

1.1 CONFERENCE COMMITTEE REPORT ON S.F. No. 2214

1.2 A bill for an act

1.3 relating to higher education; providing funding and policy changes for the Office  
 1.4 of Higher Education, the Minnesota State Colleges and Universities, the University  
 1.5 of Minnesota, and other related programs; modifying state grant program calculation  
 1.6 parameters; requiring reports; appropriating money; amending Minnesota Statutes  
 1.7 2016, sections 135A.031, subdivision 7; 135A.15, subdivision 1a; 136A.101,  
 1.8 subdivision 5a; 136A.125, subdivisions 2, 4; 136A.1275; 136A.685; 148.89,  
 1.9 subdivision 5; Laws 2014, chapter 312, article 1, section 15; proposing coding for  
 1.10 new law in Minnesota Statutes, chapters 136A; 148; 298.

1.11 May 9, 2017

1.12 The Honorable Michelle L. Fischbach

1.13 President of the Senate

1.14 The Honorable Kurt L. Daudt

1.15 Speaker of the House of Representatives

1.16 We, the undersigned conferees for S.F. No. 2214 report that we have agreed upon the  
 1.17 items in dispute and recommend as follows:

1.18 That the House recede from its amendments and that S.F. No. 2214 be further amended  
 1.19 as follows:

1.20 Delete everything after the enacting clause and insert:

1.21 **"ARTICLE 1**

1.22 **HIGHER EDUCATION APPROPRIATIONS**

1.23 Section 1. **APPROPRIATIONS.**

1.24 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
 1.25 and for the purposes specified in this article. The appropriations are from the general fund,  
 1.26 or another named fund, and are available for the fiscal years indicated for each purpose.

1.27 The figures "2018" and "2019" used in this article mean that the appropriations listed under  
 1.28 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

2.1 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"  
 2.2 is fiscal years 2018 and 2019.

2.3		<b><u>APPROPRIATIONS</u></b>	
2.4		<b><u>Available for the Year</u></b>	
2.5		<b><u>Ending June 30</u></b>	
2.6		<b><u>2018</u></b>	<b><u>2019</u></b>

2.7 **Sec. 2. MINNESOTA OFFICE OF HIGHER**  
 2.8 **EDUCATION**

2.9	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$</u></b>	<b><u>248,436,000</u></b>	<b><u>\$</u></b>	<b><u>247,595,000</u></b>
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2.10 The amounts that may be spent for each  
 2.11 purpose are specified in the following  
 2.12 subdivisions.

2.13	<b><u>Subd. 2. State Grants</u></b>	<b><u>188,106,000</u></b>	<b><u>190,956,000</u></b>
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2.14 If the appropriation in this subdivision for  
 2.15 either year is insufficient, the appropriation  
 2.16 for the other year is available for it.

2.17	<b><u>Subd. 3. Child Care Grants</u></b>	<b><u>6,694,000</u></b>	<b><u>6,694,000</u></b>
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2.18	<b><u>Subd. 4. State Work-Study</u></b>	<b><u>14,502,000</u></b>	<b><u>14,502,000</u></b>
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2.19	<b><u>Subd. 5. Interstate Tuition Reciprocity</u></b>	<b><u>11,018,000</u></b>	<b><u>11,018,000</u></b>
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2.20 If the appropriation in this subdivision for  
 2.21 either year is insufficient, the appropriation  
 2.22 for the other year is available to meet  
 2.23 reciprocity contract obligations.

2.24	<b><u>Subd. 6. Safety Officer's Survivors</u></b>	<b><u>100,000</u></b>	<b><u>100,000</u></b>
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2.25 This appropriation is to provide educational  
 2.26 benefits under Minnesota Statutes, section  
 2.27 299A.45, to eligible dependent children and  
 2.28 to the spouses of public safety officers killed  
 2.29 in the line of duty.

2.30 If the appropriation in this subdivision for  
 2.31 either year is insufficient, the appropriation  
 2.32 for the other year is available for it.

2.33	<b><u>Subd. 7. Indian Scholarships</u></b>	<b><u>3,500,000</u></b>	<b><u>3,500,000</u></b>
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3.1	<u>The commissioner must contract with or</u>		
3.2	<u>employ at least one person with demonstrated</u>		
3.3	<u>competence in American Indian culture and</u>		
3.4	<u>residing in or near the city of Bemidji to assist</u>		
3.5	<u>students with the scholarships under</u>		
3.6	<u>Minnesota Statutes, section 136A.126, and</u>		
3.7	<u>with other information about financial aid for</u>		
3.8	<u>which the students may be eligible. Bemidji</u>		
3.9	<u>State University must provide office space at</u>		
3.10	<u>no cost to the Office of Higher Education for</u>		
3.11	<u>purposes of administering the American Indian</u>		
3.12	<u>scholarship program under Minnesota Statutes,</u>		
3.13	<u>section 136A.126. This appropriation includes</u>		
3.14	<u>funding to administer the American Indian</u>		
3.15	<u>scholarship program.</u>		
3.16	<b><u>Subd. 8. Tribal College Grants</u></b>	<u>150,000</u>	<u>150,000</u>
3.17	<u>For tribal college assistance grants under</u>		
3.18	<u>Minnesota Statutes, section 136A.1796.</u>		
3.19	<b><u>Subd. 9. Intervention for College Attendance</u></b>		
3.20	<b><u>Program Grants</u></b>	<u>671,000</u>	<u>671,000</u>
3.21	<u>For the intervention for college attendance</u>		
3.22	<u>program under Minnesota Statutes, section</u>		
3.23	<u>136A.861.</u>		
3.24	<u>The commissioner may use no more than two</u>		
3.25	<u>percent of this appropriation to administer the</u>		
3.26	<u>intervention for college attendance program</u>		
3.27	<u>grants.</u>		
3.28	<b><u>Subd. 10. Student-Parent Information</u></b>	<u>122,000</u>	<u>122,000</u>
3.29	<b><u>Subd. 11. Get Ready!</u></b>	<u>180,000</u>	<u>180,000</u>
3.30	<b><u>Subd. 12. Minnesota Education Equity</u></b>		
3.31	<b><u>Partnership</u></b>	<u>45,000</u>	<u>45,000</u>
3.32	<b><u>Subd. 13. Midwest Higher Education Compact</u></b>	<u>115,000</u>	<u>115,000</u>
3.33	<b><u>Subd. 14. United Family Medicine Residency</u></b>		
3.34	<b><u>Program</u></b>	<u>501,000</u>	<u>501,000</u>

