

State of Minnesota

HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. **2647**

03/03/2014 Authored by Pelowski
The bill was read for the first time and referred to the Committee on Higher Education Finance and Policy

03/06/2014 Adoption of Report: Placed on the General Register
Read Second Time

03/13/2014 Calendar for the Day
Read Third Time
Passed by the House and transmitted to the Senate

A bill for an act

1.1 relating to higher education; modernizing, streamlining, and clarifying various
1.2 statutes; eliminating unnecessary or redundant laws and rules; deleting
1.3 obsolete language and unnecessary verbiage; amending Minnesota Statutes
1.4 2012, sections 135A.051, subdivision 3; 135A.14, subdivision 6a; 136A.002;
1.5 136A.01, as amended; 136A.05, subdivision 1; 136A.06; 136A.08, subdivisions
1.6 2, 7; 136A.101, subdivisions 7, 7a, 7b, by adding a subdivision; 136A.121,
1.7 subdivisions 2, 9; 136A.125, subdivision 1; 136A.126, subdivisions 2, 4;
1.8 136A.1311; 136A.15, subdivision 8; 136A.16, subdivisions 1, 5; 136A.162;
1.9 136A.1701, subdivision 1; 136A.171; 136A.232; 136A.233, subdivisions 1,
1.10 4; 136A.65, subdivision 6; 136A.685; 136A.861, subdivision 6; 136F.01;
1.11 136F.02, subdivision 1; 136F.03, subdivision 1; 136F.04, subdivision 2;
1.12 136F.045; 136F.05; 136F.10; 136F.12; 136F.14; 136F.18; 136F.23; 136F.28,
1.13 subdivision 1; 136F.48; 136F.482; 136F.581, subdivision 1; 136F.60, subdivision
1.14 1; 136F.65; 136F.705; 136F.90, subdivision 1; 136F.92; 136F.93; 136F.94;
1.15 136F.95; 136F.96; 136F.97; 136F.98, subdivisions 1, 3; 136G.09, subdivision
1.16 8; 137.52; Minnesota Statutes 2013 Supplement, sections 136A.03; 136A.125,
1.17 subdivision 2; 136A.126, subdivision 1; 136A.129, subdivision 2; 136A.1795,
1.18 subdivisions 2, 3, 4, 5; 136A.1796, subdivisions 2, 3, 4; 136A.233, subdivision
1.19 2; 136A.861, subdivisions 1, 3; repealing Minnesota Statutes 2012, sections
1.20 135A.14, subdivision 6; 136A.05, subdivision 2; 136A.101, subdivision 2;
1.21 136A.15, subdivisions 3, 5; 136A.16, subdivisions 3, 4, 6, 7; 136A.17; 136A.62,
1.22 subdivision 2; 136F.11; 136F.44, subdivision 2; 136F.49; 136F.90, subdivision 6;
1.23 137.02, subdivision 1; 137.59; Minnesota Statutes 2013 Supplement, sections
1.24 136A.101, subdivision 3; 136A.15, subdivision 4; 136A.16, subdivision
1.25 10; Minnesota Rules, parts 4810.2100; 4810.2200; 4810.2300; 4810.2400;
1.26 4810.2500; 4810.2600; 4810.2700; 4810.2800; 4830.5000; 4830.5100;
1.27 4830.5200, subparts 1, 3; 4830.5300; 4830.5400.

1.28
1.29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.30 Section 1. Minnesota Statutes 2012, section 135A.051, subdivision 3, is amended to
1.31 read:

2.1 Subd. 3. **Applicability.** The provisions of this section apply to a student enrolled
 2.2 in a ~~technical college, community college, state university, and the University of~~ public
 2.3 postsecondary institution in Minnesota.

2.4 Sec. 2. Minnesota Statutes 2012, section 135A.14, subdivision 6a, is amended to read:

2.5 Subd. 6a. **Hepatitis and meningitis information.** Each public and private
 2.6 postsecondary institution shall provide information on the transmission, treatment, and
 2.7 prevention of hepatitis A, B, and C, and the risks of meningococcal disease and on the
 2.8 availability and effectiveness of any vaccine to each individual who is a first-time enrollee
 2.9 and who resides in on-campus student housing all persons who are first-time enrollees.
 2.10 The institution may provide the information in an electronic format. The institution must
 2.11 consult with the Department of Health on the preparation of the informational materials
 2.12 provided under this subdivision.

2.13 Sec. 3. Minnesota Statutes 2012, section 136A.002, is amended to read:

2.14 **136A.002 DEFINITIONS.**

2.15 Subdivision 1. **Scope.** For purposes of this chapter, the terms defined in this section
 2.16 have the meanings given them.

2.17 Subd. 2. **Office of Higher Education or office.** ~~"Office of Higher Education" or~~
 2.18 ~~"Office"~~ means the Minnesota Office of Higher Education.

2.19 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of the Office of
 2.20 Higher Education.

2.21 Subd. 4. **Province and provincial.** "Province" and "provincial" mean the Canadian
 2.22 province of Manitoba.

2.23 Subd. 5. **Term.** "Term" means a quarter or semester, or the equivalent.

2.24 Sec. 4. Minnesota Statutes 2012, section 136A.01, as amended by Laws 2013, chapter
 2.25 99, article 2, section 29, is amended to read:

2.26 **136A.01 MINNESOTA OFFICE OF HIGHER EDUCATION.**

2.27 Subdivision 1. **Creation.** ~~An office for higher education in the state of Minnesota, to~~
 2.28 ~~be known as~~ The Minnesota Office of Higher Education; is created with a commissioner
 2.29 appointed by the governor with the advice and consent of the senate and serving at the
 2.30 pleasure of the governor.

2.31 Subd. 2. **Responsibilities.** (a) ~~The Minnesota office of Higher Education is~~
 2.32 responsible for:

3.1 (1) necessary state level administration of financial aid programs, including
 3.2 accounting, auditing, and disbursing state and federal financial aid funds, and reporting on
 3.3 financial aid programs to the governor and the legislature;

3.4 (2) approval, registration, licensing, and financial aid eligibility of private collegiate
 3.5 and career schools, under sections 136A.61 to 136A.71 and chapter 141;

3.6 (3) negotiating and administering reciprocity agreements;

3.7 (4) publishing and distributing financial aid information and materials, and other
 3.8 information and materials under section 136A.87, to students and parents;

3.9 (5) collecting and maintaining student enrollment and financial aid data and
 3.10 reporting data on students and postsecondary institutions to develop and implement a
 3.11 process to measure and report on the effectiveness of postsecondary institutions;

3.12 (6) administering the federal programs that affect students and institutions on a
 3.13 statewide basis; and

3.14 (7) prescribing policies, procedures, and rules under chapter 14 necessary to
 3.15 administer the programs under its supervision.

3.16 (b) The office may match individual student data from the student record enrollment
 3.17 database with individual student financial aid data collected and maintained by the office
 3.18 in order to audit or evaluate federal or state supported education programs as permitted by
 3.19 United States Code, title 20, section 1232g(b)(3), and Code of Federal Regulations, title
 3.20 34, section 99.35. The office shall not release data that personally identifies parents or
 3.21 students other than to employees and contractors of the office.

3.22 Sec. 5. Minnesota Statutes 2013 Supplement, section 136A.03, is amended to read:

3.23 **136A.03 EXECUTIVE OFFICERS; EMPLOYEES.**

3.24 The ~~Minnesota~~ office of ~~Higher Education~~ shall be under the administrative control
 3.25 of the commissioner. The commissioner shall serve in the unclassified service of the state
 3.26 civil service. The commissioner, or the commissioner's designated representative, on
 3.27 behalf of the office is authorized to sign contracts and execute all instruments necessary
 3.28 or appropriate to carry out the purposes of sections 136A.01 to 136A.178 for the office.
 3.29 The salary of the commissioner shall be established according to section 15A.0815. The
 3.30 commissioner may appoint other professional employees who shall serve in the unclassified
 3.31 service of the state civil service. All other employees shall be in the classified civil service.

3.32 An employee appointed by the commissioner to serve in the unclassified service as
 3.33 provided in this section, ~~is~~ must be a person who has studied higher education or a related
 3.34 field at the graduate level or has similar experience and who is qualified for a career in
 3.35 financial aid and other aspects of higher education and for activities in keeping with

4.1 the planning and administrative responsibilities of the office and who is appointed to
 4.2 assume responsibility for administration of educational programs or research in matters
 4.3 of higher education.

4.4 Sec. 6. Minnesota Statutes 2012, section 136A.05, subdivision 1, is amended to read:

4.5 Subdivision 1. **Cooperation.** All public institutions of higher education and all
 4.6 state departments and agencies shall cooperate with and supply information requested by
 4.7 the ~~Minnesota office of Higher Education~~ in order to enable it to carry out and perform
 4.8 its duties. Private postsecondary institutions are requested to cooperate and provide
 4.9 information.

4.10 Sec. 7. Minnesota Statutes 2012, section 136A.06, is amended to read:

4.11 **136A.06 FEDERAL FUNDS.**

4.12 The ~~Minnesota office of Higher Education~~ is designated the state agency to apply
 4.13 for, receive, accept, and disburse to both public and private institutions of higher education
 4.14 all federal funds ~~which~~ that are allocated to the state of Minnesota to support higher
 4.15 education programs, construction, or other activities and ~~which~~ that require administration
 4.16 by a state higher education agency under ~~the Higher Education Facilities Act of 1963, and~~
 4.17 ~~any amendments thereof, the Higher Education Act of 1965, and any amendments thereof,~~
 4.18 ~~and any other law~~ which enacted by the Congress of the United States that provides funds
 4.19 for higher education and requires administration by a state higher education agency
 4.20 ~~as enacted or may be enacted by the Congress of the United States;~~ provided that no
 4.21 commitment shall be made that ~~shall bind~~ binds the legislature to make appropriations
 4.22 beyond current allocations of funds. The office may apply for, receive, accept, and
 4.23 disburse all administrative funds available to the office for administering federal funds to
 4.24 support higher education programs, construction, or other activities. The office also may
 4.25 apply for, receive, accept, and disburse any research, planning, or program funds ~~which~~
 4.26 that are available for purposes consistent with the provisions of this chapter. In making
 4.27 application for and administering federal funds the office may comply with any and all
 4.28 requirements of federal law and federal rules and regulations to enable it to receive and
 4.29 accept ~~such~~ the funds. The expenditure of ~~any such~~ the funds received shall be governed
 4.30 by the laws of the state, except insofar as federal regulations may otherwise provide. The
 4.31 office may contract with both public and private institutions in administering federal
 4.32 funds, and ~~such~~ the contracts ~~shall~~ are not be subject to ~~the provisions of~~ chapter 16C.
 4.33 ~~All such~~ The federal money received by the office shall be deposited in the state treasury
 4.34 and, subject to section 3.3005, ~~are hereby~~ is appropriated to it ~~annually~~ for the purpose

5.1 for which ~~such funds are~~ the money was received. ~~None of such moneys shall~~ The
 5.2 appropriation does not cancel but shall be and is available until expended.

5.3 Sec. 8. Minnesota Statutes 2012, section 136A.08, subdivision 2, is amended to read:

5.4 Subd. 2. **Authorization.** The ~~Minnesota~~ office of ~~Higher Education~~, in consultation
 5.5 with the commissioner of management and budget and each affected public postsecondary
 5.6 board, may enter into agreements, on subjects that include remission of nonresident
 5.7 tuition for designated categories of students at public postsecondary institutions, with
 5.8 appropriate state or provincial agencies and public postsecondary institutions in other
 5.9 states or provinces. The agreements shall be for the purpose of the mutual improvement
 5.10 of educational advantages for residents of this state and other states or provinces with
 5.11 whom agreements are made.

