complete supplemental or developmental education  
 32.2 within one academic year;

32.3 (3) the number of students that complete gateway courses in one academic year; and

32.4 (4) time to complete a degree or certificate at a postsecondary institution.

32.5 (b) Summary data must be aggregated by school district, high school, and postsecondary  
 32.6 institution. Summary data must be disaggregated by race, ethnicity, free or reduced-price  
 32.7 lunch eligibility, and age.

32.8 (c) The commissioner must post the initial data on the department's Web site on or before  
 32.9 October 1, 2017, and must update the data at least annually thereafter.

32.10 Sec. 2. Minnesota Statutes 2016, section 136A.101, subdivision 5a, is amended to read:

32.11 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the  
 32.12 amount of a family's contribution to a student's cost of attendance, as determined by a federal  
 32.13 need analysis. For dependent students, the assigned family responsibility is ~~94~~ 85 percent  
 32.14 of the parental contribution. For independent students with dependents other than a spouse,  
 32.15 the assigned family responsibility is ~~86~~ 77 percent of the student contribution. For  
 32.16 independent students without dependents other than a spouse, the assigned family  
 32.17 responsibility is ~~50~~ 41 percent of the student contribution.

32.18 Sec. 3. **[136A.1215] GRANTS FOR STUDENTS WITH INTELLECTUAL AND**  
 32.19 **DEVELOPMENTAL DISABILITIES.**

32.20 Subdivision 1. **Establishment.** A program is established to provide financial assistance  
 32.21 to students with intellectual and developmental disabilities that attend a Minnesota  
 32.22 postsecondary institution.

32.23 Subd. 2. **Eligible students.** A postsecondary student is eligible for a grant under this  
 32.24 section if the student:

32.25 (1) meets the eligibility requirements in section 136A.121, subdivision 2;

32.26 (2) is a student with an intellectual disability, as defined in Code of Federal Regulations,  
 32.27 title 34, section 668.231, and is enrolled in a comprehensive transition and postsecondary  
 32.28 program under that section; and

32.29 (3) attends an eligible institution, as defined in section 136A.101, subdivision 4.

32.30 Subd. 3. **Application.** To receive a grant under this section, a student must apply in the  
 32.31 form and manner specified by the commissioner.

33.1 Subd. 4. **Grant amounts.** (a) The amount of a grant under this section equals the tuition  
 33.2 and fees at the student's postsecondary institution, minus:

33.3 (1) any Pell or state grants the student receives; and

33.4 (2) any institutional aid the student receives.

33.5 (b) If appropriations are insufficient to provide the full amount calculated under paragraph  
 33.6 (a) to all eligible applicants, the commissioner must reduce the grants of all recipients  
 33.7 proportionally.

33.8 Subd. 5. **Reporting.** By February 15 of each year, the commissioner of higher education  
 33.9 must submit a report on the details of the program under this section to the legislative  
 33.10 committees with jurisdiction over higher education finance and policy. The report must  
 33.11 include the following information, broken out by postsecondary institution:

33.12 (1) the number of students receiving an award;

33.13 (2) the average and total award amounts; and

33.14 (3) summary demographic data on award recipients.

33.15 Sec. 4. Minnesota Statutes 2016, section 136A.125, subdivision 2, is amended to read:

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

33.18 (1) is a resident of the state of Minnesota or the applicant's spouse is a resident of the  
 33.19 state of Minnesota;

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

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

33.25 (4) either has not earned a baccalaureate degree and has been enrolled full time less than  
 33.26 ~~eight~~ ten semesters or the equivalent, or has earned a baccalaureate degree and has been  
 33.27 enrolled full time less than ~~eight~~ ten semesters or the equivalent in a graduate or professional  
 33.28 degree program;

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

34.1 (6) is enrolled in at least six credits in an undergraduate program or one credit in a  
34.2 graduate or professional program in an eligible institution; and

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

34.4 (b) A student who withdraws from enrollment for active military service after December  
34.5 31, 2002, because the student was ordered to active military service as defined in section  
34.6 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a medical  
34.7 professional, that substantially limits the student's ability to complete the term is entitled to  
34.8 an additional semester or the equivalent of grant eligibility and will be considered to be in  
34.9 continuing enrollment status upon return.

34.10 Sec. 5. Minnesota Statutes 2016, section 136A.125, subdivision 4, is amended to read:

34.11 Subd. 4. **Amount and length of grants.** (a) The amount of a child care grant must be  
34.12 based on:

34.13 (1) the income of the applicant and the applicant's spouse;

34.14 (2) the number in the applicant's family, as defined by the office; and

34.15 (3) the number of eligible children in the applicant's family.

34.16 (b) The maximum award to the applicant shall be ~~\$2,800~~ \$3,000 for each eligible child  
34.17 per academic year, except that the campus financial aid officer may apply to the office for  
34.18 approval to increase grants by up to ten percent to compensate for higher market charges  
34.19 for infant care in a community. The office shall develop policies to determine community  
34.20 market costs and review institutional requests for compensatory grant increases to ensure  
34.21 need and equal treatment. The office shall prepare a chart to show the amount of a grant  
34.22 that will be awarded per child based on the factors in this subdivision. The chart shall include  
34.23 a range of income and family size.

34.24 (c) Applicants with family incomes at or below a percentage of the federal poverty level,  
34.25 as determined by the commissioner, will qualify for the maximum award. The commissioner  
34.26 shall attempt to set the percentage at a level estimated to fully expend the available  
34.27 appropriation for child care grants. Applicants with family incomes exceeding that threshold  
34.28 will receive the maximum award minus ten percent of their income exceeding that threshold.  
34.29 If the result is less than zero, the grant is zero.

34.30 (d) The academic year award amount must be disbursed by academic term using the  
34.31 following formula:

34.32 (1) the academic year amount described in paragraph (b);

35.1 (2) divided by the number of terms in the academic year;

35.2 (3) divided by 15 for undergraduate students and six for graduate and professional  
35.3 students; and

35.4 (4) multiplied by the number of credits for which the student is enrolled that academic  
35.5 term, up to 15 credits for undergraduate students and six for graduate and professional  
35.6 students.

35.7 (e) Payments shall be made each academic term to the student or to the child care  
35.8 provider, as determined by the institution. Institutions may make payments more than once  
35.9 within the academic term.

35.10 **Sec. 6. [136A.1265] TEACHER CANDIDATES OF COLOR SCHOLARSHIPS.**

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

35.13 (b) "Full-time study" means:

35.14 (1) for an undergraduate student, enrollment in at least 15 credits or the equivalent; and

35.15 (2) for a graduate student, enrollment in a number of credits that the student's institution  
35.16 deems to be full time.

35.17 (c) "Part-time study" means enrollment in fewer credits than are required to qualify as  
35.18 full time under paragraph (b).

35.19 (d) "Underrepresented racial or ethnic group" means a racial or ethnic group for which  
35.20 the commissioner of education has determined that the percentage of Minnesota teachers  
35.21 of the group, as measured under section 127A.05, subdivision 6, is lower than the percentage  
35.22 of Minnesota students of the group as measured under section 120B.35, subdivision 3.

35.23 **Subd. 2. Establishment.** A scholarship program for teacher candidates of color is  
35.24 established to provide scholarships to qualified candidates with financial needs.

35.25 **Subd. 3. Eligibility.** A person may apply for a scholarship if the person:

35.26 (1) has been admitted to a teacher preparation program approved by the Board of Teaching  
35.27 at an eligible institution located in Minnesota;

35.28 (2) self-identifies to the teacher preparation program as a member of an underrepresented  
35.29 racial or ethnic group;

35.30 (3) is making satisfactory academic progress;

36.1 (4) is a resident student; and

36.2 (5) has a family adjusted gross income of \$125,000 or less.

36.3 Subd. 4. **Amount.** (a) The commissioner must establish scholarship amounts based upon  
36.4 the financial need of eligible students. The commissioner must set scholarship amounts at  
36.5 a level estimated to fully expend appropriations available for the program. Established  
36.6 amounts are not rulemaking for purposes of chapter 14 or section 14.386.