4.1	<u>For a grant to United Family Medicine</u>		
4.2	<u>residency program. This appropriation shall</u>		
4.3	<u>be used to support up to 21 resident physicians</u>		
4.4	<u>each year in family practice at United Family</u>		
4.5	<u>Medicine residency programs and shall</u>		
4.6	<u>prepare doctors to practice family care</u>		
4.7	<u>medicine in underserved rural and urban areas</u>		
4.8	<u>of the state. It is intended that this program</u>		
4.9	<u>will improve health care in underserved</u>		
4.10	<u>communities, provide affordable access to</u>		
4.11	<u>appropriate medical care, and manage the</u>		
4.12	<u>treatment of patients in a cost-effective</u>		
4.13	<u>manner.</u>		
4.14	<b><u>Subd. 15. MnLINK Gateway and Minitex</u></b>	<u>5,905,000</u>	<u>5,905,000</u>
4.15	<b><u>Subd. 16. Statewide Longitudinal Education</u></b>		
4.16	<b><u>Data System</u></b>	<u>882,000</u>	<u>882,000</u>
4.17	<b><u>Subd. 17. Hennepin County Medical Center</u></b>	<u>645,000</u>	<u>645,000</u>
4.18	<u>For transfer to Hennepin County Medical</u>		
4.19	<u>Center for graduate family medical education</u>		
4.20	<u>programs at Hennepin County Medical Center.</u>		
4.21	<b><u>Subd. 18. MNSCU Two-Year Public College</u></b>		
4.22	<b><u>Program</u></b>	<u>3,481,000</u>	<u>-0-</u>
4.23	<u>(a) \$2,780,000 in fiscal year 2018 is for</u>		
4.24	<u>two-year public college program grants under</u>		
4.25	<u>Laws 2015, chapter 69, article 3, section 20.</u>		
4.26	<u>(b) \$545,000 in fiscal year 2018 is to provide</u>		
4.27	<u>mentoring and outreach as specified under</u>		
4.28	<u>Laws 2015, chapter 69, article 3, section 20.</u>		
4.29	<u>(c) \$156,000 in fiscal year 2018 is for</u>		
4.30	<u>information technology and administrative</u>		
4.31	<u>costs associated with implementation of the</u>		
4.32	<u>grant program.</u>		
4.33	<b><u>Subd. 19. College Possible</u></b>	<u>250,000</u>	<u>250,000</u>

5.1 (a) This appropriation is for immediate transfer  
 5.2 to College Possible to support programs of  
 5.3 college admission and college graduation for  
 5.4 low-income students through an intensive  
 5.5 curriculum of coaching and support at both  
 5.6 the high school and postsecondary level.

5.7 (b) This appropriation must, to the extent  
 5.8 possible, be proportionately allocated between  
 5.9 students from greater Minnesota and students  
 5.10 in the seven-county metropolitan area.

5.11 (c) This appropriation must be used by College  
 5.12 Possible only for programs supporting students  
 5.13 who are residents of Minnesota and attending  
 5.14 colleges or universities within Minnesota.

5.15 (d) By February 1 of each year, College  
 5.16 Possible must report to the chairs and ranking  
 5.17 minority members of the legislative  
 5.18 committees and divisions with jurisdiction  
 5.19 over higher education and E-12 education on  
 5.20 activities funded by this appropriation. The  
 5.21 report must include, but is not limited to,  
 5.22 information about the expansion of College  
 5.23 Possible in Minnesota, the number of College  
 5.24 Possible coaches hired, the expansion within  
 5.25 existing partner high schools, the expansion  
 5.26 of high school partnerships, the number of  
 5.27 high school and college students served, the  
 5.28 total hours of community service by high  
 5.29 school and college students, and a list of  
 5.30 communities and organizations benefiting  
 5.31 from student service hours.

5.32 **Subd. 20. Spinal Cord Injury and Traumatic**  
 5.33 **Brain Injury Research Grant Program**

3,000,000

3,000,000

6.1 For spinal cord injury and traumatic brain  
 6.2 injury research grants authorized under  
 6.3 Minnesota Statutes, section 136A.901.

6.4 The commissioner may use no more than two  
 6.5 percent of this appropriation to administer the  
 6.6 grant program under this subdivision.

6.7 **Subd. 21. Summer Academic Enrichment**  
 6.8 **Program**

125,000

125,000

6.9 For summer academic enrichment grants under  
 6.10 Minnesota Statutes, section 136A.091.

6.11 The commissioner may use no more than two  
 6.12 percent of this appropriation to administer the  
 6.13 grant program under this subdivision.

6.14 **Subd. 22. Dual Training Competency Grants;**  
 6.15 **Office of Higher Education**

2,000,000

2,000,000

6.16 For training grants under Minnesota Statutes,  
 6.17 section 136A.246.

6.18 The commissioner may use no more than two  
 6.19 percent of this appropriation to administer the  
 6.20 grant program under this subdivision.

6.21 **Subd. 23. Dual Training Competency Grants;**  
 6.22 **Department of Labor and Industry**

200,000

200,000

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

6.27 **Subd. 24. Concurrent Enrollment Courses**

340,000

340,000

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

7.1 Any balance in the first year does not cancel  
 7.2 but is available in the second year.

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

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

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

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

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

7.28	<b><u>Subd. 26. Campus Sexual Violence Prevention</u></b>		
7.29	<b><u>and Response Coordinator</u></b>	<u>150,000</u>	<u>150,000</u>
7.30	<u>For the Office of Higher Education to staff a</u>		
7.31	<u>campus sexual violence prevention and</u>		
7.32	<u>response coordinator to serve as a statewide</u>		
7.33	<u>resource providing professional development</u>		
7.34	<u>and guidance on best practices for</u>		

8.1 postsecondary institutions. \$50,000 each year  
 8.2 are for administrative funding to conduct  
 8.3 trainings and provide materials to  
 8.4 postsecondary institutions.

8.5 **Subd. 27. Addiction Medicine Graduate**  
 8.6 **Fellowship Program**

210,000

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8.7 For the addiction medicine graduate fellowship  
 8.8 program under Laws 2016, chapter 189, article  
 8.9 1, section 2, subdivision 4.

8.10 **Subd. 28. Student and Employer Connection**  
 8.11 **Information System**

405,000

405,000

8.12 For a grant to the Minnesota Chamber  
 8.13 Foundation for the creation of a web-based  
 8.14 job and intern-seeking software tool that blind  
 8.15 matches the needs of employers located in  
 8.16 Minnesota with the individual profiles of high  
 8.17 school seniors and postsecondary students  
 8.18 attending Minnesota high schools and  
 8.19 postsecondary institutions. No more than two  
 8.20 percent of this appropriation may be used for  
 8.21 administrative expenses of the foundation. The  
 8.22 foundation must report by January 15, 2019,  
 8.23 on activities under this subdivision to the  
 8.24 chairs and ranking minority members of the  
 8.25 legislative committees with jurisdiction over  
 8.26 higher education finance.

8.27 **Subd. 29. Emergency Assistance for**  
 8.28 **Postsecondary Students**

175,000

175,000

8.29 (a) This appropriation is for the Office of  
 8.30 Higher Education to allocate grant funds on a  
 8.31 matching basis to schools with a demonstrable  
 8.32 homeless student population.

8.33 (b) This appropriation shall be used to meet  
 8.34 immediate student needs that could result in  
 8.35 a student not completing the term or their



9.1 program including, but not limited to,  
 9.2 emergency housing, food, and transportation.  
 9.3 Emergency assistance does not impact the  
 9.4 amount of state financial aid received.

9.5 (c) The commissioner shall determine the  
 9.6 application process and the grant amounts.  
 9.7 Any balance in the first year does not cancel  
 9.8 but shall be available in the second year. The  
 9.9 Office of Higher Education shall partner with  
 9.10 interested postsecondary institutions, other  
 9.11 state agencies, and student groups to establish  
 9.12 the programs.