5.12 Sec. 9. Minnesota Statutes 2012, section 136A.08, subdivision 7, is amended to read:

5.13 Subd. 7. **Reporting.** The ~~Minnesota~~ office of ~~Higher Education~~ must annually,
 5.14 before the last day in January, submit a report to the committees in the house of
 5.15 representatives and the senate with responsibility for higher education finance on:

5.16 (1) participation in the tuition reciprocity program by Minnesota students and
 5.17 students from other states attending Minnesota postsecondary institutions under a
 5.18 reciprocity agreement;

5.19 (2) reciprocity and resident tuition rates at each institution;

5.20 (3) interstate payments and obligations for each state participating in the tuition
 5.21 reciprocity program in the prior year; and

5.22 (4) summary statistics on number of graduates by institution, degree granted, and year
 5.23 of graduation for reciprocity students who attended Minnesota postsecondary institutions.

5.24 Sec. 10. Minnesota Statutes 2012, section 136A.101, subdivision 7, is amended to read:

5.25 Subd. 7. **Student.** "Student" means a person who is enrolled for at least three credits
 5.26 per ~~quarter or semester, or the equivalent~~ term, in a program or course of study that applies
 5.27 to a degree, diploma, or certificate. Credit equivalencies assigned by an institution that are
 5.28 applicable to federal Pell grant calculations shall be counted as part of a student's credit load.

5.29 Sec. 11. Minnesota Statutes 2012, section 136A.101, subdivision 7a, is amended to read:

5.30 Subd. 7a. **Full time.** "Full time" means enrollment in a minimum of 15 credits per
 5.31 ~~quarter or semester, or the equivalent~~ term.

6.1 Sec. 12. Minnesota Statutes 2012, section 136A.101, subdivision 7b, is amended to
6.2 read:

6.3 Subd. 7b. **Half time.** "Half time" means enrollment in a minimum of six credits per
6.4 ~~quarter or semester, or the equivalent~~ term.

6.5 Sec. 13. Minnesota Statutes 2012, section 136A.101, is amended by adding a
6.6 subdivision to read:

6.7 Subd. 11. **Award year.** "Award year" has the meaning given in the Higher
6.8 Education Act of 1965, title 4, section 481.20, as amended.

6.9 Sec. 14. Minnesota Statutes 2012, section 136A.121, subdivision 2, is amended to read:

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

6.13 (1) is a resident of the state of Minnesota;

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

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

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

6.20 (5) is not more than 30 days in arrears in court-ordered child support that is collected
6.21 or enforced by the public authority responsible for child support enforcement or, if the
6.22 applicant is more than 30 days in arrears in court-ordered child support that is collected
6.23 or enforced by the public authority responsible for child support enforcement, but is
6.24 complying with a written payment agreement under section 518A.69 or order for arrearages.

6.25 (b) A student who withdraws from enrollment for active military service after
6.26 December 31, 2002, because the student was ordered to active military service as defined
6.27 in section 190.05, subdivision 5b or 5c, or who withdraws from enrollment for a major
6.28 illness, while under the care of a medical professional, that substantially limits the
6.29 student's ability to complete the term is entitled to an additional semester or the equivalent
6.30 of grant eligibility.

6.31 Sec. 15. Minnesota Statutes 2012, section 136A.121, subdivision 9, is amended to read:

6.32 Subd. 9. **Awards.** An undergraduate student who meets the office's requirements
6.33 is eligible to apply for and receive a grant in any year of undergraduate study unless the

7.1 student has obtained a baccalaureate degree or previously has been enrolled full time
 7.2 or the equivalent for eight semesters or the equivalent, excluding courses taken from a
 7.3 Minnesota school or postsecondary institution which is not participating in the state grant
 7.4 program and from which a student transferred no credit. ~~A student who withdraws from~~
 7.5 ~~enrollment for active military service, or for a major illness, while under the care of a~~
 7.6 ~~medical professional, that substantially limits the student's ability to complete the term is~~
 7.7 ~~entitled to an additional semester or the equivalent of grant eligibility.~~ A student enrolled
 7.8 in a two-year program at a four-year institution is only eligible for the tuition and fee
 7.9 maximums established by law for two-year institutions.

7.10 Sec. 16. Minnesota Statutes 2012, section 136A.125, subdivision 1, is amended to read:

7.11 Subdivision 1. **Establishment.** A child care grant program is established under the
 7.12 supervision of the ~~Minnesota office of Higher Education~~. The program makes money
 7.13 available to eligible students to reduce the costs of child care while attending an eligible
 7.14 postsecondary institution. The office shall develop policies and adopt rules as necessary to
 7.15 implement and administer the program.

7.16 Sec. 17. Minnesota Statutes 2013 Supplement, section 136A.125, subdivision 2,
 7.17 is amended to read:

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

7.20 (1) is a resident of the state of Minnesota;

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

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

7.26 (4) has not earned a baccalaureate degree and has been enrolled full time less than
 7.27 eight semesters or the equivalent;

7.28 (5) is pursuing a nonsectarian program or course of study that applies to an
 7.29 undergraduate degree, diploma, or certificate;

7.30 (6) is enrolled at least half time in an eligible institution; and

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

7.32 (b) A student who withdraws from enrollment for active military service after
 7.33 December 31, 2002, because the student was ordered to active military service as defined
 7.34 in section 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a

8.1 medical professional, that substantially limits the student's ability to complete the term
 8.2 is entitled to an additional semester or the equivalent of grant eligibility and will be
 8.3 considered to be in continuing enrollment status upon return.

8.4 Sec. 18. Minnesota Statutes 2013 Supplement, section 136A.126, subdivision 1,
 8.5 is amended to read:

8.6 Subdivision 1. **Student eligibility.** The commissioner of the Office of Higher
 8.7 Education shall establish procedures for the distribution of scholarships to a Minnesota
 8.8 resident student as defined under section 136A.101, subdivision 8, who:

8.9 (1) is of one-fourth or more Indian ancestry;

8.10 (2) has applied for other existing state and federal scholarship and grant programs;

8.11 (3) is meeting satisfactory academic progress as defined under section 136A.101,
 8.12 subdivision 10;

8.13 (4) is not in default, as defined by the office, of a federal or state student educational
 8.14 loan;

8.15 (5) if enrolled in an undergraduate program, is eligible or would be eligible to
 8.16 receive a federal Pell Grant or a state grant based on the federal needs analysis and is
 8.17 enrolled for nine semester credits per term or more, or the equivalent; and

8.18 (6) if enrolled in a graduate program, demonstrates a remaining financial need in
 8.19 the award amount calculation and is enrolled, per term, on a half-time basis or more as
 8.20 defined by the postsecondary institution; and

8.21 ~~(7) in the opinion of the commissioner of the Office of Higher Education, based~~
 8.22 ~~upon postsecondary institution recommendations, has the capabilities to benefit from~~
 8.23 ~~further education.~~

8.24 Sec. 19. Minnesota Statutes 2012, section 136A.126, subdivision 2, is amended to read:

8.25 Subd. 2. **Eligible programs.** Scholarships must be for ~~accredited degree programs~~
 8.26 ~~in accredited Minnesota colleges or universities or for courses in accredited Minnesota~~
 8.27 ~~business, technical, or vocational schools~~ enrollment at an eligible institution that is
 8.28 accredited. Scholarships may also be given to students attending ~~Minnesota colleges~~
 8.29 eligible institutions that are in candidacy status for obtaining full accreditation, and are
 8.30 eligible for and receiving federal financial aid programs. Students are also eligible for
 8.31 scholarships when enrolled as students in ~~Minnesota higher education~~ eligible institutions
 8.32 that have joint programs with other accredited higher education institutions.

8.33 Sec. 20. Minnesota Statutes 2012, section 136A.126, subdivision 4, is amended to read:

9.1 Subd. 4. **Award amount.** (a) Each student shall be awarded a scholarship based
 9.2 on the federal need analysis. Applicants are encouraged to apply for all other sources of
 9.3 financial aid. The amount of the award must not exceed the applicant's cost of attendance,
 9.4 as defined in subdivision 3, after deducting:

9.5 (1) the expected family contribution as calculated by the federal need analysis;

9.6 (2) the amount of a federal Pell Grant award for which the applicant is eligible;

9.7 (3) the amount of the state grant;

9.8 (4) the ~~sum of all federal Supplemental Educational Opportunity Grant, federal~~
 9.9 ~~Academic Competitiveness Grant, and federal Science and Mathematics Access to Retain~~
 9.10 ~~Talent Grant (SMART Grant) awards;~~

9.11 (5) the sum of all institutional grants, scholarships, tuition waivers, and tuition
 9.12 remission amounts;

9.13 (6) the sum of all tribal scholarships;

9.14 (7) the amount of any other state and federal gift aid; and

9.15 (8) the amount of any private grants or scholarships.

9.16 (b) The award shall be paid directly to the postsecondary institution where the
 9.17 student receives federal financial aid.

9.18 (c) Awards are limited as follows:

9.19 (1) the maximum award for an undergraduate is \$4,000 per ~~academic~~ award year;

9.20 (2) the maximum award for a graduate student is \$6,000 per ~~academic~~ award year; and

9.21 (3) the minimum award for all students is \$100 per ~~academic~~ award year.

9.22 (d) Scholarships may not be given to any Indian student for more than three years of
 9.23 study for a two-year degree, certificate, or diploma program or five years of study for a
 9.24 four-year degree program at the undergraduate level and for more than five years at the
 9.25 graduate level. Students may acquire only one degree per level and one terminal graduate
 9.26 degree. Scholarships may not be given to any student for more than ten years including
 9.27 five years of undergraduate study and five years of graduate study.

9.28 Sec. 21. Minnesota Statutes 2013 Supplement, section 136A.129, subdivision 2,
 9.29 is amended to read:

9.30 Subd. 2. **Program established.** The office of ~~Higher Education~~ shall administer
 9.31 a greater Minnesota internship program through eligible institutions to provide credit at
 9.32 the eligible institution for internships and tax credits for eligible employers who hire
 9.33 interns for employment in greater Minnesota.

10.1 Sec. 22. Minnesota Statutes 2012, section 136A.1311, is amended to read:

10.2 **136A.1311 CASH FLOW.**

10.3 The ~~Minnesota office of Higher Education~~ may ask the commissioner of management
10.4 and budget to lend general fund money to the grant account to ease cash flow difficulties.
10.5 The ~~Minnesota office of Higher Education~~ must first certify to the commissioner that there
10.6 will be adequate refunds to the account to repay the loan. The commissioner shall use the
10.7 refunds to make repayment to the general fund of the full amount loaned. Money necessary
10.8 to meet cash flow difficulties in the state grant program is appropriated to the commissioner
10.9 of management and budget for loans to the ~~Minnesota office of Higher Education~~.

10.10 Sec. 23. Minnesota Statutes 2012, section 136A.15, subdivision 8, is amended to read:

10.11 Subd. 8. **Eligible student.** "Eligible student" means a student who is officially
10.12 registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota
10.13 resident who is officially registered as a student or accepted for enrollment at an eligible
10.14 institution in another state or province. ~~Eligible student, except for purposes of section~~
10.15 ~~136A.1701, includes parents of an eligible student as the term "parent" is defined in the~~
10.16 ~~Higher Education Act of 1965, as amended, and applicable regulations. Except for~~
10.17 ~~the purposes of section 136A.1701, eligible student also includes students eligible for~~
10.18 ~~auxiliary loans as the term "auxiliary" is defined in the Higher Education Act of 1965, as~~
10.19 ~~amended, and applicable regulations. An eligible student, for section 136A.1701, means a~~
10.20 student who gives informed consent authorizing the disclosure of data specified in section
10.21 136A.162, paragraph ~~(b)~~ (c), to a consumer credit reporting agency.