36.7 (b) A scholarship under this section must not exceed:

36.8 (1) \$10,000 per year; or

36.9 (2) a student's cost of attendance minus the student's expected family contribution, as  
36.10 determined by the federal need analysis.

36.11 (c) The minimum scholarship under this section is \$1,000 per year.

36.12 (d) The amounts determined under paragraphs (a), (b), and (c) are for full-time study.  
36.13 The amounts must be reduced and prorated per credit for part-time study.

36.14 (e) The maximum total amount of scholarships from this scholarship per candidate is  
36.15 \$25,000.

36.16 Subd. 5. **Application.** To apply for a scholarship, an eligible institution must submit an  
36.17 application to the commissioner on behalf of an eligible student. The application must be  
36.18 made in a form and manner specified by the commissioner, and must include a candidate's  
36.19 name, self-identified racial and ethnic identity, gender, licensure area sought, and full-time  
36.20 or part-time status.

36.21 Subd. 6. **Distribution.** The commissioner must distribute scholarship funds to eligible  
36.22 institutions on behalf of scholarship recipients. Institutions must distribute funds directly  
36.23 to students.

36.24 Sec. 7. **[136A.1705] STUDENT LOAN DEBT COUNSELING.**

36.25 Subdivision 1. **Grant.** A program is established under the Office of Higher Education  
36.26 to provide a grant to a Minnesota-based nonprofit qualified debt counseling organization  
36.27 to provide individual student loan debt repayment counseling to borrowers who are Minnesota  
36.28 residents concerning loans obtained to attend a postsecondary institution. The number of  
36.29 individuals receiving counseling may be limited to those capable of being served with  
36.30 available appropriations for that purpose. A goal of the counseling program is to provide  
36.31 two counseling sessions to at least 75 percent of borrowers receiving counseling.

37.1 The purpose of the counseling is to assist borrowers to:

37.2 (1) understand their loan and repayment options;

37.3 (2) manage loan repayment; and

37.4 (3) develop a workable budget based on the borrower's full financial situation regarding  
37.5 income, expenses, and other debt.

37.6 Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling  
37.7 organization is an organization that:

37.8 (1) has experience in providing individualized student loan counseling;

37.9 (2) employs certified financial loan counselors; and

37.10 (3) is based in Minnesota and has offices at multiple rural and metropolitan area locations  
37.11 in the state to provide in-person counseling.

37.12 Subd. 3. **Grant application and award.** (a) Applications for a grant shall be on a form  
37.13 created by the commissioner and on a schedule set by the commissioner. Among other  
37.14 provisions, the application must include a description of:

37.15 (1) the characteristics of borrowers to be served;

37.16 (2) the services to be provided and a timeline for implementation of the services;

37.17 (3) how the services provided will help borrowers manage loan repayment;

37.18 (4) specific program outcome goals and performance measures for each goal; and

37.19 (5) how the services will be evaluated to determine whether the program goals were  
37.20 met.

37.21 (b) The commissioner shall select one grant recipient for a two-year award every two  
37.22 years. A grant may be renewed biennially.

37.23 Subd. 4. **Program evaluation.** (a) The grant recipient must submit a report to the  
37.24 commissioner by January 15 of the second year of the grant award. The report must evaluate  
37.25 and measure the extent to which program outcome goals have been met.

37.26 (b) The grant recipient must collect, analyze, and report on participation and outcome  
37.27 data that enable the office to verify the outcomes.

37.28 (c) The evaluation must include information on the number of borrowers served with  
37.29 on-time student loan payments, the numbers who brought their loans into good standing,  
37.30 the number of student loan defaults, the number who developed a monthly budget plan, and

38.1 other information required by the commissioner. Recipients of the counseling must be  
38.2 surveyed on their opinions about the usefulness of the counseling and the survey results  
38.3 must be included in the report.

38.4 Subd. 5. **Report to legislature.** By February 1 of the second year of each grant award,  
38.5 the commissioner must submit a report to the committees in the legislature with jurisdiction  
38.6 over higher education finance regarding grant program outcomes.

38.7 Sec. 8. **[136A.1788] GREATER MINNESOTA LOAN FORGIVENESS PROGRAM.**

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

38.10 (b) "Greater Minnesota" means the geographic areas in Minnesota located outside of  
38.11 the metropolitan area as defined in section 473.121, subdivision 2.

38.12 (c) "Debt-to-income ratio" means an applicant's monthly student loan payment obligation  
38.13 under a ten-year standard repayment plan, divided by the applicant's monthly gross income.

38.14 (d) "Qualifying educational institution" means an institution of higher education that  
38.15 had in effect at the time of an applicant's attendance a program participation agreement  
38.16 under United States Code, title 20, chapter 28, subchapter IV, part F, section 1094.

38.17 (e) "Qualifying position" means a position as an employee, as defined in section 181.723,  
38.18 subdivision 3, for which the primary work site is located in greater Minnesota.

38.19 (f) "Qualifying student loan" means a government, commercial, or foundation loan for  
38.20 actual costs paid for tuition and reasonable educational and living expenses related to  
38.21 attending a qualifying educational institution.

38.22 (g) "Working full time" means working an average of at least 30 hours per week.

38.23 Subd. 2. **Program established.** (a) The commissioner must establish a greater Minnesota  
38.24 loan forgiveness program for individuals who work in a qualifying position.

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

38.26 Subd. 3. **Eligibility.** (a) To be eligible to receive loan forgiveness under this section, an  
38.27 applicant must:

38.28 (1) be a Minnesota resident;

38.29 (2) have a qualifying student loan balance;

38.30 (3) have earned a degree, diploma, or certificate from a qualifying educational institution;

39.1 (4) have worked full time for a 12-month period in one or more qualifying positions;  
39.2 and

39.3 (5) have a debt-to-income ratio of at least 0.10.

39.4 (b) An eligible applicant may receive one loan forgiveness award of the amount specified  
39.5 in this section for each 12-month period that the applicant works for a qualifying employer.  
39.6 An individual may receive a loan forgiveness award under this section no more than five  
39.7 times.

39.8 Subd. 4. **Application.** (a) To be considered for a loan forgiveness award, an applicant  
39.9 must apply in a form and manner specified by the commissioner.

39.10 (b) An applicant must reapply to the commissioner each year that the applicant wishes  
39.11 to receive an award. The application must include proof that the participant has worked full  
39.12 time for a 12-month period for one or more qualifying employers.

39.13 Subd. 5. **Prioritization of applicants.** If appropriations for the program under this  
39.14 section are insufficient to provide a loan forgiveness award to each eligible applicant, the  
39.15 commissioner must preferentially award loan forgiveness to applicants:

39.16 (1) with a qualifying student loan balance of at least \$5,000; and

39.17 (2) working in occupations that do not qualify for other state or federal loan forgiveness  
39.18 programs that are limited to particular occupations.

39.19 Subd. 6. **Amount of forgiveness.** (a) The commissioner must provide a loan forgiveness  
39.20 award to an eligible applicant on a funds available basis, as provided in this section.

39.21 (b) For each year of qualifying full-time work a participant completes, the participant  
39.22 is eligible for a loan forgiveness award equal to the lesser of:

39.23 (1) \$3,000;

39.24 (2) ten percent of the remaining balance of a participant's qualifying student loans the  
39.25 first year a participant received an award under this section; or

39.26 (3) the remaining balance of a participant's qualifying student loans.

39.27 Subd. 7. **Disbursement.** The commissioner must disburse an award under this section  
39.28 directly to the participant's student loan servicer or servicers.

39.29 Subd. 8. **Fund established.** A greater Minnesota loan forgiveness fund is created for  
39.30 depositing money appropriated to or received by the commissioner for the program. Money

40.1 deposited in the fund shall not revert to any state fund at the end of any fiscal year but  
40.2 remains in the fund and is continuously available for loan forgiveness under this section.