9.13 **Subd. 30. Grants to Teacher Candidates** 500,000 500,000

9.14 For grants to teacher candidates under  
 9.15 Minnesota Statutes, section 136A.1275. This  
 9.16 appropriation is in addition to the money  
 9.17 available under Laws 2016, chapter 189,  
 9.18 article 25, section 62, subdivision 11.

9.19 The commissioner may use no more than two  
 9.20 percent of the appropriation for administration  
 9.21 of the program.

9.22 **Subd. 31. Teacher Shortage Loan Forgiveness** 200,000 200,000

9.23 For the loan forgiveness program under  
 9.24 Minnesota Statutes, section 136A.1791.

9.25 The commissioner may use no more than two  
 9.26 percent of this appropriation to administer the  
 9.27 program under this subdivision.

9.28 **Subd. 32. Large Animal Veterinarian Loan**  
 9.29 **Forgiveness Program** 375,000 375,000

9.30 For the large animal veterinarian loan  
 9.31 forgiveness program under Minnesota Statutes,  
 9.32 section 136A.1795.

9.33 **Subd. 33. Agricultural Educators Loan**  
 9.34 **Forgiveness** 50,000 50,000

10.1	<u>For deposit in the agricultural education loan</u>		
10.2	<u>forgiveness account.</u>		
10.3	<b><u>Subd. 34. Aviation Degree Loan Forgiveness</u></b>		
10.4	<b><u>Program</u></b>	<u>25,000</u>	<u>25,000</u>
10.5	<u>For the aviation degree loan forgiveness</u>		
10.6	<u>program under Minnesota Statutes, section</u>		
10.7	<u>136A.1789.</u>		
10.8	<b><u>Subd. 35. Grants for Students with Intellectual</u></b>		
10.9	<b><u>and Developmental Disabilities</u></b>	<u>200,000</u>	<u>200,000</u>
10.10	<u>For grants for students with intellectual and</u>		
10.11	<u>developmental disabilities under Minnesota</u>		
10.12	<u>Statutes, section 136A.1215.</u>		
10.13	<b><u>Subd. 36. Loan Repayment Assistance Program</u></b>	<u>25,000</u>	<u>25,000</u>
10.14	<u>For a grant to the Loan Repayment Assistance</u>		
10.15	<u>Program of Minnesota to provide education</u>		
10.16	<u>debt relief to attorneys with full-time</u>		
10.17	<u>employment providing legal advice or</u>		
10.18	<u>representation to low-income clients or support</u>		
10.19	<u>services for this work.</u>		
10.20	<b><u>Subd. 37. Minnesota Life College</u></b>	<u>1,000,000</u>	<u>1,000,000</u>
10.21	<u>For a grant to Minnesota Life College for</u>		
10.22	<u>need-based scholarships and tuition reduction.</u>		
10.23	<b><u>Subd. 38. Agency Administration</u></b>	<u>2,564,000</u>	<u>2,564,000</u>
10.24	<b><u>Subd. 39. Balances Forward</u></b>		
10.25	<u>A balance in the first year under this section</u>		
10.26	<u>does not cancel, but is available for the second</u>		
10.27	<u>year.</u>		
10.28	<b><u>Subd. 40. Transfers</u></b>		
10.29	<u>The commissioner of the Office of Higher</u>		
10.30	<u>Education may transfer unencumbered</u>		
10.31	<u>balances from the appropriations in this</u>		
10.32	<u>section to the state grant appropriation, the</u>		
10.33	<u>interstate tuition reciprocity appropriation, the</u>		
10.34	<u>child care grant appropriation, the Indian</u>		

11.1 scholarship appropriation, the state work-study  
 11.2 appropriation, the get ready appropriation, and  
 11.3 the public safety officers' survivors  
 11.4 appropriation. Transfers from the child care  
 11.5 or state work-study appropriations may only  
 11.6 be made to the extent there is a projected  
 11.7 surplus in the appropriation. A transfer may  
 11.8 be made only with prior written notice to the  
 11.9 chairs and ranking minority members of the  
 11.10 senate and house of representatives  
 11.11 committees with jurisdiction over higher  
 11.12 education finance.

11.13 **Sec. 3. BOARD OF TRUSTEES OF THE**  
 11.14 **MINNESOTA STATE COLLEGES AND**  
 11.15 **UNIVERSITIES**

11.16 **Subdivision 1. Total Appropriation**                      \$     **709,748,000** \$     **714,640,000**

11.17 The amounts that may be spent for each  
 11.18 purpose are specified in the following  
 11.19 subdivisions.

11.20 **Subd. 2. Central Office and Shared Services Unit**                      **33,074,000**                      **33,074,000**

11.21 For the Office of the Chancellor and the  
 11.22 Shared Services Division.

11.23 Notwithstanding section 136F.06, subdivision  
 11.24 3, the Board of Trustees must not renew its  
 11.25 existing lease for the central office location,  
 11.26 and must explore co-locating the central office  
 11.27 on an existing system campus or campuses.

11.28 **Subd. 3. Operations and Maintenance**                      **672,559,000**                      **677,451,000**

11.29 (a) Of this amount, the Board of Trustees must  
 11.30 transfer \$100,000 for each campus not located  
 11.31 in a metropolitan county, as defined in  
 11.32 Minnesota Statutes, section 473.121,  
 11.33 subdivision 4, in each year to the president of  
 11.34 each institution that includes such a campus,

- 12.1 provided that no institution may receive more  
12.2 than \$300,000 under this paragraph. Funds  
12.3 appropriated under this paragraph are for  
12.4 enrollment, new program, and student success  
12.5 initiatives.
- 12.6 (b) The Board of Trustees must establish  
12.7 tuition rates as follows:
- 12.8 (1) for the 2017-2018 academic year, the  
12.9 tuition rate at colleges must not exceed the  
12.10 2016-2017 academic year rate; and
- 12.11 (2) for the 2018-2019 academic year, the  
12.12 tuition rate at universities must not exceed the  
12.13 2017-2018 academic year rate, and the tuition  
12.14 rate at colleges must be reduced by at least  
12.15 one percent compared to the 2017-2018  
12.16 academic year rate.
- 12.17 The student tuition relief may not be offset by  
12.18 increases in mandatory fees, charges, or other  
12.19 assessments to the student.
- 12.20 (c) The Board of Trustees is requested to help  
12.21 Minnesota close the attainment gap by funding  
12.22 activities which improve retention and  
12.23 completion for students of color.
- 12.24 (d) This appropriation includes \$500,000 in  
12.25 fiscal year 2018 and \$500,000 in fiscal year  
12.26 2019 for workforce development scholarships  
12.27 under Minnesota Statutes, section 136F.38.
- 12.28 (e) \$200,000 each year is for transfer to the  
12.29 Cook County Higher Education Board to  
12.30 provide educational programming and  
12.31 academic support services to remote regions  
12.32 in northeastern Minnesota. The Cook County  
12.33 Higher Education Board shall continue to  
12.34 provide information to the Board of Trustees