10.22 Sec. 24. Minnesota Statutes 2012, section 136A.16, subdivision 1, is amended to read:

10.23 Subdivision 1. **Designation.** Notwithstanding chapter 16C, the ~~Minnesota office~~
10.24 ~~of Higher Education~~ is designated as the administrative agency for carrying out the
10.25 purposes and terms of sections 136A.15 to 136A.1702. The office may establish one
10.26 or more loan programs.

10.27 Sec. 25. Minnesota Statutes 2012, section 136A.16, subdivision 5, is amended to read:

10.28 Subd. 5. **Agencies.** The office may contract with ~~guarantee agencies, insurance~~
10.29 ~~agencies~~ loan servicers, collection agencies, credit bureaus, or any other person, to carry
10.30 out the purposes of sections 136A.15 to 136A.1702.

10.31 Sec. 26. Minnesota Statutes 2012, section 136A.162, is amended to read:

10.32 **136A.162 CLASSIFICATION OF DATA.**

11.1 (a) Except as provided in paragraphs (b) and (c), data on applicants for financial
 11.2 assistance collected and used by the ~~Minnesota office of Higher Education~~ for student
 11.3 financial aid programs administered by that office are private data on individuals as
 11.4 defined in section 13.02, subdivision 12.

11.5 (b) Data on applicants may be disclosed to the commissioner of human services to the
 11.6 extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).

11.7 (c) The following data collected in the Minnesota supplemental loan program under
 11.8 section 136A.1701 may be disclosed to a consumer credit reporting agency only if the
 11.9 borrower and the cosigner give informed consent, according to section 13.05, subdivision
 11.10 4, at the time of application for a loan:

- 11.11 (1) the lender-assigned borrower identification number;
- 11.12 (2) the name and address of borrower;
- 11.13 (3) the name and address of cosigner;
- 11.14 (4) the date the account is opened;
- 11.15 (5) the outstanding account balance;
- 11.16 (6) the dollar amount past due;
- 11.17 (7) the number of payments past due;
- 11.18 (8) the number of late payments in previous 12 months;
- 11.19 (9) the type of account;
- 11.20 (10) the responsibility for the account; and
- 11.21 (11) the status or remarks code.

11.22 Sec. 27. Minnesota Statutes 2012, section 136A.1701, subdivision 1, is amended to
 11.23 read:

11.24 Subdivision 1. **Establishment of program.** The ~~Minnesota office of Higher~~
 11.25 ~~Education~~ may provide for programs of loans which may be made in lieu of or in addition
 11.26 to loans authorized under sections 136A.15 to 136A.1702 and applicable provisions of
 11.27 federal law as provided in this section.

11.28 Sec. 28. Minnesota Statutes 2012, section 136A.171, is amended to read:

11.29 **136A.171 REVENUE BONDS; ISSUANCE; PROCEEDS.**

11.30 The ~~Minnesota office of Higher Education~~ may issue revenue bonds to obtain funds
 11.31 for loans made in accordance with the provisions of this chapter. The aggregate amount of
 11.32 revenue bonds, issued directly by the office, outstanding at any one time, not including
 11.33 refunded bonds or otherwise defeased or discharged bonds, shall not exceed \$850,000,000.
 11.34 Proceeds from the issuance of bonds may be held and invested by the office pending

12.1 disbursement in the form of loans. All interest and profits from the investments shall inure
 12.2 to the benefit of the office and shall be available to the office for the same purposes as the
 12.3 proceeds from the sale of revenue bonds including, but not limited to, costs incurred in
 12.4 administering loans under this chapter and loan reserve funds.

12.5 Sec. 29. Minnesota Statutes 2013 Supplement, section 136A.1795, subdivision 2,
 12.6 is amended to read:

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

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

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

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

12.15 Sec. 30. Minnesota Statutes 2013 Supplement, section 136A.1795, subdivision 3,
 12.16 is amended to read:

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

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

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

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

12.27 Sec. 31. Minnesota Statutes 2013 Supplement, section 136A.1795, subdivision 4,
 12.28 is amended to read:

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

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

13.4 (c) The commissioner must make annual disbursements directly to the participant of
 13.5 \$15,000 or the balance of the participant's qualifying educational loans, whichever is less,
 13.6 for each year that a participant meets the service obligation required under subdivision 3,
 13.7 paragraph (b), up to a maximum of five years.

13.8 (d) Before receiving loan repayment disbursements and as requested, the participant
 13.9 must complete and return to the commissioner an affidavit of practice form provided by
 13.10 the commissioner verifying that the participant is practicing as required under subdivision
 13.11 2, paragraph (a). The participant must provide the commissioner with verification that the
 13.12 full amount of loan repayment disbursement received by the participant has been applied
 13.13 toward the designated loans. After each disbursement, verification must be received by
 13.14 the commissioner and approved before the next loan repayment disbursement is made.

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

13.17 Sec. 32. Minnesota Statutes 2013 Supplement, section 136A.1795, subdivision 5,
 13.18 is amended to read:

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

13.27 Sec. 33. Minnesota Statutes 2013 Supplement, section 136A.1796, subdivision 2,
 13.28 is amended to read:

13.29 Subd. 2. **Eligibility; grant assistance.** (a) A tribally controlled college is eligible to
 13.30 receive supplemental grant assistance from the office of ~~Higher Education~~, as provided in
 13.31 this section, for nonbeneficiary student enrollment if the college is not otherwise eligible
 13.32 to receive federal grant funding for those students under United States Code, title 25,
 13.33 section 1808.

14.1 (b) The office shall make grants to tribally controlled colleges to defray the costs
 14.2 of education associated with the enrollment of nonbeneficiary students. Grants made
 14.3 pursuant to this section must be provided directly to the recipient college.

14.4 Sec. 34. Minnesota Statutes 2013 Supplement, section 136A.1796, subdivision 3,
 14.5 is amended to read:

14.6 Subd. 3. **Grant application.** To receive a grant under this section, a tribally
 14.7 controlled college must submit an application in the manner required by the office of
 14.8 ~~Higher Education~~. Upon submission of a completed application indicating that the tribally
 14.9 controlled college is eligible, the office shall distribute to the college, during each year of
 14.10 the biennium, a grant of \$5,300 for each nonbeneficiary student on a full-time equivalent
 14.11 basis. If the amount appropriated for grants under this section is insufficient to cover
 14.12 the total amount of grant eligibility, the office shall distribute a prorated amount per
 14.13 nonbeneficiary student on a full-time equivalent basis.

14.14 Sec. 35. Minnesota Statutes 2013 Supplement, section 136A.1796, subdivision 4,
 14.15 is amended to read:

14.16 Subd. 4. **Reporting by recipient institutions.** Each tribally controlled college
 14.17 receiving a grant under this section shall provide to the office of ~~Higher Education~~,
 14.18 on an annual basis, an accurate and detailed account of the expenditures of the grant
 14.19 funds received by the college, and a copy of the college's most recent audit report and
 14.20 documentation of the enrollment status and ethnic status of each nonbeneficiary student
 14.21 for which grant assistance is sought under this section.

14.22 Sec. 36. Minnesota Statutes 2012, section 136A.232, is amended to read:

14.23 **136A.232 ADMINISTRATION; AGREEMENTS WITH EDUCATIONAL**
 14.24 **FACILITIES.**

14.25 The ~~Minnesota~~ office of ~~Higher Education~~ shall develop and administer a work-study
 14.26 program. The office shall enter into agreements with institutions of postsecondary
 14.27 education.

14.28 Sec. 37. Minnesota Statutes 2012, section 136A.233, subdivision 1, is amended to read:

14.29 Subdivision 1. **Allocation to institutions.** The ~~Minnesota~~ office of ~~Higher Education~~
 14.30 shall allocate work-study money to eligible postsecondary institutions according to the
 14.31 resident full-time equivalent enrollment of all eligible postsecondary institutions that
 14.32 apply to participate in the program, and the amount of the allocation that an institution

15.1 spent during the previous academic year. Each institution wishing to participate in the
 15.2 work-study program must submit, in accordance with policies and procedures established
 15.3 by the office, an estimate of the amount of funds needed by the institution. Any funds
 15.4 allocated to an institution that exceed the actual need of the institution shall be reallocated
 15.5 by the office to other institutions. An institution may carry forward or backward the same
 15.6 percentage of its initial allocation that is authorized under federal work-study provisions.

15.7 Sec. 38. Minnesota Statutes 2013 Supplement, section 136A.233, subdivision 2,
 15.8 is amended to read:

15.9 Subd. 2. **Definitions.** For purposes of sections 136A.231 to 136A.233, the words
 15.10 defined in this subdivision have the meanings ascribed to them.

15.11 (a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at
 15.12 least half time in a degree, diploma, or certificate program in a Minnesota postsecondary
 15.13 institution.

15.14 (b) "Minnesota resident" means a student who meets the conditions in section
 15.15 136A.101, subdivision 8.

15.16 (c) "Financial need" means the need for financial assistance in order to attend a
 15.17 postsecondary institution as determined by a postsecondary institution according to
 15.18 guidelines established by the ~~Minnesota office of Higher Education~~.

15.19 (d) "Eligible employer" means any eligible postsecondary institution, any nonprofit,
 15.20 nonsectarian agency or state institution located in the state of Minnesota, a disabled person
 15.21 or a person over 65 who employs a student to provide personal services in or about the
 15.22 person's residence, or a private, for-profit employer employing a student as an intern in a
 15.23 position directly related to the student's field of study that will enhance the student's
 15.24 knowledge and skills in that field.

15.25 (e) "Eligible postsecondary institution" means any postsecondary institution eligible
 15.26 for participation in the Minnesota state grant program as specified in section 136A.101,
 15.27 subdivision 4.

15.28 (f) "Independent student" has the meaning given under title IV of the Higher
 15.29 Education Act of 1965, as amended, and applicable regulations.

15.30 (g) "Half time" for undergraduates has the meaning given in section 136A.101,
 15.31 subdivision 7b, and for graduate students is defined by the institution.

15.32 Sec. 39. Minnesota Statutes 2012, section 136A.233, subdivision 4, is amended to read:

15.33 Subd. 4. **Cooperation with local schools.** Each campus using the state work study
 15.34 program is encouraged to cooperate with its local public elementary and secondary schools

16.1 to place college work study students in activities in the schools, such as tutoring. Students
 16.2 must be placed in meaningful activities that directly assist students in kindergarten through
 16.3 grade 12 in meeting graduation standards ~~including the profiles of learning~~. College
 16.4 students shall work under direct supervision; therefore, school hiring authorities are not
 16.5 required to request criminal background checks on these students under section 123B.03.

16.6 Sec. 40. Minnesota Statutes 2012, section 136A.65, subdivision 6, is amended to read:

16.7 Subd. 6. **Name.** A degree-granting school may use the term "academy" or "institute"
 16.8 in its name without meeting any additional requirements. A school may use the term
 16.9 "college" in its name if it offers at least one program leading to an associate or higher
 16.10 degree. A school may use the term "university" in its name if it offers at least one program
 16.11 leading to a master's or doctorate degree.