40.3 Subd. 9. **Reporting.** By February 1 of each year, the commissioner must annually report  
40.4 to the legislative committees with jurisdiction over higher education and economic  
40.5 development on the results of the program in the previous year. At a minimum, the report  
40.6 must include data on:

40.7 (1) the number of applicants;

40.8 (2) the highest degree obtained by applicants;

40.9 (3) the industries in which applicants worked;

40.10 (4) the counties in which applicants worked and resided;

40.11 (5) the average student loan balance of applicants;

40.12 (6) the mean and median loan forgiveness award;

40.13 (7) the total amount of debt forgiven under the program;

40.14 (8) the mean and median income of applicants;

40.15 (9) the mean debt-to-income ratio of applicants; and

40.16 (10) the number of greater Minnesota loan forgiveness awards that award recipients  
40.17 received previously.

40.18 **Sec. 9. [136A.1789] AVIATION DEGREE LOAN FORGIVENESS PROGRAM.**

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

40.21 (b) "Qualified aircraft technician" means an individual who (1) has earned an associate's  
40.22 or bachelor's degree from a postsecondary institution located in Minnesota, and (2) has  
40.23 obtained an aviation mechanic's certificate from the Federal Aviation Administration.

40.24 (c) "Qualified education loan" means a government, commercial, or foundation loan  
40.25 used by an individual for actual costs paid for tuition to a postsecondary institution located  
40.26 in Minnesota for a professional flight training degree.

40.27 (d) "Qualified pilot" means an individual who (1) has earned an associate's or bachelor's  
40.28 degree in professional flight training from a postsecondary institution located in Minnesota,  
40.29 and (2) is in the process of obtaining or has obtained an airline transport pilot certificate.

41.1 Subd. 2. **Creation of account.** (a) An aviation degree loan forgiveness program account  
41.2 is established to provide qualified pilots and qualified aircraft technicians with financial  
41.3 assistance in repaying qualified education loans. The commissioner must use money from  
41.4 the account to establish and administer the aviation degree loan forgiveness program.

41.5 (b) Appropriations made to the aviation degree loan forgiveness program account do  
41.6 not cancel and are available until expended.

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

41.9 (1) be a qualified pilot or qualified aircraft technician;

41.10 (2) have qualified education loans;

41.11 (3) reside in Minnesota; and

41.12 (4) submit an application to the commissioner in the form and manner prescribed by the  
41.13 commissioner.

41.14 (b) An applicant selected to participate must sign a contract to agree to serve a minimum  
41.15 one-year full-time service obligation according to subdivision 4. To complete the service  
41.16 obligation, the applicant must work full time in Minnesota as a qualified pilot or qualified  
41.17 aircraft technician. A participant must complete one year of service under this paragraph  
41.18 for each year the participant receives an award under this section.

41.19 Subd. 4. **Service obligation.** (a) Before receiving loan repayment disbursements and as  
41.20 requested, a participant must verify to the commissioner that the participant is employed in  
41.21 a position that fulfills the service obligation as required under subdivision 3, paragraph (b).

41.22 (b) If a participant does not fulfill the required service obligation, the commissioner  
41.23 must collect from the participant the total amount paid to the participant under the loan  
41.24 forgiveness program plus interest at a rate established according to section 270C.40. The  
41.25 commissioner must deposit the money collected in the aviation degree loan forgiveness  
41.26 account. The commissioner must allow waivers of all or part of the money owed the  
41.27 commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented  
41.28 fulfillment of the minimum service commitment.

41.29 Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each  
41.30 year for participation in the aviation degree loan forgiveness program, within the limits of  
41.31 available funding. Applicants are responsible for securing their own qualified education  
41.32 loans.

42.1 (b) For each year that the participant meets the eligibility requirements under subdivision  
42.2 3, the commissioner must make annual disbursements directly to:

42.3 (1) a selected qualified pilot of \$5,000 or the balance of the participant's qualified  
42.4 education loans, whichever is less; and

42.5 (2) a selected qualified aircraft technician of \$3,000 or the balance of the participant's  
42.6 qualified education loans, whichever is less.

42.7 (c) An individual may receive disbursements under this section for a maximum of five  
42.8 years.

42.9 (d) The participant must provide the commissioner with verification that the full amount  
42.10 of the loan repayment disbursement received by the participant has been applied toward the  
42.11 designated qualified education loan. After each disbursement, verification must be received  
42.12 by the commissioner and approved before the next repayment disbursement is made.

42.13 (e) If the participant receives a disbursement in the participant's fifth year of eligibility,  
42.14 the participant must provide the commissioner with verification that the full amount of the  
42.15 participant's final loan repayment disbursement was applied toward the designated qualified  
42.16 education loan. If a participant does not provide the verification as required under this  
42.17 paragraph within six months of receipt of the final disbursement, the commissioner must  
42.18 collect from the participant the amount of the final disbursement. The commissioner must  
42.19 deposit the money collected in the aviation degree loan forgiveness program account.

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

42.21 Sec. 10. **[136A.1794] AGRICULTURAL EDUCATION LOAN FORGIVENESS**  
42.22 **PROGRAM.**

42.23 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision  
42.24 have the meanings given.

42.25 (b) "Qualified education loan" means a government, commercial, or foundation loan for  
42.26 actual costs paid for tuition, reasonable education expenses, and reasonable living expenses  
42.27 related to the graduate or undergraduate education of a qualified teacher.

42.28 (c) "Qualified teacher" means a teacher licensed under chapter 122A who:

42.29 (1) is employed in a nonadministrative position teaching agricultural education in any  
42.30 grade from grades 5 through 12 at a Minnesota school during the current year; and

43.1 (2) has completed an undergraduate or graduate program in agricultural education at a  
43.2 college or university approved by the state of Minnesota to prepare persons for teacher  
43.3 licensure.

43.4 (d) "School" means the following:

43.5 (1) a school or program operated by a school district or a group of school districts;

43.6 (2) a tribal contract school eligible to receive aid according to section 124D.83;

43.7 (3) a charter school; or

43.8 (4) a private school.

43.9 Subd. 2. **Account; appropriation.** An agricultural education loan forgiveness account  
43.10 is established in the special revenue fund to provide qualified teachers with financial  
43.11 assistance to repay qualified education loans. Money in the account, including interest, is  
43.12 appropriated to the commissioner for purposes of this section.

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

43.15 (1) be a qualified teacher;

43.16 (2) have qualified education loans; and

43.17 (3) submit an application to the commissioner in the form and manner prescribed by the  
43.18 commissioner.

43.19 (b) An applicant selected to participate must sign a contract to agree to serve a minimum  
43.20 one-year full-time service obligation according to subdivision 4. To complete the service  
43.21 obligation, the applicant must work full time in Minnesota as a qualified teacher. A participant  
43.22 must complete one year of service under this paragraph for each year the participant receives  
43.23 an award under this section.

43.24 Subd. 4. **Service obligation.** (a) Before receiving loan repayment disbursements and as  
43.25 requested, a participant must verify to the commissioner that the participant is employed in  
43.26 a position that fulfills the service obligation as required under subdivision 3, paragraph (b).

43.27 (b) If a participant does not fulfill the required service obligation, the commissioner  
43.28 must collect from the participant the total amount paid to the participant under the loan  
43.29 forgiveness program plus interest at a rate established according to section 270C.40. The  
43.30 commissioner must deposit the money collected in the agricultural education loan forgiveness  
43.31 account. The commissioner must allow waivers of all or part of the money owed the

44.1 commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented  
44.2 fulfillment of the minimum service commitment.

44.3 Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each  
44.4 year for participation in the agricultural education loan forgiveness program, within the  
44.5 limits of available funding. Applicants are responsible for securing their own qualified  
44.6 education loans.

44.7 (b) The commissioner must make annual disbursements directly to the eligible participant  
44.8 of \$3,000 or the balance of the participant's qualified education loans, whichever is less,  
44.9 for each year that the participant meets the eligibility requirements under subdivision 3, up  
44.10 to a maximum of five years.

44.11 (c) The participant must provide the commissioner with verification that the full amount  
44.12 of the loan repayment disbursement received by the participant has been applied toward the  
44.13 designated qualified education loan. After each disbursement, verification must be received  
44.14 by the commissioner and approved before the next repayment disbursement is made.