- 13.1 on the number of students served, credit hours  
13.2 delivered, and services provided to students.
- 13.3 (f) \$50,000 in fiscal year 2018 and \$50,000 in  
13.4 fiscal year 2019 are for developing and  
13.5 teaching online agricultural courses by farm  
13.6 business management faculty at colleges that  
13.7 offer farm business management.
- 13.8 (g) \$175,000 in fiscal year 2018 and \$175,000  
13.9 in fiscal year 2019 are for the  
13.10 veterans-to-agriculture pilot program  
13.11 established by Laws 2015, chapter 69, article  
13.12 1, section 4, subdivision 3. The program shall  
13.13 continue to conform to the requirements of  
13.14 that subdivision. The appropriation shall be  
13.15 used to support, in equal amounts, up to six  
13.16 program sites statewide. No more than two  
13.17 percent of the total appropriation provided by  
13.18 this section may be used for administrative  
13.19 purposes at the system level.
- 13.20 No later than December 15, 2018, the program  
13.21 shall report to the committees of the house of  
13.22 representatives and the senate with jurisdiction  
13.23 over issues related to agriculture, veterans  
13.24 affairs, and higher education on program  
13.25 operations, including information on  
13.26 participation rates, new job placements, and  
13.27 any unmet needs.
- 13.28 (h) This appropriation includes \$40,000 in  
13.29 fiscal year 2018 and \$40,000 in fiscal year  
13.30 2019 to implement the sexual assault policies  
13.31 required under Minnesota Statutes, section  
13.32 135A.15.
- 13.33 (i) This appropriation includes \$3,000,000 in  
13.34 fiscal year 2018 and \$5,000,000 in fiscal year

14.1 2019 for upgrading the Integrated Statewide  
 14.2 Record System.

14.3 (j) \$100,000 in fiscal year 2018 is for use by  
 14.4 Winona State University for HealthForce  
 14.5 Minnesota to develop educational materials  
 14.6 that increase awareness of career opportunities  
 14.7 available in the field of senior care. The  
 14.8 educational materials developed under this  
 14.9 provision must be appropriate for students in  
 14.10 K-12 education settings, dislocated workers,  
 14.11 and rural communities. Materials must be  
 14.12 developed in collaboration with employers  
 14.13 and trade organizations representing  
 14.14 employers in the field of senior care.

14.15 Winona State University shall submit a report  
 14.16 by February 1, 2019, to the chairs and ranking  
 14.17 minority members of the legislative  
 14.18 committees with jurisdiction over higher  
 14.19 education finance and policy. The report must  
 14.20 include information about the materials  
 14.21 developed, to whom materials were  
 14.22 distributed, and identify any collaborations  
 14.23 with employers and trade organizations.

14.24 <u>Subd. 4. Learning Network of Minnesota</u>	<u>4,115,000</u>	<u>4,115,000</u>
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14.25 Sec. 4. BOARD OF REGENTS OF THE  
 14.26 UNIVERSITY OF MINNESOTA

14.27 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>636,868,000</u>	<u>\$</u>	<u>638,818,000</u>
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	<u>Appropriations by Fund</u>	
	<u>2018</u>	<u>2019</u>
14.29 <u>General</u>	<u>634,711,000</u>	<u>636,661,000</u>
14.30 <u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>

14.31 The amounts that may be spent for each  
 14.32 purpose are specified in the following  
 14.33 subdivisions.

- |      |   |                    |                    |
|------|---|--------------------|--------------------|
| 15.1 | <u>Subd. 2. <b>Operations and Maintenance</b></u> | <u>567,273,000</u> | <u>569,223,000</u> |
|------|---|--------------------|--------------------|
- 15.2 (a) \$15,000,000 in fiscal year 2018 and  
15.3 \$15,000,000 in fiscal year 2019 are to: (1)  
15.4 increase the medical school's research  
15.5 capacity; (2) improve the medical school's  
15.6 ranking in National Institutes of Health  
15.7 funding; (3) ensure the medical school's  
15.8 national prominence by attracting and  
15.9 retaining world-class faculty, staff, and  
15.10 students; (4) invest in physician training  
15.11 programs in rural and underserved  
15.12 communities; and (5) translate the medical  
15.13 school's research discoveries into new  
15.14 treatments and cures to improve the health of  
15.15 Minnesotans.
- 15.16 (b) \$6,800,000 in fiscal year 2018 and  
15.17 \$8,800,000 in fiscal year 2019 are for health  
15.18 training restoration. This appropriation must  
15.19 be used to support all of the following: (1)  
15.20 faculty physicians who teach at eight residency  
15.21 program sites, including medical resident and  
15.22 student training programs in the Department  
15.23 of Family Medicine; (2) the Mobile Dental  
15.24 Clinic; and (3) expansion of geriatric  
15.25 education and family programs.
- 15.26 (c) \$1,000,000 in fiscal year 2018 and  
15.27 \$1,000,000 in fiscal year 2019 are for the  
15.28 Minnesota Discovery, Research, and  
15.29 InnoVation Economy funding program for  
15.30 cancer care research.
- 15.31 (d) \$50,000 in fiscal year 2018 is to develop  
15.32 and implement a plan to offer the academic  
15.33 program for students with intellectual and  
15.34 developmental disabilities required in article  
15.35 2, section 17. The Board of Regents must

16.1 submit a report on the plan to the chairs and  
 16.2 ranking minority members of the committees  
 16.3 of the legislature with jurisdiction over higher  
 16.4 education finance and policy no later than  
 16.5 January 15, 2018. The report must describe  
 16.6 program plans, including strategies for  
 16.7 recruitment of applicants, and strategies to  
 16.8 address anticipated program needs that cannot  
 16.9 be filled using existing campus or system  
 16.10 resources. This is a onetime appropriation.

16.11 (e) \$500,000 in fiscal year 2018 and \$500,000  
 16.12 in fiscal year 2019 are for the University of  
 16.13 Minnesota, Morris branch, to cover the costs  
 16.14 of tuition waivers under Minnesota Statutes,  
 16.15 section 137.16.

16.16 **Subd. 3. Primary Care Education Initiatives** 2,157,000 2,157,000

16.17 This appropriation is from the health care  
 16.18 access fund.

16.19 **Subd. 4. Special Appropriations**

16.20 **(a) Agriculture and Extension Service** 42,922,000 42,922,000

16.21 For the Agricultural Experiment Station and  
 16.22 the Minnesota Extension Service:

16.23 (1) the agricultural experiment stations and  
 16.24 Minnesota Extension Service must convene  
 16.25 agricultural advisory groups to focus research,  
 16.26 education, and extension activities on producer  
 16.27 needs and implement an outreach strategy that  
 16.28 more effectively and rapidly transfers research  
 16.29 results and best practices to producers  
 16.30 throughout the state;

16.31 (2) this appropriation includes funding for  
 16.32 research and outreach on the production of  
 16.33 renewable energy from Minnesota biomass  
 16.34 resources, including agronomic crops, plant