16.12 Sec. 41. Minnesota Statutes 2012, section 136A.685, is amended to read:

16.13 **136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR**
 16.14 **MISREPRESENTATION.**

16.15 The office shall not provide registration or degree or name approval to a
 16.16 school if there has been a criminal, civil, or administrative adjudication of fraud or
 16.17 misrepresentation in Minnesota or in another state or jurisdiction against the school or its
 16.18 owner, officers, agents, or sponsoring organization. ~~Such an~~ The adjudication of fraud or
 16.19 misrepresentation ~~shall be~~ is sufficient cause for the office to determine that a school:

- 16.20 (1) does not qualify for exemption under section 136A.657; or
 16.21 (2) is not approved to grant degrees or to use the term "academy," "college,"
 16.22 "institute," or "university" in its name.

16.23 Sec. 42. Minnesota Statutes 2013 Supplement, section 136A.861, subdivision 1,
 16.24 is amended to read:

16.25 Subdivision 1. **Grants.** (a) The commissioner ~~of the Minnesota Office of Higher~~
 16.26 ~~Education~~ shall award grants to foster postsecondary attendance and retention by
 16.27 providing outreach services to historically underserved students in grades six through 12
 16.28 and historically underrepresented college students. Grants must be awarded to programs
 16.29 that provide precollege services, including, but not limited to:

- 16.30 (1) academic counseling;
 16.31 (2) mentoring;
 16.32 (3) fostering and improving parental involvement in planning for and facilitating a
 16.33 college education;

- 17.1 (4) services for students with English as a second language;
- 17.2 (5) academic enrichment activities;
- 17.3 (6) tutoring;
- 17.4 (7) career awareness and exploration;
- 17.5 (8) orientation to college life;
- 17.6 (9) assistance with high school course selection and information about college
- 17.7 admission requirements; and
- 17.8 (10) financial aid counseling.

17.9 (b) Grants shall be awarded to postsecondary institutions, professional organizations,

17.10 community-based organizations, or others deemed appropriate by the commissioner.

17.11 (c) Grants shall be awarded for one year and may be renewed for a second year

17.12 with documentation to the ~~Minnesota~~ office of ~~Higher Education~~ of successful program

17.13 outcomes.

17.14 Sec. 43. Minnesota Statutes 2013 Supplement, section 136A.861, subdivision 3,

17.15 is amended to read:

17.16 Subd. 3. **Application process.** (a) The commissioner ~~of the Minnesota Office of~~

17.17 ~~Higher Education~~ shall develop a grant application process. The commissioner shall

17.18 attempt to support projects in a manner that ensures that eligible students throughout

17.19 the state have access to program services.

17.20 (b) The grant application must include, at a minimum, the following information:

17.21 (1) a description of the characteristics of the students to be served reflective of the

17.22 need for services listed in subdivision 1;

17.23 (2) a description of the services to be provided and a timeline for implementation of

17.24 the activities;

17.25 (3) a description of how the services provided will foster postsecondary attendance

17.26 and support postsecondary retention;

17.27 (4) a description of how the services will be evaluated to determine whether the

17.28 program goals were met; and

17.29 (5) other information as identified by the commissioner.

17.30 Grant recipients must specify both program and student outcome goals, and performance

17.31 measures for each goal.

17.32 Sec. 44. Minnesota Statutes 2012, section 136A.861, subdivision 6, is amended to read:

17.33 Subd. 6. **Program evaluation.** Each grant recipient must annually submit a report

17.34 to the ~~Minnesota~~ office of ~~Higher Education~~ delineating its program and student outcome

18.1 goals, and activities implemented to achieve the stated outcomes. The goals must be
 18.2 clearly stated and measurable. Grant recipients are required to collect, analyze, and report
 18.3 on participation and outcome data that enable the office to verify that the program goals
 18.4 were met. The office shall maintain:

18.5 (1) information about successful precollege program and undergraduate student
 18.6 retention program activities for dissemination to individuals throughout the state interested
 18.7 in adopting or replicating successful program practices; and

18.8 (2) data on the success of the funded projects in increasing the high school
 18.9 graduation, college participation, and college graduation rates of students served by the
 18.10 grant recipients. The office may convene meetings of the grant recipients, as needed, to
 18.11 discuss issues pertaining to the implementation of precollege services and undergraduate
 18.12 retention programs.

18.13 Sec. 45. Minnesota Statutes 2012, section 136F.01, is amended to read:

18.14 **136F.01 DEFINITIONS.**

18.15 Subdivision 1. **Scope.** For the purpose of this chapter, the following terms have
 18.16 the meanings given them.

18.17 Subd. 2. **Board or board of trustees.** "Board" or "~~board of trustees~~" means the
 18.18 Board of Trustees of the Minnesota State Colleges and Universities.

18.19 Subd. 3. **Chancellor.** "Chancellor" means the chancellor of the Minnesota State
 18.20 Colleges and Universities.

18.21 Subd. 4. **State colleges and universities.** "State colleges and universities" means
 18.22 Minnesota state colleges and universities governed by the board of trustees.

18.23 Subd. 5. **Student activities.** "Student activities" means lectures, concerts, and other
 18.24 functions contributing to the mental, moral, and cultural development of the student body
 18.25 and community in which they live, athletic activities, including intercollegiate contests,
 18.26 forensics, dramatics, and such other activities of any nature as in the opinion of the board
 18.27 contribute to the educational, cultural, or physical well being of the student body.

18.28 Sec. 46. Minnesota Statutes 2012, section 136F.02, subdivision 1, is amended to read:

18.29 Subdivision 1. **Membership.** The board consists of 15 members appointed by the
 18.30 governor, including three members who are students who have attended an institution for
 18.31 at least one year and are ~~currently~~ enrolled at the time of appointment at least half time
 18.32 in a degree, diploma, or certificate program in an institution governed by the board. The
 18.33 student members shall include one member from a community college, one member from
 18.34 a state university, and one member from a technical college. One member representing

19.1 labor must be appointed after considering the recommendations made under section
 19.2 136F.045. The governor is not bound by the recommendations. Appointments to the
 19.3 board are with the advice and consent of the senate. At least one member of the board
 19.4 must be a resident of each congressional district. All other members must be appointed to
 19.5 represent the state at large. In selecting appointees, the governor must consider the needs
 19.6 of the board of trustees and the balance of the board membership with respect to labor and
 19.7 business representation and racial, gender, geographic, and ethnic composition.

19.8 A commissioner of a state agency may not serve as a member of the board.

19.9 Sec. 47. Minnesota Statutes 2012, section 136F.03, subdivision 1, is amended to read:

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

19.14 Sec. 48. Minnesota Statutes 2012, section 136F.04, subdivision 2, is amended to read:

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

19.18 Sec. 49. Minnesota Statutes 2012, section 136F.045, is amended to read:

19.19 **136F.045 LABOR ORGANIZATION BOARD MEMBER SELECTION**
 19.20 **PROCESS.**

19.21 The Minnesota AFL-CIO shall recruit and screen qualified labor candidates to
 19.22 be recommended to the governor for appointment to the board. The organization must
 19.23 develop a process for selecting candidates, and a statement of selection criteria for board
 19.24 membership that is consistent with the requirements under section 136F.02, subdivision 1.
 19.25 The organization must recommend at least two and no more than four candidates to the
 19.26 governor ~~beginning in 2010 and every six years thereafter~~ or sooner if vacancies in the
 19.27 labor seat occur. Recommendations must be made to the governor and to the chairs and
 19.28 ranking minority members of the legislative committees with primary jurisdiction over
 19.29 higher education policy and finance by April 15 of the year in which the governor makes
 19.30 appointments to the board. The governor is not bound by the recommendations.

19.31 Sec. 50. Minnesota Statutes 2012, section 136F.05, is amended to read:

19.32 **136F.05 MISSIONS.**

20.1 The mission of the board is to provide programs of study that meet the needs
 20.2 of students for occupational, general, baccalaureate, and graduate education. The state
 20.3 universities, community colleges, and technical colleges shall have distinct missions
 20.4 as provided in section 135A.052, subdivision 1. Within that statutory definition and
 20.5 subject to the approval of the board, each community college, state university, and
 20.6 technical college may develop its own distinct campus mission. The board shall develop
 20.7 administrative arrangements that make possible the efficient use of the facilities and staff
 20.8 of the technical colleges, community colleges, and state universities for providing these
 20.9 several different programs of study, so that students may have the benefit of improved
 20.10 and broader course offerings, ease of transfer among schools and programs, integrated
 20.11 course credit, coordinated degree programs, and coordinated financial aid. ~~In carrying out~~
 20.12 ~~the merger of the three separate systems,~~ The board shall control administrative costs by
 20.13 eliminating duplicative administrative positions and course offerings.

20.14 Sec. 51. Minnesota Statutes 2012, section 136F.10, is amended to read:

20.15 **136F.10 DESIGNATION.**

20.16 The following are designated as the Minnesota State Colleges and Universities: the
 20.17 ~~community state~~ community, technical, and consolidated colleges located at Alexandria,
 20.18 Albert Lea, Anoka, Austin, Bemidji, Bloomington, Brainerd, Brooklyn Park, Cambridge,
 20.19 Canby, Cloquet, Coon Rapids, Detroit Lakes, Duluth, East Grand Forks, Eden Prairie,
 20.20 Ely, Eveleth, Faribault, Fergus Falls, Grand Rapids, Granite Falls, Hibbing, Hutchinson,
 20.21 International Falls, Inver Grove Heights, Jackson, Mahtomedi, Minneapolis, Moorhead,
 20.22 North Mankato, Owatonna, Pine City, Pipestone, Red Wing, Rochester, Rosemount,
 20.23 St. Cloud, St. Paul, Staples, Thief River Falls, Virginia, Wadena, White Bear Lake,
 20.24 Willmar, Winona, and Worthington; ~~the community college centers located at Cambridge,~~
 20.25 ~~Duluth, and Owatonna;~~ and the state universities located at Bemidji, Mankato, Marshall,
 20.26 Moorhead, St. Cloud, Winona, and the ~~Twin Cities metropolitan area;~~ and the technical
 20.27 colleges located at ~~Alexandria, Albert Lea, Anoka, Austin, Bemidji, Brainerd, Brooklyn~~
 20.28 ~~Park, Canby, Detroit Lakes, Duluth, East Grand Forks, Eden Prairie, Eveleth, Faribault,~~
 20.29 ~~Granite Falls, Hibbing, Hutchinson, Jackson, Minneapolis, Mahtomedi, Moorhead, North~~
 20.30 ~~Mankato, Pine City, Pipestone, Red Wing, Rochester, Rosemount, St. Cloud, St. Paul,~~
 20.31 ~~Staples, Thief River Falls, Wadena, Willmar, and Winona~~ seven-county metropolitan area.

20.32 Sec. 52. Minnesota Statutes 2012, section 136F.12, is amended to read:

20.33 **136F.12 FOND DU LAC CAMPUS.**

21.1 Subdivision 1. **Unique missions.** The Fond du Lac campus has a unique mission
 21.2 among two-year colleges to serve the lower division general education needs in Carlton
 21.3 and south St. Louis Counties, and the education needs of American Indians throughout the
 21.4 state and especially in northern Minnesota. The campus has a further unique mission to
 21.5 provide programs in support of its federal land grant status. Accordingly, while the college
 21.6 is governed by the board of ~~Trustees~~, its governance is accomplished in conjunction with
 21.7 the board of directors of Fond du Lac Tribal College.