44.15 Sec. 11. Minnesota Statutes 2016, section 136A.653, is amended by adding a subdivision  
44.16 to read:

44.17 Subd. 5. **Regionally accredited nonprofit institutions in Minnesota.** (a) A regionally  
44.18 accredited nonprofit postsecondary institution with its primary physical location in Minnesota  
44.19 is exempt from the provisions of sections 136A.61 to 136A.71 when it creates new or  
44.20 modifies existing:

44.21 (1) majors, minors, concentrations, specializations, and areas of emphasis within approved  
44.22 degrees;

44.23 (2) nondegree programs within approved degrees;

44.24 (3) underlying curriculum or courses;

44.25 (4) modes of delivery;

44.26 (5) locations; and

44.27 (6) fees related to clauses (1) to (5).

44.28 (b) The institution must annually notify the commissioner of the exempt actions listed  
44.29 in paragraph (a) and, upon the commissioner's request, must provide additional information  
44.30 about the action.

44.31 (c) The institution must notify the commissioner within 60 days of a program closing.

45.1 (d) Nothing in this subdivision exempts an institution from the annual registration and  
 45.2 degree approval requirements of sections 136A.61 to 136A.71.

45.3 Sec. 12. Minnesota Statutes 2016, section 136A.685, is amended to read:

45.4 **136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR**  
 45.5 **MISREPRESENTATION.**

45.6 The office ~~shall not provide~~ may revoke, or deny an application for, registration or degree  
 45.7 or name approval to a school if there has been a criminal, civil, or administrative adjudication  
 45.8 of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the  
 45.9 school or its owner, officers, agents, or sponsoring organization. If the adjudication was  
 45.10 related to a particular academic program, the office may revoke degree approval, or deny  
 45.11 an application for degree approval, for that program only.

45.12 The adjudication of fraud or misrepresentation is sufficient cause for the office to  
 45.13 determine that a school:

45.14 (1) does not qualify for exemption under section 136A.657; or

45.15 (2) is not approved to grant degrees or to use the term "academy," "college," "institute,"  
 45.16 or "university" in its name.

45.17 Sec. 13. Minnesota Statutes 2016, section 136A.902, subdivision 1, is amended to read:

45.18 Subdivision 1. **Membership.** The commissioner shall appoint a ~~12-member~~ 14-member  
 45.19 advisory council consisting of:

45.20 (1) one member representing the University of Minnesota Medical School;

45.21 (2) one member representing the Mayo Medical School;

45.22 (3) one member representing the Courage Kenny Rehabilitation Center;

45.23 (4) one member representing Hennepin County Medical Center;

45.24 (5) one member who is a neurosurgeon;

45.25 (6) one member who has a spinal cord injury;

45.26 (7) one member who is a family member of a person with a spinal cord injury;

45.27 (8) one member who has a traumatic brain injury;

45.28 (9) one member who is a veteran who has a spinal cord injury ~~or a traumatic brain injury;~~

45.29 (10) one member who is a veteran who has a traumatic brain injury;

46.1 (11) one member who is a family member of a person with a traumatic brain injury;

46.2 ~~(11)~~ (12) one member who is a physician specializing in the treatment of spinal cord  
46.3 injury ~~representing Gillette Children's Specialty Healthcare; and~~

46.4 ~~(12)~~ (13) one member who is a physician specializing in the treatment of traumatic brain  
46.5 injury; and

46.6 (14) one member representing Gillette Children's Specialty Healthcare.

46.7 Sec. 14. **STATE GRANT REPORT.**

46.8 (a) The commissioner of higher education must report to the legislature the estimated  
46.9 amount of funding necessary for the state grant program to fully meet the financial aid needs  
46.10 of lower- and middle-income Minnesota college students based on the program's shared  
46.11 responsibility design. The report must include an estimate of:

46.12 (1) the amount a student should be expected to contribute toward the cost of education  
46.13 through borrowing and employment;

46.14 (2) the amount a student's family should be expected to contribute toward the cost of  
46.15 education, based on the family's financial circumstances;

46.16 (3) the actual living and miscellaneous expenses of a student, including room, board,  
46.17 transportation, and the cost of textbooks; and

46.18 (4) equitable tuition maximums for public and nonprofit institutions that reflect both  
46.19 tuition charged and the subsidy provided to all students at public institutions received through  
46.20 direct appropriations.

46.21 (b) The commissioner must submit the report to the higher education committees of the  
46.22 legislature by October 15, 2017.

46.23 **ARTICLE 4**

46.24 **OFFICE OF HIGHER EDUCATION AGENCY POLICY**

46.25 Section 1. Minnesota Statutes 2016, section 135A.15, subdivision 1a, is amended to read:

46.26 Subd. 1a. **Sexual assault definition.** For the purposes of this section, "sexual assault"  
46.27 means ~~forcible sex offenses~~ rape, sex offenses - fondling, or sex offenses - statutory rape  
46.28 as defined in Code of Federal Regulations, title 34, part 668, subpart D, appendix A, as  
46.29 amended.

47.1 Sec. 2. Minnesota Statutes 2016, section 136A.103, is amended to read:

47.2 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

47.3 (a) A postsecondary institution is eligible for state student aid under chapter 136A and  
47.4 sections 197.791 and 299A.45, if the institution is located in this state and:

47.5 (1) is operated by this state or the Board of Regents of the University of Minnesota; or

47.6 (2) is operated privately and, as determined by the office, meets the requirements of  
47.7 paragraph (b).

47.8 (b) A private institution must:

47.9 (1) maintain academic standards substantially equivalent to those of comparable  
47.10 institutions operated in this state;

47.11 (2) be licensed or registered as a postsecondary institution by the office; and

47.12 (3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of  
47.13 the Higher Education Act of 1965, Public Law 89-329, as amended; or

47.14 (ii) if an institution was participating in state student aid programs as of June 30, 2010,  
47.15 and the institution did not participate in the federal Pell Grant program by June 30, 2010,  
47.16 the institution must require every student who enrolls to sign a disclosure form, provided  
47.17 by the office, stating that the institution is not participating in the federal Pell Grant program.

47.18 (c) An institution that offers only graduate-level degrees or graduate-level nondegree  
47.19 programs, ~~or that offers only degrees or programs that do not meet the required minimum~~  
47.20 ~~program length to participate in the federal Pell Grant program,~~ is an eligible institution if  
47.21 the institution is licensed or registered as a postsecondary institution by the office.

47.22 (d) An eligible institution under paragraph (b), clause (3), item (ii), that changes  
47.23 ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell  
47.24 Grant program within four calendar years of the first ownership change to continue eligibility.

47.25 (e) An institution that loses its eligibility for the federal Pell Grant program is not an  
47.26 eligible institution.

47.27 (f) An institution must maintain adequate administrative and financial standards and  
47.28 compliance with all state statutes, rules, and administrative policies related to state financial  
47.29 aid programs.

48.1 Sec. 3. Minnesota Statutes 2016, section 136A.1795, subdivision 4, is amended to read:

48.2 Subd. 4. **Loan forgiveness.** (a) The commissioner may select a maximum of five  
48.3 applicants each year for participation in the loan forgiveness program, within the limits of  
48.4 available funding. Applicants are responsible for securing their own qualified educational  
48.5 loans.

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

48.9 (c) The commissioner must make annual disbursements directly to the participant of  
48.10 \$15,000 or the balance of the participant's qualifying educational loans, whichever is less,  
48.11 for each year that a participant meets the service obligation required under subdivision 3,  
48.12 paragraph (b), up to a maximum of five years.

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

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

48.22 Sec. 4. Minnesota Statutes 2016, section 136A.62, is amended by adding a subdivision to  
48.23 read:

48.24 Subd. 8. **Entity.** "Entity" means a specific school or campus location.

48.25 Sec. 5. Minnesota Statutes 2016, section 136A.646, is amended to read:

48.26 **136A.646 ADDITIONAL SECURITY.**

48.27 (a) ~~In the event~~ New schools that have been granted conditional approval for degrees or  
48.28 names to allow them the opportunity to apply for and receive accreditation under section  
48.29 136A.65, subdivision 7, or any registered institution that is notified by the United States  
48.30 Department of Education that it has fallen below minimum financial standards and that its  
48.31 continued participation in Title IV will be conditioned upon its satisfying either the Zone  
48.32 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter

49.1 of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c),  
 49.2 ~~the institution~~ shall provide a surety bond ~~conditioned upon the faithful performance of all~~  
 49.3 ~~contracts and agreements with students~~ in a sum equal to the "letter of credit" required by  
 49.4 the United States Department of Education in the Letter of Credit Alternative, but in no  
 49.5 event shall such bond be less than \$10,000 nor more than \$250,000.