- 17.1 and animal wastes, and native plants or trees.
- 17.2 The following areas should be prioritized and
- 17.3 carried out in consultation with Minnesota
- 17.4 producers, renewable energy, and bioenergy
- 17.5 organizations:
- 17.6 (i) biofuel and other energy production from
- 17.7 perennial crops, small grains, row crops, and
- 17.8 forestry products in conjunction with the
- 17.9 Natural Resources Research Institute (NRRI);
- 17.10 (ii) alternative bioenergy crops and cropping
- 17.11 systems; and
- 17.12 (iii) biofuel coproducts used for livestock feed;
- 17.13 (3) this appropriation includes funding for the
- 17.14 College of Food, Agricultural, and Natural
- 17.15 Resources Sciences to establish and provide
- 17.16 leadership for organic agronomic,
- 17.17 horticultural, livestock, and food systems
- 17.18 research, education, and outreach and for the
- 17.19 purchase of state-of-the-art laboratory,
- 17.20 planting, tilling, harvesting, and processing
- 17.21 equipment necessary for this project;
- 17.22 (4) this appropriation includes funding for
- 17.23 research efforts that demonstrate a renewed
- 17.24 emphasis on the needs of the state's agriculture
- 17.25 community. The following areas should be
- 17.26 prioritized and carried out in consultation with
- 17.27 Minnesota farm organizations:
- 17.28 (i) vegetable crop research with priority for
- 17.29 extending the Minnesota vegetable growing
- 17.30 season;
- 17.31 (ii) fertilizer and soil fertility research and
- 17.32 development;

- 18.1 (iii) soil, groundwater, and surface water  
18.2 conservation practices and contaminant  
18.3 reduction research;
- 18.4 (iv) discovering and developing plant varieties  
18.5 that use nutrients more efficiently;
- 18.6 (v) breeding and development of turf seed and  
18.7 other biomass resources in all three Minnesota  
18.8 biomes;
- 18.9 (vi) development of new disease-resistant and  
18.10 pest-resistant varieties of turf and agronomic  
18.11 crops;
- 18.12 (vii) utilizing plant and livestock cells to treat  
18.13 and cure human diseases;
- 18.14 (viii) the development of dairy coproducts;
- 18.15 (ix) a rapid agricultural response fund for  
18.16 current or emerging animal, plant, and insect  
18.17 problems affecting production or food safety;
- 18.18 (x) crop pest and animal disease research;
- 18.19 (xi) developing animal agriculture that is  
18.20 capable of sustainably feeding the world;
- 18.21 (xii) consumer food safety education and  
18.22 outreach;
- 18.23 (xiii) programs to meet the research and  
18.24 outreach needs of organic livestock and crop  
18.25 farmers; and
- 18.26 (xiv) alternative bioenergy crops and cropping  
18.27 systems; and growing, harvesting, and  
18.28 transporting biomass plant material; and
- 18.29 (5) by February 1, 2019, the Board of Regents  
18.30 must submit a report to the legislative  
18.31 committees and divisions with jurisdiction  
18.32 over agriculture and higher education finance

19.1	<u>on the status and outcomes of research and</u>		
19.2	<u>initiatives funded in this paragraph.</u>		
19.3	<b><u>(b) Health Sciences</u></b>	<u>9,204,000</u>	<u>9,204,000</u>
19.4	<u>\$346,000 each year is to support up to 12</u>		
19.5	<u>resident physicians in the St. Cloud Hospital</u>		
19.6	<u>family practice residency program. The</u>		
19.7	<u>program must prepare doctors to practice</u>		
19.8	<u>primary care medicine in rural areas of the</u>		
19.9	<u>state. The legislature intends this program to</u>		
19.10	<u>improve health care in rural communities,</u>		
19.11	<u>provide affordable access to appropriate</u>		
19.12	<u>medical care, and manage the treatment of</u>		
19.13	<u>patients in a more cost-effective manner. The</u>		
19.14	<u>remainder of this appropriation is for the rural</u>		
19.15	<u>physicians associates program; the Veterinary</u>		
19.16	<u>Diagnostic Laboratory; health sciences</u>		
19.17	<u>research; dental care; the Biomedical</u>		
19.18	<u>Engineering Center; and the collaborative</u>		
19.19	<u>partnership between the University of</u>		
19.20	<u>Minnesota and Mayo Clinic for regenerative</u>		
19.21	<u>medicine, research, clinical translation, and</u>		
19.22	<u>commercialization.</u>		
19.23	<b><u>(c) Institute of Technology</u></b>	<u>1,140,000</u>	<u>1,140,000</u>
19.24	<u>For the geological survey and the talented</u>		
19.25	<u>youth mathematics program.</u>		
19.26	<b><u>(d) System Special</u></b>	<u>6,181,000</u>	<u>6,181,000</u>
19.27	<u>For general research, the Labor Education</u>		
19.28	<u>Service, Natural Resources Research Institute,</u>		
19.29	<u>Center for Urban and Regional Affairs, Bell</u>		
19.30	<u>Museum of Natural History, and the</u>		
19.31	<u>Humphrey exhibit.</u>		
19.32	<u>\$1,000,000 in fiscal year 2018 and \$1,000,000</u>		
19.33	<u>in fiscal year 2019 are for the Natural</u>		

20.1	<u>Resources Research Institute to invest in</u>		
20.2	<u>applied research for economic development.</u>		
20.3	<b><u>(e) University of Minnesota and Mayo</u></b>		
20.4	<b><u>Foundation Partnership</u></b>	<u>7,991,000</u>	<u>7,991,000</u>
20.5	<u>This appropriation is for the following</u>		
20.6	<u>activities:</u>		
20.7	<u>(1) \$7,491,000 in fiscal year 2018 and</u>		
20.8	<u>\$7,491,000 in fiscal year 2019 are for the</u>		
20.9	<u>direct and indirect expenses of the</u>		
20.10	<u>collaborative research partnership between the</u>		
20.11	<u>University of Minnesota and the Mayo</u>		
20.12	<u>Foundation for research in biotechnology and</u>		
20.13	<u>medical genomics. An annual report on the</u>		
20.14	<u>expenditure of these funds must be submitted</u>		
20.15	<u>to the governor and the chairs of the legislative</u>		
20.16	<u>committees responsible for higher education</u>		
20.17	<u>finance by June 30 of each fiscal year.</u>		
20.18	<u>(2) \$500,000 in fiscal year 2018 and \$500,000</u>		
20.19	<u>in fiscal year 2019 are to award competitive</u>		
20.20	<u>grants to conduct research into the prevention,</u>		
20.21	<u>treatment, causes, and cures of Alzheimer's</u>		
20.22	<u>disease and other dementias.</u>		
20.23	<b><u>Subd. 5. Academic Health Center</u></b>		
20.24	<u>The appropriation for Academic Health Center</u>		
20.25	<u>funding under Minnesota Statutes, section</u>		
20.26	<u>297F.10, is estimated to be \$22,250,000 each</u>		
20.27	<u>year.</u>		
20.28	<b>Sec. 5. <u>MAYO CLINIC</u></b>		
20.29	<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$ 1,351,000</u></b>	<b><u>\$ 1,351,000</u></b>
20.30	<u>The amounts that may be spent are specified</u>		
20.31	<u>in the following subdivisions.</u>		
20.32	<b><u>Subd. 2. Medical School</u></b>	<b><u>665,000</u></b>	<b><u>665,000</u></b>

21.1 The state must pay a capitation each year for  
 21.2 each student who is a resident of Minnesota.  
 21.3 The appropriation may be transferred between  
 21.4 each year of the biennium to accommodate  
 21.5 enrollment fluctuations. It is intended that  
 21.6 during the biennium the Mayo Clinic use the  
 21.7 capitation money to increase the number of  
 21.8 doctors practicing in rural areas in need of  
 21.9 doctors.