21.8 Subd. 2. **Selected programs.** Notwithstanding section 135A.052, subdivision
 21.9 1, to better meet the education needs of Minnesota's American Indian students, and
 21.10 in furtherance of the unique missions provided in subdivision 1, Fond du Lac Tribal
 21.11 and Community College may offer a baccalaureate program in elementary education, as
 21.12 approved by the board of ~~Trustees of the Minnesota State Colleges and Universities~~, and
 21.13 the board of directors of Fond du Lac Tribal and Community College.

21.14 Subd. 3. **Bargaining unit assignment.** Notwithstanding section 179A.10,
 21.15 subdivision 2, the state university instructional unit shall include faculty who teach upper
 21.16 division courses at the Fond du Lac Tribal and Community College.

21.17 Sec. 53. Minnesota Statutes 2012, section 136F.14, is amended to read:

21.18 **136F.14 CAMPUS MERGER OR REORGANIZATION.**

21.19 The board may merge or reorganize campuses ~~or centers~~ for the purpose of increased
 21.20 efficiency, use of personnel, placement of programs, student access, and other needs as
 21.21 determined by the board. The board shall report its action to the legislature.

21.22 Sec. 54. Minnesota Statutes 2012, section 136F.18, is amended to read:

21.23 **136F.18 CAMPUS CLOSING.**

21.24 The board may close a campus ~~or center~~ under its jurisdiction according to policies
 21.25 adopted by the board. Prior to closing a campus ~~or center~~, the board shall hold a public
 21.26 hearing on the issue in the area which would be affected by the closing. At the hearing
 21.27 affected persons shall have an opportunity to present testimony.

21.28 Sec. 55. Minnesota Statutes 2012, section 136F.23, is amended to read:

21.29 **136F.23 STUDENT ASSOCIATIONS; PURCHASING AUTHORITY.**

21.30 Notwithstanding chapter 16A or 16C, the student associations recognized by the
 21.31 board of ~~Trustees of the Minnesota State Colleges and Universities~~ may purchase goods
 21.32 or materials through state purchasing authority for the ordinary day-to-day operations of

22.1 the associations. The student associations must be nonprofit 501(c)(3) organizations in
 22.2 order to qualify for this authority. The Department of Administration may require that the
 22.3 purchase documents be approved by appropriate officials in the board's central office.

22.4 Sec. 56. Minnesota Statutes 2012, section 136F.28, subdivision 1, is amended to read:

22.5 Subdivision 1. **Grants.** A Southwest Asia veteran who enrolls in a technical college
 22.6 program, and who is a Minnesota resident whose entire education has not included
 22.7 completion of at least one technical college program is eligible for a state grant of \$500
 22.8 per year if the veteran has GI Montgomery Bill benefits, or \$1,000 per year if the veteran
 22.9 does not have GI Montgomery Bill benefits, until the veteran has completed the lesser of
 22.10 (1) 115 credits in a technical college program, or (2) one technical college program. The
 22.11 grant is based on full-time attendance and shall be prorated if the student is attending less
 22.12 than full time. To be eligible for the tuition relief, a veteran ~~who is discharged before July~~
 22.13 ~~1, 1993, must enroll in a technical college by July 1, 1995, and a veteran who is discharged~~
 22.14 ~~on or after July 1, 1993, must enroll in a technical college within two years of the date~~
 22.15 of discharge. All veterans enrolled under this program must maintain a minimum of six
 22.16 credits per quarter. Total grants may not exceed the available appropriation.

22.17 Sec. 57. Minnesota Statutes 2012, section 136F.48, is amended to read:

22.18 **136F.48 EMPLOYER-PAID HEALTH INSURANCE.**

22.19 (a) This section applies to a person who:

22.20 (1) retires from the Minnesota State Colleges and Universities system with at least
 22.21 ten years of combined service credit in a system under the jurisdiction of the board of
 22.22 ~~Trustees of the Minnesota State Colleges and Universities;~~

22.23 (2) was employed on a full-time basis immediately preceding retirement as a
 22.24 faculty member or as an unclassified administrator in the Minnesota State Colleges and
 22.25 Universities system;

22.26 (3) begins drawing a retirement benefit from the Individual Retirement Account Plan
 22.27 or an annuity from the Teachers Retirement Association, from the General State Employees
 22.28 Retirement Plan or the Unclassified State Employees Retirement Program of the
 22.29 Minnesota State Retirement System, or from a first class city teacher retirement plan; and

22.30 (4) returns to work on not less than a one-third time basis and not more than a
 22.31 two-thirds time basis in the system from which the person retired under an agreement.

22.32 (b) Initial participation, the amount of time worked, and the duration of participation
 22.33 under this section must be mutually agreed upon by the president of the institution where
 22.34 the person returns to work and the employee. The president may require up to one-year

23.1 notice of intent to participate in the program as a condition of participation under this
 23.2 section. The president shall determine the time of year the employee shall work. The
 23.3 employer or the president may not require a person to waive any rights under a collective
 23.4 bargaining agreement as a condition of participation under this section.

23.5 (c) For a person eligible under paragraphs (a) and (b), the employing board shall
 23.6 make the same employer contribution for hospital, medical, and dental benefits as would
 23.7 be made if the person were employed full time.

23.8 (d) For work under paragraph (a), a person must receive a percentage of the person's
 23.9 salary at the time of retirement that is equal to the percentage of time the person works
 23.10 compared to full-time work.

23.11 (e) If a collective bargaining agreement covering a person provides for an early
 23.12 retirement incentive that is based on age, the incentive provided to the person must be
 23.13 based on the person's age at the time employment under this section ends. However, the
 23.14 salary used to determine the amount of the incentive must be the salary that would have
 23.15 been paid if the person had been employed full time for the year immediately preceding
 23.16 the time employment under this section ends.

23.17 (f) A person who returns to work under this section is a member of the appropriate
 23.18 bargaining unit and is covered by the appropriate collective bargaining contract. Except
 23.19 as provided in this section, the person's coverage is subject to any part of the contract
 23.20 limiting rights of part-time employees.

23.21 Sec. 58. Minnesota Statutes 2012, section 136F.482, is amended to read:

23.22 **136F.482 APPLICATION OF OTHER LAWS.**

23.23 Unilateral implementation of section 136F.481 by the board of Trustees of the
 23.24 ~~Minnesota State Colleges and Universities~~, by the chancellor, or by a president of a college
 23.25 or university is not an unfair labor practice under chapter 179A.

23.26 Sec. 59. Minnesota Statutes 2012, section 136F.581, subdivision 1, is amended to read:

23.27 Subdivision 1. **Authority for purchases and contracts.** The board and the colleges
 23.28 and universities are subject to the provisions of section 471.345. In addition to the
 23.29 contracting authority under this chapter, the board of Trustees may utilize any contracting
 23.30 options available to the commissioner of administration under chapter 16A, 16B, or 16C.

23.31 Sec. 60. Minnesota Statutes 2012, section 136F.60, subdivision 1, is amended to read:

23.32 Subdivision 1. **Purchase of neighboring property.** The board may purchase
 23.33 property adjacent to or in the vicinity of the campuses as necessary for the development of

24.1 a state college or university. Before taking action, the board shall consult with the chairs of
 24.2 the senate Finance Committee and the house of representatives Ways and Means Committee
 24.3 about the proposed action. The board shall explain the need to acquire property, specify
 24.4 the property to be acquired, and indicate the source and amount of money needed for the
 24.5 acquisition. The ~~amount~~ funds needed may be spent from sums previously appropriated
 24.6 for purposes of the state colleges and universities, including, but not limited to, general
 24.7 fund appropriations for instructional or noninstructional expenditures, general fund
 24.8 appropriations carried forward, or state college and university activity fund appropriations.
 24.9 The board may pay relocation costs, at its discretion, when acquiring property.

24.10 Sec. 61. Minnesota Statutes 2012, section 136F.65, is amended to read:

24.11 **136F.65 ACCEPTANCE OF FEDERAL MONEY.**

24.12 The board of ~~Trustees~~ is hereby designated the state agency empowered to accept
 24.13 any and all money provided for or made available to this state by the United States of
 24.14 America or any department or agency thereof for the construction and equipping of any
 24.15 building under the control of the board of ~~Trustees~~ in accordance with the provisions of
 24.16 federal law and any rules or regulations promulgated thereunder and are further authorized
 24.17 to do any and all things required of this state by such federal law and the rules and
 24.18 regulations promulgated thereunder in order to obtain such federal money.

24.19 Sec. 62. Minnesota Statutes 2012, section 136F.705, is amended to read:

24.20 **136F.705 UNDERGRADUATE TUITION GUARANTEE PLAN.**

24.21 (a) The board of ~~trustees~~ is encouraged to offer entering students a plan providing
 24.22 stable tuition for students pursuing two-year or four-year degrees that can provide students
 24.23 a tuition option designed to meet the goals in this section.

24.24 (b) A Minnesota resident student who first enrolls in a degree program at a state
 24.25 college or university beginning in the spring of 2012 or later is guaranteed a stable tuition
 24.26 for up to four consecutive academic years.

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

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

25.7 (e) Time limits for the stable tuition plan under this section do not apply to a student
 25.8 in the military while the student is on active military duty.

25.9 Sec. 63. Minnesota Statutes 2012, section 136F.90, subdivision 1, is amended to read:

25.10 Subdivision 1. **Duties.** For state colleges and universities, the board of Trustees of
 25.11 ~~the Minnesota State Colleges and Universities~~ may:

25.12 (1) acquire by purchase or otherwise, construct, complete, remodel, equip, operate,
 25.13 control, and manage residence halls, dormitories, dining halls, student union buildings,
 25.14 parking facilities, and any other similar revenue-producing buildings of such type and
 25.15 character as the board finds necessary for the good and benefit of state colleges and
 25.16 universities, and may acquire property whether real, personal, or mixed, by gift, purchase,
 25.17 or otherwise; provided that no contract for the construction of any building shall be
 25.18 entered into until financing has been approved by the legislature;

25.19 (2) maintain and operate any buildings or structures and charge for their use, and
 25.20 conduct any activities that are commonly conducted in connection with the buildings
 25.21 or structures;

25.22 (3) enter into contracts for the purposes of sections 136F.90 to 136F.98;

25.23 (4) acquire building sites and buildings or structures by gift, purchase, or otherwise
 25.24 and pledge the revenues from them for the payment of any bonds issued for that purpose
 25.25 as provided in sections 136F.90 to 136F.98;

25.26 (5) borrow money and issue and sell bonds in an amount or amounts the legislature
 25.27 authorizes for the purpose of acquiring, constructing, completing, remodeling, or equipping
 25.28 any buildings or structures, and acquiring sites, and refund and refinance the bonds by the
 25.29 issuance and sale of refunding bonds when the board finds that it is in the public interest.
 25.30 The bonds shall be sold and issued by the board in the manner and upon the terms and
 25.31 conditions provided by chapter 475, except as otherwise provided in this section. The
 25.32 bonds are payable only from and secured by an irrevocable pledge of the revenues to be
 25.33 derived from the operation of any buildings or structures acquired, constructed, completed,
 25.34 remodeled, or equipped in whole or in part with the proceeds of the bonds and from other
 25.35 income and revenues described in section 136F.92, clause (1), the board by resolution

26.1 specifies, and notwithstanding this limitation all bonds issued under sections 136F.90 to
26.2 136F.98 shall have the qualities of negotiable instruments under the laws of this state. The
26.3 legislature shall not appropriate money from the general fund to pay for these bonds.