49.6 (b) In lieu of a bond, the applicant may deposit with the commissioner of management  
 49.7 and budget:

49.8 (1) a sum equal to the amount of the required surety bond in cash; ~~or~~

49.9 (2) securities, as may be legally purchased by savings banks or for trust funds, in an  
 49.10 aggregate market value equal to the amount of the required surety bond; or

49.11 (3) an irrevocable letter of credit issued by a financial institution to the amount of the  
 49.12 required surety bond.

49.13 (c) The surety of any bond may cancel it upon giving 60 days' notice in writing to the  
 49.14 office and shall be relieved of liability for any breach of condition occurring after the  
 49.15 effective date of cancellation.

49.16 (d) In the event of a school closure, the additional security must first be used to destroy  
 49.17 any private educational data under section 13.32 left at a physical campus in Minnesota  
 49.18 after all other governmental agencies have recovered or retrieved records under their record  
 49.19 retention policies. Any remaining funds must then be used to reimburse tuition and fee costs  
 49.20 to students that were enrolled at the time of the closure or had withdrawn in the previous  
 49.21 120 calendar days but did not graduate. Priority for refunds will be given to students in the  
 49.22 following order:

49.23 (1) cash payments made by the student or on behalf of a student;

49.24 (2) private student loans; and

49.25 (3) Veteran Administration education benefits that are not restored by the Veteran  
 49.26 Administration. If there are additional security funds remaining, the additional security  
 49.27 funds may be used to cover any administrative costs incurred by the office related to the  
 49.28 closure of the school.

49.29 Sec. 6. Minnesota Statutes 2016, section 136A.65, subdivision 1a, is amended to read:

49.30 Subd. 1a. **Accreditation; requirement.** (a) A school must not be registered ~~or authorized~~  
 49.31 ~~to offer any degree at any level~~ unless the school is ~~accredited~~ has institutional accreditation  
 49.32 by an agency recognized by the United States Department of Education for purposes of

50.1 eligibility to participate in Title IV federal financial aid programs. Any registered school  
50.2 undergoing institutional accreditation shall inform the office of site visits by the accrediting  
50.3 agency and provide office staff the opportunity to attend the visits, ~~including~~ excluding any  
50.4 exit interviews. The institution must provide the office with a copy of the final report upon  
50.5 ~~receipt~~ request of the office.

50.6 (b) A school must not be authorized to offer any degree unless the program has  
50.7 programmatic accreditation or the school has institutional accreditation by an agency  
50.8 recognized by the United States Department of Education for purposes of eligibility to  
50.9 participate in Title IV federal financial aid programs. Any program offered by a registered  
50.10 school that does not have institutional accreditation and is undergoing programmatic  
50.11 accreditation shall inform the office of site visits by the accrediting agency and provide  
50.12 office staff the opportunity to attend the visits, excluding any exit interviews. The school  
50.13 must provide the office with a copy of the final report by the accreditor upon request of the  
50.14 office.

50.15 Sec. 7. Minnesota Statutes 2016, section 136A.65, subdivision 4, is amended to read:

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

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

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

50.24 (3) the school operates in conformity with generally accepted ~~budgeting and~~ accounting  
50.25 principles according to the type of school;

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

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

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

50.31 (7) the school uses only publications and advertisements which are truthful and do not  
50.32 give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school,

51.1 its personnel, programs, services, or occupational opportunities for its graduates for promotion  
51.2 and student recruitment;

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

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

51.7 (i) comprehensive and accurate policies relating to student admission, evaluation,  
51.8 suspension, and dismissal;

51.9 (ii) clear and accurate policies relating to granting credit for prior education, training,  
51.10 and experience and for courses offered by the school;

51.11 (iii) current schedules of fees, charges for tuition, required supplies, student activities,  
51.12 housing, and all other standard charges;

51.13 (iv) policies regarding refunds and adjustments for withdrawal or modification of  
51.14 enrollment status; and

51.15 (v) procedures and standards used for selection of recipients and the terms of payment  
51.16 and repayment for any financial aid program; and

51.17 (10) the school must not withhold a student's official transcript because the student is  
51.18 in arrears or in default on any loan issued by the school to the student if the loan qualifies  
51.19 as an institutional loan under United States Code, title 11, section 523(a)(8)(b).

51.20 (b) An application for degree approval must also include:

51.21 (i) title of degree and formal recognition awarded;

51.22 (ii) location where such degree will be offered;

51.23 (iii) proposed implementation date of the degree;

51.24 (iv) admissions requirements for the degree;

51.25 (v) length of the degree;

51.26 (vi) projected enrollment for a period of five years;

51.27 (vii) the curriculum required for the degree, including course syllabi or outlines;

51.28 (viii) statement of academic and administrative mechanisms planned for monitoring the  
51.29 quality of the proposed degree;

51.30 (ix) statement of satisfaction of professional licensure criteria, if applicable;

52.1 (x) documentation of the availability of clinical, internship, externship, or practicum  
52.2 sites, if applicable; and

52.3 (xi) statement of how the degree fulfills the institution's mission and goals, complements  
52.4 existing degrees, and contributes to the school's viability.

52.5 Sec. 8. Minnesota Statutes 2016, section 136A.65, subdivision 7, is amended to read:

52.6 Subd. 7. **Conditional approval.** (a) The office may grant a school a one-year conditional  
52.7 approval for a degree or use of a term in its name for a period of less than one year if doing  
52.8 so would be in the best interests of currently enrolled students or prospective students.  
52.9 Conditional approval of a degree or use of a term under this paragraph must not exceed a  
52.10 period of three years.

52.11 (b) The office may grant new schools ~~may be granted~~ and programs a one-year conditional  
52.12 approval for degrees or ~~names annually for a period not to exceed five years~~ use of a term  
52.13 in its name to allow ~~them~~ the school the opportunity to apply for and receive accreditation  
52.14 as required in subdivision 1a. Conditional approval of a school or program under this  
52.15 paragraph must not exceed a period of five years. A new school or program granted  
52.16 conditional approval may be allowed to continue as a ~~registered institution~~ in order to  
52.17 complete an accreditation process upon terms and conditions the office determines.

52.18 (c) The office may grant a registered school a one-year conditional approval for degrees  
52.19 or use of a term in its name to allow the school the opportunity to apply for and receive  
52.20 accreditation as required in subdivision 1a if the school's accrediting agency is no longer  
52.21 recognized by the United States Department of Education for purposes of eligibility to  
52.22 participate in Title IV federal financial aid programs. The office must not grant conditional  
52.23 approvals under this paragraph to a school for a period of more than five years.

52.24 (d) The office may grant a registered school a one-year conditional approval for degrees  
52.25 or use of a term in its name to allow the school to change to a different accrediting agency  
52.26 recognized by the United States Department of Education for purposes of eligibility to  
52.27 participate in Title IV federal financial aid programs. The office must not grant conditional  
52.28 approvals under this paragraph to a school for a period of more than five years.

52.29 Sec. 9. Minnesota Statutes 2016, section 136A.653, is amended to read:

52.30 **136A.653 EXEMPTIONS.**

52.31 Subdivision 1. **Application.** A school that seeks an exemption from the provisions of  
52.32 sections 136A.61 to 136A.71 must apply to the office to establish that the school meets the

53.1 requirements of an exemption. An exemption expires two years from the date of approval  
53.2 or until a school adds a new program or makes a modification equal to or greater than 25  
53.3 percent to an existing educational program. If a school is reapplying for an exemption, the  
53.4 application must be submitted to the office 90 days before the current exemption expires.