21.10 **Subd. 3. Family Practice and Graduate**  
 21.11 **Residency Program**

686,000

686,000

21.12 The state must pay stipend support for up to  
 21.13 27 residents each year.

**ARTICLE 2**

**HIGHER EDUCATION POLICY**

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

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

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

21.22 (c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise  
 21.23 the powers under this section for employees included in the units provided in clauses (9),  
 21.24 (10), and (11) of section 179A.10, subdivision 2, except with respect to sections 43A.22 to  
 21.25 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner  
 21.26 shall have the right to review and comment to the Minnesota State Colleges and Universities  
 21.27 on the board's final proposals prior to exchange of final positions with the designated  
 21.28 bargaining units as well as any requests for interest arbitration. The legislature encourages  
 21.29 the Board of Trustees, in coordination with the commissioner of management and budget  
 21.30 and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining  
 21.31 negotiations to seek fiscal balance recognizing the ability of the employer to fund the  
 21.32 agreements or awards. When submitting a proposed collective bargaining agreement to the  
 21.33 Legislative Coordinating Commission and the legislature under section 3.855, subdivision  
 21.34 2, the Board of Trustees must use procedures and assumptions consistent with those used

22.1 by the commissioner in calculating the costs of the proposed contract. The Legislative  
22.2 Coordinating Commission must, when considering a collective bargaining agreement or  
22.3 arbitration award submitted by the Board of Trustees, evaluate market conditions affecting  
22.4 the employees in the bargaining unit, equity with other bargaining units in the executive  
22.5 branch, and the ability of the trustees and the state to fund the agreement or award.

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

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

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

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

22.14 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment, including  
22.15 a full explanation of all material changes to the expenditure categories when compared to  
22.16 the prior fiscal year;

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

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

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

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

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

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

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

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

23.22 (10) data on consulting contracts from the last two completed fiscal years for which the  
23.23 work is performed by a consultant who is not an employee of the system, for which the  
23.24 system paid in excess of \$500,000. Data must include the name of the consultant, the total  
23.25 value of the contract, a description of the work completed, and a description of the reasons  
23.26 for using an outside consultant and not internal staff. Consulting contracts are defined as  
23.27 contracts from management, investment and financial advisory services, project management,  
23.28 computer/technology advisory services, and construction project management; and

23.29 (11) aggregate data on the following:

23.30 (i) student demographics;

23.31 (ii) a five-year history of student enrollment, including student enrollment by legislative  
23.32 district;

23.33 (iii) a five-year history of student debt;

- 24.1 (iv) a five-year history of mandatory student fees by campus;
- 24.2 (v) employee head count and employee demographics;
- 24.3 (vi) facilities, including physical space overview, condition, square footage, distribution
- 24.4 by region, any deferred maintenance, and capital bonding requested and received;
- 24.5 (vii) administrative costs, including the definition of "administrators" used by the system,
- 24.6 the total number of "administrators" as percent of total employee head count, and system
- 24.7 office budget for Minnesota State Colleges and Universities as percent of total system
- 24.8 general fund revenue; and
- 24.9 (viii) college and university operating budgets.

24.10 (b) Data required by this subdivision shall be submitted by the public postsecondary

24.11 systems to the Minnesota Office of Higher Education and the Department of Management

24.12 and Budget and included in the biennial budget document. Representatives from each system,

24.13 in consultation with the commissioner of management and budget and the commissioner

24.14 of the Office of Higher Education, shall develop consistent reporting practices for this

24.15 purpose.

24.16 (c) To the extent practicable, each system shall develop the ability to respond to legislative

24.17 requests for financial analyses that are more detailed than those required by this subdivision,

24.18 including but not limited to analyses that show expenditures or revenues by institution or

24.19 program, or in multiple categories of expenditures or revenues, and analyses that show

24.20 revenue sources for particular types of expenditures.

24.21 **Sec. 3. [135A.0434] MANDATORY STUDENT ACTIVITY FEES PROHIBITED.**

24.22 Subdivision 1. **Mandatory fee prohibition.** (a) The governing board of a public

24.23 postsecondary institution must not impose on students any mandatory fee funding

24.24 noninstructional student programs, activities, groups, or services.

24.25 (b) This section does not prohibit mandatory fees paid by students that are directly related

24.26 to academic, administrative, or health services.

24.27 (c) The Board of Regents of the University of Minnesota is requested to adopt a policy

24.28 implementing this section.

24.29 Subd. 2. **Penalty.** If the Board of Regents of the University of Minnesota imposes a

24.30 mandatory fee in violation of this section, the commissioner of management and budget

24.31 must deduct an amount equal to the net revenue generated by that fee from the university's

24.32 appropriation base in the first year of the next biennium.



25.1 Sec. 4. [135A.158] INFORMATION PROVIDED TO STUDENT PARENTS AND  
 25.2 PREGNANT STUDENTS.

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

25.11 Sec. 5. [136A.055] DEVELOPMENTAL EDUCATION REPORTING.

25.12 (a) The commissioner must report on the department's Web site the following summary  
 25.13 data on students who graduated from a Minnesota high school and are attending a public  
 25.14 postsecondary institution in Minnesota, limited to the most recent academic school year:

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

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

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

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

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

25.23 (c) The commissioner must post the initial data on the department's Web site on or before  
 25.24 February 15, 2018, and must update the data at least annually thereafter.

25.25 Sec. 6. Minnesota Statutes 2016, section 136A.101, subdivision 5a, is amended to read:

25.26 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the  
 25.27 amount of a family's contribution to a student's cost of attendance, as determined by a federal  
 25.28 need analysis. For dependent students, the assigned family responsibility is ~~94~~ 90 percent  
 25.29 of the parental contribution. For independent students with dependents other than a spouse,  
 25.30 the assigned family responsibility is ~~86~~ 82 percent of the student contribution. For

26.1 independent students without dependents other than a spouse, the assigned family  
26.2 responsibility is ~~50~~ 46 percent of the student contribution.

26.3 **Sec. 7. [136A.1215] GRANTS FOR STUDENTS WITH INTELLECTUAL AND**  
26.4 **DEVELOPMENTAL DISABILITIES.**

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

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

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

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

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

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

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

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

26.20 (2) any institutional aid the student receives.

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

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

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

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

26.30 (3) summary demographic data on award recipients.

27.1 Sec. 8. Minnesota Statutes 2016, section 136A.125, subdivision 2, is amended to read:

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

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

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

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

27.11 (4) either has not earned a baccalaureate degree and has been enrolled full time less than  
27.12 ~~eight~~ ten semesters or the equivalent, or has earned a baccalaureate degree and has been  
27.13 enrolled full time less than ~~eight~~ ten semesters or the equivalent in a graduate or professional  
27.14 degree program;

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

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

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

27.20 (b) A student who withdraws from enrollment for active military service after December  
27.21 31, 2002, because the student was ordered to active military service as defined in section  
27.22 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a medical  
27.23 professional, that substantially limits the student's ability to complete the term is entitled to  
27.24 an additional semester or the equivalent of grant eligibility and will be considered to be in  
27.25 continuing enrollment status upon return.