26.4 Sec. 64. Minnesota Statutes 2012, section 136F.92, is amended to read:

26.5 **136F.92 RESOLUTION OF BOARD.**

26.6 Upon the determination by the board of ~~Trustees of the Minnesota State Colleges and~~
26.7 ~~Universities~~ or its successor to acquire, construct, complete, remodel, or equip any student
26.8 residence halls, dormitories, dining halls, student union buildings, parking facilities, or
26.9 other similar revenue-producing building or buildings, the board or its successor shall adopt
26.10 a resolution describing generally the contemplated project, the estimated cost, including
26.11 legal, engineering and financial expenses and interest on the bonds during the period of
26.12 constructing the project and for six months thereafter, fixing the amount of the bonds,
26.13 the maturity or maturities, the interest rate, and all details in respect of the bonds. The
26.14 resolution shall contain covenants as may be determined by the board or its successor as to:

26.15 (1) the pledging of all or any portion of the proceeds of any fees imposed upon
26.16 students for student activities, student facilities, or for other purposes, and the net revenues
26.17 from other buildings or facilities heretofore or hereafter constructed or acquired at any
26.18 state university as additional security for the payment of the bonds;

26.19 (2) the regulation as to the use of the buildings or structures to assure maximum
26.20 use or occupancy;

26.21 (3) the amount and kind of insurance to be carried, including use and occupancy
26.22 insurance, the cost of which shall be payable only from the revenues to be derived from
26.23 the buildings or structures;

26.24 (4) the operation, maintenance, management, accounting and auditing, and the
26.25 keeping of records, reports and audits of the buildings or structures;

26.26 (5) the obligation of the board or its successor to maintain the buildings or structures
26.27 in good condition and to operate them in an economical and efficient manner;

26.28 (6) the amendment or modification of the resolution authorizing the issuance of any
26.29 bonds, and the manner, terms and conditions, and the amount or percentage of assenting
26.30 bonds necessary to effectuate the amendment or modification; and

26.31 (7) other covenants as may be deemed necessary or desirable to assure the prompt
26.32 and punctual payment of all bonds issued under sections 136F.90 to 136F.98.

26.33 Sec. 65. Minnesota Statutes 2012, section 136F.93, is amended to read:

26.34 **136F.93 STUDENT ACTIVITIES, FEES CHARGED.**

27.1 Whenever bonds are issued as provided in sections 136F.90 to 136F.98, it shall be
 27.2 the duty of the board of Trustees of the Minnesota State Colleges and Universities to
 27.3 establish charges or fees, including without limitation fees for student activities and fees
 27.4 for student facilities, for the use of any buildings or structures sufficient at all times to pay
 27.5 the principal of and interest on the bonds and to create and maintain suitable reserves for
 27.6 them and the necessary expenses of their operation and maintenance. All revenues derived
 27.7 from their operation shall be set aside in a separate fund and accounts and be irrevocably
 27.8 pledged for and used only to pay the principal of and interest upon the bonds issued for the
 27.9 purpose or purposes set forth and described in the resolution authorizing the issuance of
 27.10 the bonds, and the necessary expenses of the operation and maintenance of the buildings
 27.11 and structures; and the charges and fees shall be sufficient at all times for these purposes.

27.12 Sec. 66. Minnesota Statutes 2012, section 136F.94, is amended to read:

27.13 **136F.94 SPECIAL REVENUE FUND.**

27.14 (a) The gross total income derived from the sale of bonds, and receipts and income
 27.15 derived from charges or fees, rentals, and all other revenue established for the use and
 27.16 service of any buildings or structures shall, within three days after their receipt, be paid to
 27.17 and held by the treasurer of the board of Trustees of the Minnesota State Colleges and
 27.18 Universities as a special fund known as, "The Board of Trustees of the Minnesota State
 27.19 Colleges and Universities Revenue Fund." The treasurer shall be custodian of the special
 27.20 fund, which fund shall be held and disbursed for the purposes provided in sections 136F.90
 27.21 to 136F.98. The special fund shall be protected by a corporate surety bond executed by
 27.22 the treasurer of the board with a surety authorized to do business under the laws of the
 27.23 state of Minnesota. The amount of the bond shall be fixed by resolution of the board
 27.24 or its successor and may be increased or diminished at any time. The premiums of the
 27.25 bonds shall be payable from "The Board of Trustees of the Minnesota State Colleges and
 27.26 Universities Revenue Fund" and charged as an item of maintenance expense.

27.27 (b) A certified copy of each resolution providing for the issuance of bonds under
 27.28 sections 136F.90 to 136F.98 shall be filed with the treasurer of the board, and it shall be the
 27.29 duty of the treasurer to keep and maintain separate accounts in the special fund for each
 27.30 bond issue in accordance with the covenants and the directions set out in the resolution
 27.31 providing for the issuance of the bonds and to disburse funds from the proper account for
 27.32 the payment of the principal of and interest on the bonds in accordance with the directions
 27.33 and covenants of the resolution authorizing the issue. All disbursements for maintenance
 27.34 and operation costs shall be made from the proper maintenance and operation account
 27.35 by order of the board or its successor in accordance with the covenants set out in the

28.1 resolution authorizing the issuance of bonds. All disbursements for construction costs
28.2 shall be made from a separate account in the special fund by order of the board or its
28.3 successor in accordance with the covenants set out in the resolution authorizing the bonds.

28.4 Sec. 67. Minnesota Statutes 2012, section 136F.95, is amended to read:

28.5 **136F.95 ALLOCATION OF RECEIPTS.**

28.6 All moneys in the board of ~~Trustees of the Minnesota State Colleges and Universities~~
28.7 revenue fund and all income from the operation of residence halls, dormitories, dining
28.8 halls, student union buildings, parking facilities and other revenue producing buildings
28.9 and structures are appropriated first to the payment of expenses of the operation of the
28.10 facilities from which the revenues so appropriated are derived and second to the payment
28.11 of the obligations authorized by sections 136F.90 to 136F.98.

28.12 Sec. 68. Minnesota Statutes 2012, section 136F.96, is amended to read:

28.13 **136F.96 ADMINISTRATION.**

28.14 The administration of sections 136F.90 to 136F.98 shall be under the board of
28.15 ~~Trustees of the Minnesota State Colleges and Universities~~ independent of other authority
28.16 and notwithstanding chapters 16A, 16B, and 16C.

28.17 Sec. 69. Minnesota Statutes 2012, section 136F.97, is amended to read:

28.18 **136F.97 CONTRACTS OF BOARD, PERFORMANCE COMPELLED.**

28.19 (a) The provisions of sections 136F.90 to 136F.98 and of any resolution or other
28.20 proceedings authorizing the issuance of bonds shall constitute a contract with the holders
28.21 of the bonds and the provisions shall be enforceable either in law or in equity, by suit,
28.22 action, mandamus or other proceeding in any court of competent jurisdiction to enforce or
28.23 compel the performance of any duties required by sections 136F.90 to 136F.98 and any
28.24 resolution authorizing the issuance of bonds, including the establishment of sufficient
28.25 charges or fees for use of any buildings or structures and the application of the income and
28.26 revenue from them; and it shall be the duty of the board of ~~Trustees of the Minnesota State~~
28.27 ~~Colleges and Universities~~ or its successor upon the issuance of any bonds under sections
28.28 136F.90 to 136F.98 to establish by resolution from time to time the fees or charges to be
28.29 made for the use of any buildings or structures, which fees or charges shall be adjusted
28.30 from time to time in order to always provide sufficient income for payment of the principal
28.31 of and interest on the bonds issued as provided for in sections 136F.90 to 136F.98, and
28.32 for the necessary expenses of operation and maintenance.

29.1 (b) If the board of ~~Trustees of the Minnesota State Colleges and Universities~~ is
 29.2 abolished, all contracts made by the board and all things done or actions taken by the
 29.3 board under sections 136F.90 to 136F.98 shall be deemed to be contracts of, actions taken
 29.4 and things done by its successor and the successor shall be bound by all contracts, actions
 29.5 taken and things done by the board and subject to all the obligations and duties of the
 29.6 board under sections 136F.90 to 136F.98.

29.7 Sec. 70. Minnesota Statutes 2012, section 136F.98, subdivision 1, is amended to read:

29.8 Subdivision 1. **Issuance of bonds.** The board of ~~Trustees of the Minnesota State~~
 29.9 ~~Colleges and Universities~~ or a successor may issue revenue bonds under sections 136F.90
 29.10 to 136F.97 whose aggregate principal amount at any time may not exceed \$405,000,000,
 29.11 and payable from the revenue appropriated to the fund established by section 136F.94,
 29.12 and use the proceeds together with other public or private money that may otherwise
 29.13 become available to acquire land, and to acquire, construct, complete, remodel, and equip
 29.14 structures or portions thereof to be used for dormitory, residence hall, student union,
 29.15 food service, parking purposes, or for any other similar revenue-producing building or
 29.16 buildings of such type and character as the board finds desirable for the good and benefit
 29.17 of the state colleges and universities. Before issuing the bonds or any part of them, the
 29.18 board shall consult with and obtain the advisory recommendations of the chairs of the
 29.19 house of representatives Ways and Means Committee and the senate Finance Committee
 29.20 about the facilities to be financed by the bonds.

29.21 Sec. 71. Minnesota Statutes 2012, section 136F.98, subdivision 3, is amended to read:

29.22 Subd. 3. **Successor.** For the purposes of this section, the board of ~~Trustees of the~~
 29.23 ~~Minnesota State Colleges and Universities~~ is the successor to the State University Board.

29.24 Sec. 72. Minnesota Statutes 2012, section 136G.09, subdivision 8, is amended to read:

29.25 Subd. 8. **Maximum account balance limit.** (a) When a contribution is made, the
 29.26 total account balance of all accounts held for the same beneficiary, including matching
 29.27 grant accounts, must not exceed the maximum account balance limit as determined under
 29.28 this subdivision.

29.29 (b) The office must establish a maximum account balance limit. The office must
 29.30 adjust the maximum account balance limit, as necessary, or on January 1 of each year.
 29.31 The maximum account balance limit must not exceed the amount permitted for the plan to
 29.32 qualify as a qualified tuition program under section 529 of the Internal Revenue Code. ~~For~~
 29.33 ~~calendar years 2004 and 2005, the maximum account balance limit is \$235,000.~~

30.1 (c) If the total account balance of all accounts held for a single beneficiary reaches
 30.2 the maximum account balance limit prior to the end of that calendar year, the beneficiary
 30.3 may receive an applicable matching grant for that calendar year.