53.5 ~~Subdivision 1.~~ Subd. 1a. **Exemption Private career schools.** A school that is subject  
53.6 to licensing by the office under sections 136A.82 to 136A.834 is exempt from the provisions  
53.7 of sections 136A.61 to 136A.71. The determination of the office as to whether a particular  
53.8 school is subject to regulation under sections 136A.82 to 136A.834 is final for the purposes  
53.9 of this exemption.

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

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

53.20 **Subd. 3a. Tuition-free educational courses.** A school, including a school using an  
53.21 online platform service, offering training, courses, or programs is exempt from sections  
53.22 136A.61 to 136A.71, to the extent ~~it offers tuition-free courses to students in Minnesota. A~~  
53.23 ~~course will be considered tuition-free if the school charges no tuition and the required fees~~  
53.24 ~~and other required charges paid by the student for the course~~ tuition, fees, and any other  
53.25 charges for a student to participate do not exceed two percent of the most recent average  
53.26 undergraduate tuition and required fees as of January 1 of the current year charged for  
53.27 full-time students at all degree-granting institutions as published annually by the United  
53.28 States Department of Education as of January 1 of each year. To qualify for an exemption,  
53.29 a school or online platform service must prominently display a notice comparable to the  
53.30 following: "IMPORTANT: Each educational institution makes its own decision regarding  
53.31 whether to accept completed coursework for credit. Check with your university or college."

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

54.1 Sec. 10. Minnesota Statutes 2016, section 136A.657, is amended by adding a subdivision  
54.2 to read:

54.3 Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections  
54.4 136A.61 to 136A.71 must apply to the office to establish that the school meets the  
54.5 requirements of an exemption. An exemption expires two years from the date of approval  
54.6 or when a school adds a new program or makes a modification equal to or greater than 25  
54.7 percent to an existing educational program. If a school is reapplying for an exemption, the  
54.8 application must be submitted to the office 90 days before the current exemption expires.

54.9 Sec. 11. Minnesota Statutes 2016, section 136A.67, is amended to read:

54.10 **136A.67 REGISTRATION REPRESENTATIONS.**

54.11 No school and none of its officials or employees shall advertise or represent in any  
54.12 manner that such school is approved or accredited by the office or the state of Minnesota,  
54.13 except a school which is duly registered with the office, or any of its officials or employees,  
54.14 may represent in advertising and shall disclose in catalogues, applications, and enrollment  
54.15 materials that the school is registered with the office by prominently displaying the following  
54.16 statement: "(Name of school) is registered with the ~~office~~ Minnesota Office of Higher  
54.17 Education pursuant to sections 136A.61 to 136A.71. Registration is not an endorsement of  
54.18 the institution. Credits earned at the institution may not transfer to all other institutions." In  
54.19 addition, all registered schools shall publish in the school catalog or student handbook the  
54.20 name, street address, telephone number, and Web site address of the office.

54.21 Sec. 12. **[136A.672] STUDENT COMPLAINTS.**

54.22 Subdivision 1. **Authority.** The office has the authority to review and take appropriate  
54.23 action on student complaints from schools covered under the provisions of sections 136A.61  
54.24 to 136A.71.

54.25 Subd. 2. **Complaint.** A complaint must be in writing, be signed by a student, and state  
54.26 how the school's policies and procedures or sections 136A.61 to 136A.71 were violated.  
54.27 Student complaints shall be limited to complaints that occurred within six years from the  
54.28 date the concern should have been discovered with reasonable effort and after the student  
54.29 has utilized the school's internal complaint process. Students do not have to utilize a school's  
54.30 internal complaint process before the office has authority when the student is alleging fraud  
54.31 or misrepresentation. The office shall not investigate grade disputes, student conduct  
54.32 proceedings, disability accommodation requests, and discrimination claims, including Title  
54.33 IX complaints.

55.1 Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a  
55.2 complaint within the authority of subdivision 2. A school involved in an investigation shall  
55.3 be informed of the alleged violations and the processes of the investigation. A school  
55.4 involved in an investigation shall respond to the alleged violations and provide requested  
55.5 documentation to the office. Upon completing an investigation, the office shall inform the  
55.6 school and the student of the investigation outcome.

55.7 Subd. 4. **Penalties.** If violations are found, the office may require remedial action by  
55.8 the school or assign a penalty under section 136A.705. Remedial action may include student  
55.9 notification of violations, adjustments to the school's policies and procedures, and tuition  
55.10 or fee refunds to impacted students.

55.11 Sec. 13. Minnesota Statutes 2016, section 136A.68, is amended to read:

55.12 **136A.68 RECORDS.**

55.13 A registered school shall maintain a permanent record for each student for 50 years from  
55.14 the last date of the student's attendance. A registered school offering distance instruction to  
55.15 a student located in Minnesota shall maintain a permanent record for each Minnesota student  
55.16 for 50 years from the last date of the student's attendance. Records include a student's  
55.17 academic transcript, documents, and files containing student data about academic credits  
55.18 earned, courses completed, grades awarded, degrees awarded, and periods of attendance.  
55.19 To preserve permanent records, a school shall submit a plan that meets the following  
55.20 requirements:

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

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

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

55.28 (4) if the school has no binding agreement approved by the office for preserving student  
55.29 records, a continuous surety bond or an irrevocable letter of credit issued by a financial  
55.30 institution must be filed with the office in an amount not to exceed \$20,000. The bond or  
55.31 irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure,  
55.32 the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover,  
55.33 maintain, digitize, and destroy academic records.

56.1 Sec. 14. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision  
56.2 to read:

56.3 Subd. 13. **Compliance audit.** "Compliance audit" means an audit of a school's compliance  
56.4 with federal requirements related to its participation in federal Title IV student aid programs  
56.5 or other federal grant programs performed under either Uniform Grant Guidance, including  
56.6 predecessor Federal Circular A-133, or the United States Department of Education's audit  
56.7 guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions  
56.8 and Institution Servicers.

56.9 Sec. 15. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision  
56.10 to read:

56.11 Subd. 14. **Entity.** "Entity" means a specific school or campus location.

56.12 Sec. 16. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision  
56.13 to read:

56.14 Subd. 15. **Higher-level entity.** "Higher-level entity" means a corporate parent or ultimate  
56.15 parent company or, in the case of a public school, the larger public system of which an  
56.16 entity is a part.

56.17 Sec. 17. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision  
56.18 to read:

56.19 Subd. 16. **Audited financial statements.** "Audited financial statements" means the  
56.20 financial statements of an entity or higher-level entity that have been examined by a certified  
56.21 public accountant or an equivalent government agency for public entities that include (1)  
56.22 an auditor's report, a statement of financial position, an income statement, a statement of  
56.23 cash flows, and notes to the financial statements or (2) the required equivalents for public  
56.24 entities as determined by the Financial Accounting Standards Board, the Governmental  
56.25 Accounting Standards Board, or the Securities and Exchange Commission.

56.26 Sec. 18. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision  
56.27 to read:

56.28 Subd. 17. **Review-level engagement.** "Review-level engagement" means a service  
56.29 performed by a certified public accountant that provides limited assurance that there are no  
56.30 material modifications that need to be made to an entity's financial statements in order for

57.1 them to conform to generally accepted accounting principles. Review-level engagement  
57.2 provides fewer assurances than those reported under audited financial statements.

57.3 Sec. 19. Minnesota Statutes 2016, section 136A.822, subdivision 4, is amended to read:

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

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

57.8 (2) the specific programs which will be offered and the specific purposes of the  
57.9 instruction;

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

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

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

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

57.15 (7) financial documents related to the entity's and higher-level entity's most recently  
57.16 completed fiscal year:

57.17 (i) annual gross revenues from all sources;

57.18 (ii) financial statements subjected to a review level engagement or, if requested by the  
57.19 office, audited financial statements;

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

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

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

57.25 (9) copies of all Minnesota enrollment agreement forms and contract forms and all  
57.26 enrollment agreement forms and contract forms used in Minnesota; and

57.27 (10) gross income earned in the preceding year from student tuition, fees, and other  
57.28 required institutional charges, ~~unless the private career school files with the office a surety~~  
57.29 ~~bond equal to at least \$250,000 as described in subdivision 6.~~

58.1 Sec. 20. Minnesota Statutes 2016, section 136A.822, subdivision 6, is amended to read:

58.2 Subd. 6. **Bond.** (a) No license shall be issued to any private career school which  
58.3 maintains, conducts, solicits for, or advertises within the state of Minnesota any program,  
58.4 unless the applicant files with the office a continuous corporate surety bond written by a  
58.5 company authorized to do business in Minnesota conditioned upon the faithful performance  
58.6 of all contracts and agreements with students made by the applicant.