27.26 Sec. 9. Minnesota Statutes 2016, section 136A.125, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

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

28.19 (3) divided by 15 for undergraduate students and six for graduate and professional  
 28.20 students; and

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

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

28.27 Sec. 10. Minnesota Statutes 2016, section 136A.1275, is amended to read:

28.28 **~~136A.1275 GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS~~**  
 28.29 **TEACHER CANDIDATE GRANTS.**

28.30 Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education  
 28.31 must establish a grant program for student teaching stipends for low-income students enrolled  
 28.32 in a Board of Teaching-approved teacher preparation program who ~~are interested in teaching~~

29.1 ~~in a high needs subject area or region~~ intend to teach in a shortage area after graduating and  
 29.2 receiving their teaching license or belong to an underrepresented racial or ethnic group. For  
 29.3 purposes of this section, ~~"high needs subject area or region"~~ means a shortage of teachers  
 29.4 ~~teaching in particular subject areas or a shortage of teachers teaching in particular regions~~  
 29.5 ~~of the state identified in the commissioner of education's biennial survey of districts under~~  
 29.6 ~~section 127A.05, subdivision 6, or in another Department of Education survey on teacher~~  
 29.7 ~~shortages.~~

29.8 (b) "Shortage area" means a license field or economic development region within  
 29.9 Minnesota defined as a shortage area by the Department of Education using data collected  
 29.10 for the teacher supply and demand report under section 127A.05, subdivision 6, or other  
 29.11 surveys conducted by the Department of Education that provide indicators for teacher supply  
 29.12 and demand.

29.13 Subd. 2. **Eligibility.** To be eligible for a grant under this section, a teacher candidate  
 29.14 must:

29.15 (1) be enrolled in a Board of Teaching-approved teacher preparation program that requires  
 29.16 at least 12 weeks of student teaching ~~and results in the teacher candidate receiving in order~~  
 29.17 to be recommended for a full professional teaching license enabling the licensee to teach  
 29.18 ~~in a high needs subject area or region; and~~

29.19 (2) demonstrate financial need based on criteria established by the commissioner under  
 29.20 subdivision 3;

29.21 (3) intend to teach in a shortage area or belong to an underrepresented racial or ethnic  
 29.22 group; and

29.23 (4) be meeting satisfactory academic progress as defined under section 136A.101,  
 29.24 subdivision 10.

29.25 Subd. 3. **Administration; repayment.** (a) The commissioner must establish an  
 29.26 application process and other guidelines for implementing this program, including repayment  
 29.27 responsibilities for stipend recipients who do not complete student teaching or who leave  
 29.28 Minnesota to teach in another state during the first year after student teaching.

29.29 (b) The commissioner must determine each academic year the stipend amount up to  
 29.30 \$7,500 based on the amount of available funding ~~and~~, the number of eligible applicants,  
 29.31 and the financial need of the applicants.

29.32 (c) The percentage of the total award reserved for teacher candidates who identify as  
 29.33 belonging to an underrepresented racial or ethnic group must be equal to or greater than the

30.1 total percentage of students of underrepresented racial or ethnic groups as measured under  
 30.2 section 120B.35, subdivision 3. If this percentage cannot be met because of a lack of  
 30.3 qualifying candidates, the remaining amount may be awarded to teacher candidates who  
 30.4 intend to teach in a shortage area.

30.5 Sec. 11. [136A.1789] AVIATION DEGREE LOAN FORGIVENESS PROGRAM.

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

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

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

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

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

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

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

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

30.26 (2) have qualified education loans;

30.27 (3) reside in Minnesota; and

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

30.30 (b) An applicant selected to participate must sign a contract to agree to serve a minimum  
 30.31 one-year full-time service obligation according to subdivision 4. To complete the service

31.1 obligation, the applicant must work full time in Minnesota as a qualified pilot or qualified  
31.2 aircraft technician. A participant must complete one year of service under this paragraph  
31.3 for each year the participant receives an award under this section.

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

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

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

31.18 (b) For each year that the participant meets the eligibility requirements under subdivision  
31.19 3, the commissioner must make annual disbursements directly to:

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

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

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

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

31.30 (e) If the participant receives a disbursement in the participant's fifth year of eligibility,  
31.31 the participant must provide the commissioner with verification that the full amount of the  
31.32 participant's final loan repayment disbursement was applied toward the designated qualified  
31.33 education loan. If a participant does not provide the verification as required under this

32.1 paragraph within six months of receipt of the final disbursement, the commissioner must  
 32.2 collect from the participant the amount of the final disbursement. The commissioner must  
 32.3 deposit the money collected in the aviation degree loan forgiveness program account.

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

32.5 Sec. 12. **[136A.1794] AGRICULTURAL EDUCATION LOAN FORGIVENESS**  
 32.6 **PROGRAM.**

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

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

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

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

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

32.18 (d) "School" means the following:

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

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

32.21 (3) a charter school; or

32.22 (4) a private school.

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

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

32.29 (1) be a qualified teacher;

32.30 (2) have qualified education loans; and



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

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

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

33.11 (b) If a participant does not fulfill the required service obligation, the commissioner  
33.12 must collect from the participant the total amount paid to the participant under the loan  
33.13 forgiveness program plus interest at a rate established according to section 270C.40. The  
33.14 commissioner must deposit the money collected in the agricultural education loan forgiveness  
33.15 account. The commissioner must allow waivers of all or part of the money owed the  
33.16 commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented  
33.17 fulfillment of the minimum service commitment.

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

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

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

33.30 Sec. 13. Minnesota Statutes 2016, section 136A.653, is amended by adding a subdivision  
33.31 to read:

33.32 Subd. 5. **Regionally accredited institutions in Minnesota.** (a) A regionally accredited  
33.33 postsecondary institution with its primary physical location in Minnesota is exempt from

34.1 the provisions of sections 136A.61 to 136A.71, including related fees, when it creates new  
 34.2 or modifies existing:

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

34.5 (2) nondegree programs within approved degrees;

34.6 (3) underlying curriculum or courses;

34.7 (4) modes of delivery; and

34.8 (5) locations.

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

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

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

34.15 Sec. 14. Minnesota Statutes 2016, section 136A.685, is amended to read:

34.16 **136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR**  
 34.17 **MISREPRESENTATION.**

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

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

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

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

35.1 Sec. 15. Minnesota Statutes 2016, section 136A.902, subdivision 1, is amended to read:

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

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

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

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

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

35.8 (5) one member who is a neurosurgeon;

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

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

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

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

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

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

35.15 ~~(12)~~ (12) one member who is a physician specializing in the treatment of spinal cord  
35.16 injury ~~representing Gillette Children's Specialty Healthcare~~; and

35.17 ~~(12)~~ (13) one member who is a physician specializing in the treatment of traumatic brain  
35.18 injury; and

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

35.20 Sec. 16. [136F.38] WORKFORCE DEVELOPMENT SCHOLARSHIPS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36.24 Sec. 17. **[137.45] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**  
 36.25 **DEVELOPMENTAL DISABILITIES.**

36.26 Subdivision 1. **Program required.** The Board of Regents of the University of Minnesota  
 36.27 is requested to offer an academic program consistent with the requirements of this section  
 36.28 for students with intellectual and developmental disabilities at the University of  
 36.29 Minnesota-Morris.