30.4 Sec. 73. Minnesota Statutes 2012, section 137.52, is amended to read:

30.5 **137.52 RECREATIONAL PROGRAM ASSESSMENT.**

30.6 ~~(a) The commissioner of natural resources, in cooperation with the Board of Regents~~
 30.7 ~~of the University of Minnesota, shall submit to the governor and the legislature by January~~
 30.8 ~~15, 2007, an assessment of the short-term and long-term programmatic plans for the~~
 30.9 ~~development of the land identified in section 137.50, subdivision 6. The assessment shall~~
 30.10 ~~include, but is not limited to, a timeline for providing the recreational opportunities, and~~
 30.11 ~~the needed restoration including native species of local ecotype, measurable outcomes,~~
 30.12 ~~and anticipated costs. The assessment must also include an evaluation of the opportunities~~
 30.13 ~~to foster small-scale farm-to-market vegetable farming. The commissioner of natural~~
 30.14 ~~resources shall consult with interested stakeholders, including Dakota County, to assist~~
 30.15 ~~in the development of the plan.~~

30.16 ~~(b) The board shall, until the issue is resolved, report annually to the legislature on~~
 30.17 ~~or before February 1, on its efforts and the efforts of the Department of Defense to remedy~~
 30.18 ~~contamination of the university land caused by activities occurring prior to the University~~
 30.19 ~~of Minnesota acquiring the land.~~

30.20 ~~(c) The commissioner of natural resources, in consultation with the Pollution Control~~
 30.21 ~~Agency, shall report to the legislature by January 7, 2007, on what entities are responsible~~
 30.22 ~~for remediating pollution on the university land that occurred prior to May 25, 2006.~~

30.23 ~~(d) The commissioner of natural resources, in cooperation with the board, shall~~
 30.24 ~~submit to the governor and the legislature by January 7, 2007, a report regarding the~~
 30.25 ~~implementation of section 137.51 and any recommendations for changes in section 137.51~~
 30.26 ~~necessary to carry out the intent of that section. The report must, among other things,~~
 30.27 ~~specifically address the issue of whether a process or mechanism is necessary to resolve~~
 30.28 ~~disputes between the University of Minnesota, the state, and other parties regarding uses~~
 30.29 ~~of the university land.~~

30.30 ~~(e) The commissioner of natural resources must communicate with interested~~
 30.31 ~~parties, including the local government units that contain any part of the university land,~~
 30.32 ~~regarding the intended activities of the department with respect to the university land.~~

30.33 Sec. 74. **REVISOR'S INSTRUCTION.**

31.1 (a) Except when amended according to this act, the revisor shall change the phrases
31.2 "Office of Higher Education" and "Minnesota Office of Higher Education" to "office"
31.3 wherever they appear in Minnesota Statutes, chapter 136A.

31.4 (b) The revisor of statutes shall renumber Minnesota Statutes, section 135A.61
31.5 as section 136A.862. The revisor shall make any necessary cross-reference changes in
31.6 Minnesota Statutes or Minnesota Rules consistent with this renumbering.

31.7 (c) Except when amended according to this act, the revisor shall change the
31.8 phrases "Board of Trustees" and "Board of Trustees of the Minnesota State College and
31.9 Universities" to "board" wherever they appear in Minnesota Statutes, chapter 136F.

31.10 (d) The revisor of statutes shall make all necessary cross-reference changes in
31.11 Minnesota Statutes consistent with the amendments and repealers in this act. The revisor
31.12 shall make changes to sentence structure to preserve the meaning of the text.

31.13 **Sec. 75. REPEALER.**

31.14 (a) Minnesota Statutes 2012, sections 135A.14, subdivision 6; 136A.05, subdivision
31.15 2; 136A.101, subdivision 2; 136A.15, subdivisions 3 and 5; 136A.16, subdivisions 3, 4,
31.16 6, and 7; 136A.17; 136A.62, subdivision 2; 136F.11; 136F.44, subdivision 2; 136F.49;
31.17 136F.90, subdivision 6; 137.02, subdivision 1; and 137.59, are repealed.

31.18 (b) Minnesota Statutes 2013 Supplement, sections 136A.101, subdivision 3;
31.19 136A.15, subdivision 4; and 136A.16, subdivision 10, are repealed.

31.20 (c) Minnesota Rules, parts 4810.2100; 4810.2200; 4810.2300; 4810.2400;
31.21 4810.2500; 4810.2600; 4810.2700; 4810.2800; 4830.5000; 4830.5100; 4830.5200,
31.22 subparts 1 and 3; 4830.5300; and 4830.5400, are repealed.

135A.14 STATEMENT OF IMMUNIZATION.

Subd. 6. **Hepatitis information.** All public and private postsecondary education institutions shall provide information regarding the transmission, treatment, and prevention of hepatitis A, B, and C, to all persons who are first-time enrollees. The Department of Health shall be consulted regarding the preparation of these materials.

136A.05 COOPERATION OF INSTITUTIONS OF HIGHER EDUCATION.

Subd. 2. **Data.** The Minnesota Office of Higher Education and public postsecondary institutions shall provide data, in a manner consistent with state and federal laws governing student records, to and as requested by the Minnesota house of representatives or senate for research projects and studies qualifying under Code of Federal Regulations, title 34, section 99.31(a)(6). Private postsecondary institutions are requested to cooperate and provide data. As a condition of receiving the data, the house of representatives or senate shall enter into an agreement with the office or institutions to ensure that the house of representatives or senate will not disclose any data that identify individuals.

136A.101 DEFINITIONS.

Subd. 2. **Office.** "Office" means the Minnesota Office of Higher Education.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Office of Higher Education.

136A.15 DEFINITIONS.

Subd. 3. **Office.** "Office" means the Minnesota Office of Higher Education.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of the Minnesota Office of Higher Education.

Subd. 5. **Province.** "Province" means the Canadian province of Manitoba.

136A.16 POWERS AND DUTIES OF OFFICE.

Subd. 3. **Loan amounts.** The office may make loans in amounts not to exceed the maximum amount provided in the Higher Education Act of 1965 and any amendments thereof except that the limitation shall not apply to loans under section 136A.1701. The office may establish procedures determining the loan amounts for which students are eligible.

Subd. 4. **Lenders.** The office may contract with or enter into agreements with eligible lenders for the purpose of making loans to eligible students in accordance with the policies and rules of the office.

Subd. 6. **Insurance.** The office shall be empowered to charge for insurance on each loan a premium, payable each year in advance. The premiums shall not be in an amount in excess of the premium in the federal regulations which govern the vocational and higher education loan program except that the limitation shall not apply to loans under section 136A.1701. Premium fees shall be available to the office without fiscal year limitation for the purposes of making loans and meeting expenses of administering the loan programs.

Subd. 7. **Funds.** The office may apply for, receive, accept, and disburse federal funds, as well as funds from other public and private sources, made available to the state for loans or as administrative moneys to operate student loan programs. In making application for funds, it may comply with all requirements of state and federal law and rules and regulations, and enter into the contracts necessary to enable it to receive, accept, and administer such funds.

Subd. 10. **Commissioner.** Subject to its directives and review, the office may delegate to the commissioner the responsibility for issuance of public information concerning provisions of sections 136A.15 to 136A.1702, for design of loan application forms, and for prescribing procedures for submission of applications for loans.

136A.17 PROVISIONS FOR FEDERAL PROGRAMS.

Subdivision 1. **Eligibility.** A student is eligible to apply for a loan under sections 136A.15 to 136A.1702 if the office finds that the student is an eligible student as defined in those sections and is eligible for a loan under federal laws and regulations governing the federal guaranteed student loan programs.

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Subd. 2. **Compliance.** The student loan programs shall be administered in compliance with title VI of the Civil Rights Act of 1964.

Subd. 3. **Terms and conditions of loans.** The office may loan money upon such terms and conditions as the office may prescribe and it may acquire student loans from other lenders to facilitate the student loan programs provided for in this section.

Subd. 4. **Maximum loans for students.** No loan shall be made in excess of the maximum provided by pertinent federal laws and regulations. The aggregate unpaid principal amount of loans to any individual student shall not exceed the maximum provided in pertinent federal laws and regulations.

Subd. 5. **Vocational study.** The office may make loans for vocational study to an individual student for a maximum of three academic years or their equivalent and loans for higher education to an individual student for a maximum of eight academic years of study or their equivalent.

Subd. 6. **Maximum rate of interest.** No loans made by the office shall be made at an annual rate of interest in excess of the maximum prescribed in the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965, and any amendments thereof.

Subd. 7. **Student's family income.** The benefits of the loan programs will not be denied any student because of the student's family income or lack of need if the student's adjusted annual family income at the time the note is executed is less than the maximum prescribed in the applicable federal regulations.

Subd. 8. **Repayment of loans.** The repayment procedures applicable for loans made by the office shall be consistent with federal regulations governing interest payments under the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965.

Subd. 9. **Office powers.** The office may take, hold, and administer for any of its purposes, real property, personal property and moneys, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the office. The office may acquire property or moneys for such purposes by purchase or lease and by the acceptance of gifts, grants, bequests, devises or loans; and may enter into contracts with other nonprofit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the office and its loan programs.

Subd. 10. **Variable repayment.** The office may establish variable repayment schedules consistent with the need and anticipated income streams of borrowers. The repayment schedules shall not violate the federal laws and regulations governing federal guaranteed student loan programs.

Subd. 11. **Prohibition on use of state money.** No moneys originating from state sources in the state treasury shall be made available for student loans and all student loans shall be made from moneys originating from nonstate sources.

136A.62 DEFINITIONS.

Subd. 2. **Office.** "Office" means the Minnesota Office of Higher Education.

136F.11 CHANGES IN DESIGNATION AND STATUS OF EDUCATIONAL INSTITUTIONS.

Educational institutions heretofore known and described as state normal schools and state teachers colleges as designated in Minnesota Statutes have been redesignated as state universities. All property of the Duluth State College has been transferred and all obligations of the college have been assumed by the regents of the University of Minnesota in accordance with Minnesota Statutes 1974, section 137.13, and this college is now part of the university. The Southwest State University has been established in accordance with the provisions of Minnesota Statutes 1976, section 136.016.

136F.44 ADMINISTRATIVE INTERACTION WITH STUDENTS.

Subd. 2. **Information.** The board shall include a summary of campus and system activities related to subdivision 1 in its 1998-1999 biennial budget request.

136F.49 LICENSURE.

The board shall adopt policies for licensure of teaching personnel in technical colleges and for vocational technical instructors teaching outside the Minnesota State Colleges and

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Universities system. The board may establish a processing fee for the issuance, renewal, or extension of a license.

136F.90 BOARD OF TRUSTEES DUTIES.

Subd. 6. **Payment of interest; outstanding revenue bonds.** Except as provided in this subdivision, the board may irrevocably appropriate and use any money, other than direct state appropriations and tuition receipts appropriated by section 136F.71, subdivision 1, held by it to discharge or otherwise provide for the payment of the interest coming due on its revenue bonds outstanding on July 1, 1988, until paid and for the payment of the principal and any premium coming due on the bonds at maturity or upon any earlier date upon which the bonds are called for redemption. For this purpose, the board may exercise all powers conferred upon it under section 475.67, subdivisions 5 to 10. This subdivision does not authorize the appropriation or use of board money to secure outstanding revenue bonds contrary to a board resolution authorizing the issuance and providing for the security of the bonds, or the use of other board money contrary to the terms of a contract, specific legislative appropriation, or law.

137.02 POWERS AND DUTIES OF BOARD OF REGENTS.

Subdivision 1. **Transportation between university campus and farm.** The Board of Regents is hereby authorized to provide adequate means for safe, convenient, and rapid transportation of persons, supplies, and materials between the university farm and the university campus and the transportation of persons from intermediate points to either the university campus or the university farm and from the university campus or university farm to intermediate points and for the transportation of supplies and materials to and from the university farm by means of a connection with the belt line railway operated by the Minnesota Transfer Railway Company; and to that end the Board of Regents is hereby authorized to acquire by gift, purchase, condemnation, or otherwise such rights-of-way as may be deemed necessary and to construct, maintain, and operate lines of railway thereon and to make such contracts with any railway company for trackage rights, track connections, and motive power or for the hiring of rolling stock or for the operation of the same as may be found necessary or expedient in carrying out the provisions of this subdivision. The Board of Regents shall prescribe the rate of fares which shall be charged for the transportation of persons, which fares when collected shall be kept in a separate fund and used to defray the expense of maintaining and operating such railway.