58.7 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's ~~gross~~  
58.8 net income from student tuition, fees, and other required institutional charges collected, but  
58.9 in no event less than \$10,000 ~~nor greater than \$250,000~~, except that a private career school  
58.10 may deposit a greater amount at its own discretion. A private career school in each annual  
58.11 application for licensure must compute the amount of the surety bond and verify that the  
58.12 amount of the surety bond complies with this subdivision, ~~unless the private career school~~  
58.13 ~~maintains a surety bond equal to at least \$250,000~~. A private career school that operates at  
58.14 two or more locations may combine ~~gross~~ net income from student tuition, fees, and other  
58.15 required institutional charges collected for all locations for the purpose of determining the  
58.16 annual surety bond requirement. The ~~gross~~ net tuition and fees used to determine the amount  
58.17 of the surety bond required for a private career school having a license for the sole purpose  
58.18 of recruiting students in Minnesota shall be only that paid to the private career school by  
58.19 the students recruited from Minnesota.

58.20 (2) A person required to obtain a private career school license due to the use of  
58.21 "academy," "institute," "college," or "university" in its name and which is also licensed by  
58.22 another state agency or board, except not including those schools licensed exclusively in  
58.23 order to participate in state grants or SELF loan financial aid programs, shall be required  
58.24 to provide a school bond of \$10,000.

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

58.33 (d) In lieu of bond, the applicant may deposit with the commissioner of management  
58.34 and budget a sum equal to the amount of the required surety bond in cash, an irrevocable

59.1 letter of credit issued by a financial institution equal to the amount of the required surety  
59.2 bond, or securities as may be legally purchased by savings banks or for trust funds in an  
59.3 aggregate market value equal to the amount of the required surety bond.

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

59.7 Sec. 21. Minnesota Statutes 2016, section 136A.822, subdivision 12, is amended to read:

59.8 Subd. 12. **Permanent records.** A private career school licensed under sections 136A.82  
59.9 to 136A.834 and located in Minnesota shall maintain a permanent record for each student  
59.10 for 50 years from the last date of the student's attendance. A private career school licensed  
59.11 under this chapter and offering distance instruction to a student located in Minnesota shall  
59.12 maintain a permanent record for each Minnesota student for 50 years from the last date of  
59.13 the student's attendance. Records include school transcripts, documents, and files containing  
59.14 student data about academic credits earned, courses completed, grades awarded, degrees  
59.15 awarded, and periods of attendance. To preserve permanent records, a private career school  
59.16 shall submit a plan that meets the following requirements:

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

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

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

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

59.28 Sec. 22. Minnesota Statutes 2016, section 136A.822, subdivision 13, is amended to read:

59.29 Subd. 13. **Private career schools licensed by another state agency or board.** A private  
59.30 career school required to obtain a private career school license due to the use of "academy,"  
59.31 "institute," "college," or "university" in its name or licensed for the purpose of participating  
59.32 in state financial aid under chapter 136A, and which is also licensed by another state agency

60.1 or board shall be required to satisfy only the requirements of subdivisions 4, clauses (1),  
60.2 (2), (3), (5), (7), (8), and (10); 5; 6, paragraph (b), clause (2); 8, clauses (1), (4), (7), (8),  
60.3 and (9); 9; 10, ~~clause (13)~~; and 12. If a school is licensed to participate in state financial aid  
60.4 under this chapter, the school must follow the refund policy in section 136A.827, even if  
60.5 that section conflicts with the refund policy of the licensing agency or board. A distance  
60.6 education private career school located in another state, or a school licensed to recruit  
60.7 Minnesota residents for attendance at a school outside of this state, or a school licensed by  
60.8 another state agency as its primary licensing body, may continue to use the school's name  
60.9 as permitted by its home state or its primary licensing body.

60.10 Sec. 23. Minnesota Statutes 2016, section 136A.826, subdivision 2, is amended to read:

60.11 Subd. 2. **Contract information.** A contract or enrollment agreement used by a private  
60.12 career school must include at least the following:

60.13 (1) the name and address of the private career school, clearly stated;

60.14 (2) a clear and conspicuous disclosure that the agreement is a legally binding instrument  
60.15 upon written acceptance of the student by the private career school unless canceled under  
60.16 section 136A.827;

60.17 (3) the private career school's cancellation and refund policy that shall be clearly and  
60.18 conspicuously entitled "Buyer's Right to Cancel";

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

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

60.22 (6) a clear and conspicuous explanation of the form and means of notice the student  
60.23 should use in the event the student elects to cancel the contract or sale, the effective date of  
60.24 cancellation, and the name and address, e-mail address, or phone number of the seller to  
60.25 which the notice should be sent or delivered.

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

60.28 Sec. 24. Minnesota Statutes 2016, section 136A.827, subdivision 2, is amended to read:

60.29 Subd. 2. **Private career schools using written contracts.** (a) Notwithstanding anything  
60.30 to the contrary, a private career school that uses a written contract or enrollment agreement  
60.31 shall refund all tuition, fees and other charges paid by a student, if the student gives ~~written~~

61.1 notice of cancellation within five business days after the day on which the contract was  
61.2 executed regardless of whether the program has started.

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

61.10 Sec. 25. Minnesota Statutes 2016, section 136A.827, subdivision 3, is amended to read:

61.11 Subd. 3. **Notice; amount.** (a) A private career school shall refund all tuition, fees and  
61.12 other charges paid by a student if the student gives ~~written~~ notice of cancellation within five  
61.13 business days after the day on which the student is accepted by the private career school  
61.14 regardless of whether the program has started.

61.15 (b) When a student has been accepted by the private career school and gives ~~written~~  
61.16 notice of cancellation following the fifth business day after the day of acceptance by the  
61.17 private career school, but before the start of the program, in the case of resident private  
61.18 career schools, or before the first lesson has been serviced by the private career school, in  
61.19 the case of distance education private career schools, all tuition, fees and other charges,  
61.20 except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded  
61.21 to the student.

61.22 Sec. 26. Minnesota Statutes 2016, section 136A.828, subdivision 3, is amended to read:

61.23 Subd. 3. **False statements.** (a) A private career school, agent, or solicitor shall not make,  
61.24 or cause to be made, any statement or representation, oral, written or visual, in connection  
61.25 with the offering or publicizing of a program, if the private career school, agent, or solicitor  
61.26 knows or reasonably should have known the statement or representation to be false,  
61.27 fraudulent, deceptive, substantially inaccurate, or misleading.

61.28 (b) Other than opinion-based statements or puffery, a school shall only make claims that  
61.29 are evidence-based, can be validated, and are based on current conditions and not on  
61.30 conditions that are no longer relevant.

61.31 (c) A school shall not guarantee or imply the guarantee of employment.

62.1 (d) A school shall not guarantee or advertise any certain wage or imply earnings greater  
62.2 than the prevailing wage for entry-level wages in the field of study for the geographic area  
62.3 unless advertised wages are based on verifiable wage information from graduates.

62.4 (e) If placement statistics are used in advertising or other promotional materials, the  
62.5 school must be able to substantiate the statistics with school records. These records must  
62.6 be made available to the office upon request. A school is prohibited from reporting the  
62.7 following in placement statistics:

62.8 (1) a student required to receive a job offer or start a job to be classified as a graduate;

62.9 (2) a graduate if the graduate held a position before enrolling in the program, unless  
62.10 graduating enabled the graduate to maintain the position or the graduate received a promotion  
62.11 or raise upon graduation;

62.12 (3) a graduate who works less than 20 hours per week; and

62.13 (4) a graduate who is not expected to maintain the position for at least 180 days.