137.59 NEIGHBORHOOD IMPACT REPORT.

The board and the city of Minneapolis are requested to work with the reconstituted stadium area advisory group described in the University of Minnesota On-Campus Football Stadium-Final EIS, dated February 13, 2006, to assess and prepare a report of the impact of the university on the surrounding community and the relationship of the community to the university. The report shall include, but not be limited to, an assessment of:

(1) the direct and indirect impacts of the university on the surrounding community, addressing issues of public safety, transportation, and housing quality, availability, and affordability;

(2) opportunities and strategies to improve coordination between the university, surrounding residential and business areas, and the city of Minneapolis;

(3) strategies for strengthening and revitalizing the neighborhoods and commercial business areas and supporting economic development; and

(4) identification of the best practices and strategies for building partnerships among the stakeholders.

The report shall include consensus recommendations from the University of Minnesota, the city of Minneapolis, and the reconstituted stadium area advisory group for short- and long-term solutions to ongoing issues and concerns and shall include projected costs and benefits of the recommendations made. The report shall be submitted to the governor and the legislature by January 15, 2007.

4810.2100 DEFINITIONS.

Subpart 1. **Scope.** The following terms shall have the meanings hereinafter ascribed to them.

Subp. 2. **Accredited medical school.** "Accredited medical school" shall be any medical school accredited by the Liaison Committee on Medical Education, as founded by the American Medical Association and the Association of American Medical Colleges and as recognized by the United States Office of Education.

Subp. 3. **Accredited school of osteopathy.** "Accredited school of osteopathy" shall be one whose graduates are eligible for licensure in Minnesota.

Subp. 4. **Area in need of medical doctors or osteopaths.** "Area in need of medical doctors or osteopaths" shall be a rural community in Minnesota where the health care needs of its residents are not fully met by available physicians and/or osteopaths. At least annually, by resolution, the office shall adopt a list of such areas based upon recommendations of the Minnesota Board of Medical Practice and other agencies concerned with planning health care of Minnesota residents. The list of areas in need is applicable to the student at the time the student commences practice.

Subp. 5. **Eighteen months of each initial or renewal period of the loan.** "Eighteen months of each initial or renewal period of the loan" shall mean 18 months times the number of years the student received funds from the program up to a maximum of five years.

Subp. 6. **Service requirement.** "Service requirement" shall mean the number of months the student must practice in an area in need of medical doctors or osteopaths in order to satisfy the loan cancellation provisions of the program.

Subp. 7. **Student in good standing.** "Student in good standing" shall mean that the student is attending full time in an approved school of medicine or osteopathy and is making satisfactory progress toward completion of academic and internship requirements according to standards of the institution the student is attending.

4810.2200 PURPOSE.

The purpose of parts 4810.2100 to 4810.2800 is to augment Minnesota Statutes, sections 147.30 et seq., as amended, establishing a state program of loans to medical and osteopathy students by providing standards, criteria, and rules therefor.

4810.2300 COMMISSIONER.

The commissioner of the office is hereby delegated the authority and responsibility for administration of the Minnesota medical and osteopathy loan program in accordance with these rules and state laws, for issuance of public information, designing of application forms, prescribing of procedures for submission of applications for loans, and for the selection of qualified recipients of loans provided by the term of this act.

Completed applications shall be reviewed, ranked, and forwarded by representatives of participating schools of medicine and osteopathy to the Board of Medical Practice. The Board of Medical Practice shall evaluate the respective qualifications of applicants and present its recommendations to the office for its final review and approval.

4810.2400 CRITERIA FOR SELECTION.

Priority will be given to applicants with financial need. The applicant's need for loan assistance provided by the terms of this act shall be determined by the office, which shall take into account educational costs and financial resources available to the student. In selecting medical students, priority shall be given to students enrolled in schools in Minnesota. Once selected, program participants are eligible to borrow from the program each academic year until graduation from medical or osteopathy school.

4810.2500 TERMS OF LOANS.

Subpart 1. **Amount.** The amount of a loan shall not exceed \$6,000 for any given academic year nor \$24,000 in total to any one student.

Subp. 2. **Note and interest.** Each loan shall be evidenced by a promissory note payable on demand to the state of Minnesota and such note shall bear interest at the rate of eight percent per annum from the date of execution until paid or otherwise discharged in accordance with terms of this act.

Subp. 3. **Length of services.** Each recipient of a loan provided under Minnesota Statutes shall be required to agree in writing to practice medicine or osteopathy as follows.

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If the recipient first received assistance from the program before July 1, 1975, the recipient must practice in an area in need of medical doctors or osteopaths for three years.

Recipients receiving assistance from the program for the first time after July 1, 1975, must practice in an area in need of medical doctors or osteopaths for a period not less than 18 months for each year the student received funds from the program or for a period of five years, whichever is less.

Subp. 4. **Discharge of obligation.** The recipient of a loan provided by terms of this act shall be considered to have discharged the full amount of obligation, both principal and interest, of loans, upon certification of satisfactory completion of required medical practice as defined in subpart 3.

Subp. 5. **Commencing service.** Recipients who agree to practice in an area in need of medical doctors or osteopaths shall begin not later than three months after being certified as qualified to practice medicine or osteopathy in Minnesota except as otherwise provided in subpart 6.

Subp. 6. **Deferment of obligation.** After being certified by the Board of Medical Practice as qualified to practice medicine or osteopathy in Minnesota, the recipient of a loan provided by this act may, upon proper application to the commissioner, be granted deferment of the recipient's obligation for a period not exceeding four years for the purpose of advanced specialized study or for service in the armed forces of the United States.

Subp. 7. **Breach of contract.** If the recipient of a loan provided by this act fails to fulfill the agreement to practice medicine or osteopathy as set forth in subpart 3 the full amount of loan obligations, both principal and interest, shall become due and payable upon demand.

Subp. 8. **Appeal procedure.** During the year that a recipient is due to commence service in Minnesota, the recipient may appeal the exclusion of a community from the list of eligible areas in need. The appeal must contain at least the following:

- A. a written request for an appeal to the commissioner; and
- B. documentation to establish that a community be added to the office's list of eligible areas in need, including:
 - (1) documentation from the representative of the local health systems agency defining the health care needs of the residents, and services provided by available physicians and osteopaths;
 - (2) notarized statements from available physicians and osteopaths documenting their intention to retire, leave the area, or otherwise reduce their services to the community;
 - (3) demographic and geographic data demonstrating the level of medical service provided within the community; and
 - (4) other relevant data concerning the health care of the community.

The commissioner shall initially decide the appeal. An adverse decision must automatically be forwarded to the financial aid committee of the office, or its representatives, for a decision. The recipient may appeal an adverse determination of the financial aid committee to the Office of Administrative Hearings.

4810.2600 PAYMENT TO STUDENTS.

Upon approval of a loan under terms of this act and after the promissory note and service agreement have been executed in accordance with requirements set forth in part 4810.2500, subparts 2 and 3, respectively, the commissioner of the office shall cause to be remitted to the loan recipient the principal amount of the loan. Pursuant to terms of this act, a loan may be granted for full-time attendance at an approved school of medicine or osteopathy for a specified academic term.

4810.2700 REPAYMENT UPON DEMAND.

A recipient of a loan obtained under provisions of this act who ceases to be a full-time student, in good standing, at an approved school of medicine or osteopathy for any reason shall be required to repay to the office the entire amount of loan obligations, both principal and interest, upon demand.

4810.2800 RESERVE FUND.

The office shall be required to maintain a reserve fund. Loan obligations forgiven in accordance with part 4810.2500, subpart 4, and any uncollectible loans made in accordance

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with the terms of this act shall be charged to the reserve fund and the loan fund credited for the amount so charged.

4830.5000 SCOPE.

Parts 4830.5000 to 4830.5400 govern state loans to postsecondary students.

4830.5100 ELIGIBLE SCHOOLS.

Schools eligible for funds for student loans are public or private postsecondary schools in any state, approved by the United States secretary of education in accordance with requirements of the Higher Education Act of 1965, as amended, published in United States Code, title 20, chapter 28.

4830.5200 ELIGIBLE STUDENTS.

Subpart 1. **In general.** To be eligible for a state student loan, a student must meet all of the following requirements:

A. is eligible for the guaranteed student loan program created by the Higher Education Act of 1965, as amended, published in United States Code, title 20, chapter 28;

B. is enrolled at least half time;

C. is in good standing, as determined by the school;

D. lives in Minnesota during the school period for which the loan is approved, for a student who is not a Minnesota resident;

E. has a loan refusal letter from a commercial lender when applying for a loan for the first time as an undergraduate student; and

F. is one of the following:

(1) enrolled in an eligible school in Minnesota; or

(2) a Minnesota resident enrolled in an eligible school in any other state.

4830.5200 ELIGIBLE STUDENTS.

Subp. 3. **Students in default.** A student is not eligible for a loan if the student is currently in default on a student loan or has a default claim filed with the guarantee agency at the time of application unless the student has made repayment arrangements satisfactory to the guarantee agency and the office.

4830.5300 SCHOOL AGREEMENTS AND STUDENT APPLICATIONS.

Subpart 1. **Origination agreement.** Before approving loans to students at a school, the school and commissioner shall execute a loan origination agreement. A school is considered to have originated a loan if the school determines who receives a loan and the loan amount or if the school, at the request of the lender, verifies the identity of the borrower or completes forms normally completed by the lender. The origination agreement must specify the school's responsibility for proper delivery of loans to students. It must also designate a school representative who is responsible for performance of the following activities:

A. complete and certify the school section of a loan application;

B. assist the office by providing loan counseling to students;

C. assist the office by counseling students about their obligations when accepting a loan;

D. deliver loan disbursements to students; and

E. promptly notify the office when a borrower does not attend school at least half-time.

Subp. 2. **Termination.** The commissioner may terminate an agreement with a school upon determining that continuation of the agreement is not in the best interests of the state student loan program.

Subp. 3. **Application, guarantee, and note.** The student and school must complete appropriate parts of the application and promissory note and send them to the office for its review. The office must complete the lender's part of the application and send it to the guarantee agency. The guarantee agency must determine the loan amount it will guarantee. Once the loan amount has been guaranteed, the office must send the loan amount to the school as prescribed in the Higher Education Act of 1965, as amended.

4830.5400 AMOUNT, TERMS, AND PAYMENT.

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Subpart 1. **Maximum and minimum amounts.** The maximum loan for a loan period and the aggregate principal balance of loans shall be those prescribed in the Higher Education Act of 1965, as amended, published in United States Code, title 20, chapter 28. The minimum amount of a loan shall be \$250.

Subp. 2. **Duration.** A loan shall not be approved for a loan period in excess of 12 months.

Subp. 3. **Repayment.** The interest rate, terms, and conditions of repayment shall be those prescribed by the Higher Education Act of 1965, as amended, published in United States Code, title 20, chapter 28.

Subp. 4. **Date of payments.** No check shall be dated more than 30 days before the beginning of the loan period for which the loan is made. A school shall not deliver a check to a student until after the loan period has begun. No payment shall be made after the loan period expires.

Subp. 5. **Failure to enroll, transfer, or withdraw.** The school shall return checks for students who have not enrolled within 30 days of the date enrollment is determined. If a student transfers to another school or withdraws from school before a check is received, the loan is canceled. A student may reapply for a loan at another school. If a student who has received a check does not attend school for the intended loan period, the loan shall be immediately due and payable.

Subp. 6. **Refunds.** Refunds from schools to the office must be made as prescribed in the Higher Education Act of 1965, as amended.