62.14 (f) A school shall not use endorsements, commendations, or recommendations by a  
62.15 student in favor of a school except with the consent of the student and without any offer of  
62.16 financial or other material compensation. Endorsements may be used only when they portray  
62.17 current conditions.

62.18 (g) A school may advertise that the school or its programs have been accredited by an  
62.19 accrediting agency recognized by the United States Department of Education or the Council  
62.20 for Higher Education Accreditation, but shall not advertise any other accreditation unless  
62.21 approved by the office. The office may approve an institution's advertising of accreditation  
62.22 that is not recognized by the United States Department of Education or the Council for  
62.23 Higher Education if that accreditation is industry specific. Clear distinction must be made  
62.24 when the school is in candidacy or application status versus full accreditation.

62.25 (h) A school may advertise that financial aid is available, including a listing of the  
62.26 financial aid programs in which the school participates, but federal or state financial aid  
62.27 shall not be used as a primary incentive in advertisement, promotion, or recruitment.

62.28 (i) A school may advertise placement or career assistance, if offered, but shall not use  
62.29 the words "wanted," "help wanted," or "trainee," either in the headline or the body of the  
62.30 advertisement.

62.31 (j) A school shall not be advertised under any "help wanted," "employment," or similar  
62.32 classification.

63.1 (k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar  
63.2 test.

63.3 (l) The commissioner, at any time, may require a retraction of a false, misleading, or  
63.4 deceptive claim. To the extent reasonable, the retraction must be published in the same  
63.5 manner as the original claim.

63.6 **Sec. 27. [136A.8295] STUDENT COMPLAINTS.**

63.7 Subdivision 1. **Authority.** The office has the authority to review and take appropriate  
63.8 action on student complaints from schools covered under the provisions of sections 136A.822  
63.9 to 136A.834.

63.10 Subd. 2. **Complaint.** A complaint must be in writing, be signed by a student, and state  
63.11 how the school's policies and procedures or sections 136A.822 to 136A.834 were violated.  
63.12 Student complaints shall be limited to complaints that occurred within six years from the  
63.13 date the concern should have been discovered with reasonable effort and after the student  
63.14 has utilized the school's internal complaint process. Students do not have to utilize a school's  
63.15 internal complaint process before the office has authority when the student is alleging fraud  
63.16 or misrepresentation. The office shall not investigate grade disputes, student conduct  
63.17 proceedings, disability accommodation requests, and discrimination claims, including Title  
63.18 IX complaints.

63.19 Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a  
63.20 complaint within the authority of subdivision 2. A school involved in an investigation shall  
63.21 be informed of the alleged violations and the processes of the investigation. A school  
63.22 involved in an investigation shall respond to the alleged violations and provide requested  
63.23 documentation to the office. Upon completion of an investigation, the office shall inform  
63.24 the school and the student of the investigation outcome.

63.25 Subd. 4. **Penalties.** If violations are found, the office may require remedial action by  
63.26 the school or assign a penalty under section 136A.832. Remedial action may include student  
63.27 notification of violations, adjustments to the school's policies and procedures, and tuition  
63.28 or fee refunds to impacted students.

63.29 Sec. 28. Minnesota Statutes 2016, section 136A.83, is amended to read:

63.30 **136A.83 INSPECTION.**

63.31 (a) The office or a delegate may inspect the instructional books and records, classrooms,  
63.32 dormitories, tools, equipment and classes of any private career school or applicant for license

64.1 at any reasonable time. The office may require the submission of ~~a certified public audit,~~  
64.2 ~~or if there is no such audit available~~ audited financial statements. The office or a delegate  
64.3 may inspect the financial books and records of the private career school. In no event shall  
64.4 such financial information be used by the office to regulate or set the tuition or fees charged  
64.5 by the private career school.

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

64.11 Sec. 29. Minnesota Statutes 2016, section 136A.833, is amended to read:

64.12 **136A.833 EXEMPTIONS.**

64.13 Subdivision 1. Application for exemptions. A school that seeks an exemption from the  
64.14 provisions of sections 136A.822 to 136A.834 must apply to the office to establish that the  
64.15 school meets the requirements of an exemption. An exemption expires two years from the  
64.16 date of approval or when a school adds a new program or makes a modification equal to or  
64.17 greater than 25 percent to an existing educational program. If a school is reapplying for an  
64.18 exemption, the application must be submitted to the office 90 days before the current  
64.19 exemption expires.

64.20 Subd. 2. Exemption reasons. Sections 136A.821 to 136A.832 shall not apply to the  
64.21 following:

64.22 (1) public postsecondary institutions;

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

64.24 (3) private career schools of nursing accredited by the state Board of Nursing or an  
64.25 equivalent public board of another state or foreign country;

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

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

64.29 (6) private career schools exclusively engaged in training physically or mentally disabled  
64.30 persons for the state of Minnesota;

65.1 (7) private career schools licensed by boards authorized under Minnesota law to issue  
65.2 licenses except private career schools required to obtain a private career school license due  
65.3 to the use of "academy," "institute," "college," or "university" in their names;

65.4 (8) private career schools and educational programs, or training programs, contracted  
65.5 for by persons, firms, corporations, government agencies, or associations, for the training  
65.6 of their own employees, for which no fee is charged the employee;

65.7 (9) private career schools engaged exclusively in the teaching of purely avocational,  
65.8 recreational, or remedial subjects as determined by the office except private career schools  
65.9 required to obtain a private career school license due to the use of "academy," "institute,"  
65.10 "college," or "university" in their names unless the private career school used "academy"  
65.11 or "institute" in its name prior to August 1, 2008;

65.12 (10) classes, courses, or programs conducted by a bona fide trade, professional, or  
65.13 fraternal organization, solely for that organization's membership;

65.14 (11) programs in the fine arts provided by organizations exempt from taxation under  
65.15 section 290.05 and registered with the attorney general under chapter 309. For the purposes  
65.16 of this clause, "fine arts" means activities resulting in artistic creation or artistic performance  
65.17 of works of the imagination which are engaged in for the primary purpose of creative  
65.18 expression rather than commercial sale or employment. In making this determination the  
65.19 office may seek the advice and recommendation of the Minnesota Board of the Arts;

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

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

65.26 (14) classes, courses, or programs providing 16 or fewer clock hours of instruction that  
65.27 are not part of the curriculum for an occupation or entry level employment except private  
65.28 career schools required to obtain a private career school license due to the use of "academy,"  
65.29 "institute," "college," or "university" in their names;

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

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

66.4 (17) private career schools with no physical presence in Minnesota, as determined by  
66.5 the office, engaged exclusively in offering distance instruction that are located in and  
66.6 regulated by other states or jurisdictions if the distance education instruction does not include  
66.7 internships, externships, field placements, or clinical placements for residents of Minnesota;  
66.8 and

66.9 (18) private career schools providing exclusively training, instructional programs, or  
66.10 courses where tuition, fees, and any other charges for a student to participate do not exceed  
66.11 \$100.

66.12 Sec. 30. Minnesota Statutes 2016, section 136A.834, is amended by adding a subdivision  
66.13 to read:

66.14 Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections  
66.15 136A.82 to 136A.834 must apply to the office to establish that the school meets the  
66.16 requirements of an exemption. An exemption expires two years from the date of approval  
66.17 or when a school adds a new program or makes a modification equal to or greater than 25  
66.18 percent to an existing educational program. If a school is reapplying for an exemption, the  
66.19 application must be submitted to the office 90 days before the current exemption expires.

66.20 Sec. 31. Laws 2015, chapter 69, article 3, section 20, subdivision 10, is amended to read:

66.21 Subd. 10. **Credit load.** By the end of the first academic year including summer term, a  
66.22 grantee must have accumulated at least the lesser of 30 program credits by the end of the  
66.23 first academic year including summer term or the number of credits that the student's program  
66.24 is scheduled for during the first academic year. A college must certify that a grantee is  
66.25 carrying sufficient credits in the second grant year to complete the program at the end of  
66.26 the second year, including summer school. The commissioner shall set the terms and provide  
66.27 the form for certification.

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

APPENDIX  
Article locations in H2477-1

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ARTICLE 4	OFFICE OF HIGHER EDUCATION AGENCY POLICY .....	Page.Ln 46.23