36.30 Subd. 2. **Enrollment and admission.** The program must establish an enrollment goal  
 36.31 of at least 15 incoming students per academic year. The board is requested to establish an

37.1 application process for the program. A student who successfully completes the program  
 37.2 must be awarded a certificate, diploma, or other appropriate academic credential.

37.3 Subd. 3. **Curriculum and activities.** (a) The program must provide an inclusive,  
 37.4 full-time, two-year residential college experience for students with intellectual and  
 37.5 developmental disabilities. The curriculum must include:

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

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

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

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

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

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

37.17 (c) The program may tailor its curriculum and activities to highlight academic programs,  
 37.18 student and community life experiences, and employment opportunities unique to the campus  
 37.19 or the region where the campus is located.

37.20 Subd. 4. **Reporting.** By January 15 of each year, the board must submit a report on the  
 37.21 program to the chairs and ranking minority members of the committees in the house of  
 37.22 representatives and the senate with jurisdiction over higher education finance and policy.  
 37.23 The report must include, but need not be limited to, information regarding:

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

37.25 (2) program goals and outcomes; and

37.26 (3) the success rate of participants.

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

37.29 **Sec. 18. [137.47] FETAL TISSUE RESEARCH.**

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

38.1 (b) "Aborted fetal tissue" means fetal tissue that is available as a result of an elective  
38.2 abortion.

38.3 (c) "Fetal tissue" means any body part, organ, or cell of an unborn human child. Fetal  
38.4 tissue does not include tissue or cells obtained from a placenta, umbilical cord, or amniotic  
38.5 fluid.

38.6 (d) "Institutional Review Board" or "IRB" means the University of Minnesota's  
38.7 Institutional Review Board, the primary unit responsible for oversight of human subjects  
38.8 research protections.

38.9 (e) "Fetal Tissue Research Committee" or "FTR" means an oversight committee at the  
38.10 University of Minnesota with the responsibility to oversee, review, and approve or deny  
38.11 research using fetal tissue.

38.12 (f) "Non-aborted fetal tissue" means fetal tissue that is available as a result of a  
38.13 miscarriage or stillbirth, or fetal tissue from a living unborn child.

38.14 (g) "Research" means systematic investigation, including development, testing, and  
38.15 evaluation, designed to develop or contribute to generalizable knowledge. Research does  
38.16 not include a procedure or test administered to a particular patient by a physician for medical  
38.17 purposes.

38.18 **Subd. 2. Approval by the Fetal Tissue Research Committee.** (a) A researcher at the  
38.19 University of Minnesota must obtain approval from the FTR before conducting research  
38.20 using fetal tissue. The FTR must consider whether alternatives to fetal tissue would be  
38.21 sufficient for the research. If the proposed research involves aborted fetal tissue, the  
38.22 researcher must provide a written narrative justifying the use of aborted fetal tissue and  
38.23 discussing whether alternatives to aborted fetal tissue, including non-aborted fetal tissue,  
38.24 can be used.

38.25 (b) The FTR must submit its decision to the IRB. The IRB is requested to review the  
38.26 conclusions of the FTR to ensure that all alternatives have been considered.

38.27 **Subd. 3. Legislative report.** (a) No later than January 15 of each year, the Board of  
38.28 Regents must submit a report to the chairs and ranking minority members of the legislative  
38.29 committees with jurisdiction over higher education policy and finance and health and human  
38.30 services policy and finance. The report must describe:

38.31 (1) all fetal tissue research proposals submitted to the FTR or IRB, including any written  
38.32 narrative required under subdivision 2;

38.33 (2) whether the research proposal involved aborted fetal tissue;

39.1 (3) action by the FTR or IRB on all fetal tissue research proposals, including whether  
 39.2 the proposal was approved by the FTR or IRB;

39.3 (4) a list of all new or ongoing fetal tissue research projects at the university, including:

39.4 (i) the date that the project was approved by the FTR or IRB;

39.5 (ii) the source of funding for the project;

39.6 (iii) the goal or purpose of the project;

39.7 (iv) whether the fetal tissue used is aborted fetal tissue or non-aborted fetal tissue;

39.8 (v) the source of the fetal tissue used;

39.9 (vi) references to any publicly available information about the project, such as National  
 39.10 Institutes of Health grant award information; and

39.11 (vii) references to any publications resulting from the project.

39.12 (b) The report must not include a researcher's name, other identifying information,  
 39.13 contact information, or the location of a laboratory or office.

39.14 Subd. 4. **Education on compliance to applicable laws and policies.** The University  
 39.15 of Minnesota is requested to conduct education programs for all students and employees  
 39.16 engaged in research on fetal tissue. Programs are requested to include mandatory  
 39.17 comprehensive training on applicable federal and state laws, university policies and  
 39.18 procedures, and other professional standards related to the respectful, humane, and ethical  
 39.19 treatment of fetal tissue in research.

39.20 Sec. 19. Minnesota Statutes 2016, section 148.89, subdivision 5, is amended to read:

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

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

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

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

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

40.9 (i) mental and emotional disorder or disability;

40.10 (ii) alcohol and substance dependence or abuse;

40.11 (iii) disorders of habit or conduct;

40.12 (iv) the psychological aspects of physical illness or condition, accident, injury, or  
 40.13 disability, including the psychological impact of medications;

40.14 (v) life adjustment issues, including work-related and bereavement issues; and

40.15 (vi) child, family, or relationship issues;

40.16 (5) psychoeducational services and treatment; and

40.17 (6) consultation and supervision.

40.18 **Sec. 20. [148.9075] LICENSURE EXEMPTIONS.**

40.19 **Subdivision 1. Teaching and research.** Nothing in sections 148.88 to 148.98 shall be  
 40.20 construed to prevent a person employed in a secondary, postsecondary, or graduate institution  
 40.21 from teaching and conducting research in psychology within an educational institution that  
 40.22 is recognized by a regional accrediting organization or by a federal, state, county, or local  
 40.23 government institution, agency, or research facility, so long as:

40.24 (1) the institution, agency, or facility provides appropriate oversight mechanisms to  
 40.25 ensure public protections; and

40.26 (2) the person is not providing direct clinical services to a client or clients as defined in  
 40.27 sections 148.88 to 148.98.

40.28 **Subd. 2. Students.** Nothing in sections 148.88 to 148.98 shall prohibit the practice of  
 40.29 psychology under qualified supervision by a practicum psychology student, a predoctoral  
 40.30 psychology intern, or an individual who has earned a doctoral degree in psychology and is  
 40.31 in the process of completing their postdoctoral supervised psychological employment.



41.1 Sec. 21. **[298.2215] COUNTY SCHOLARSHIP PROGRAM.**

41.2 Subdivision 1. Establishment. A county may establish a scholarship fund from any  
 41.3 unencumbered revenue received pursuant to section 298.018, 298.28, 298.39, 298.396, or  
 41.4 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used  
 41.5 at a two-year Minnesota State Colleges and Universities institution within the county. The  
 41.6 county shall establish procedures for applying for and distributing the scholarships.

41.7 Subd. 2. Eligibility. An applicant for a scholarship under this section must be a resident  
 41.8 of the county at the time of the applicant's high school graduation. The county may establish  
 41.9 additional eligibility criteria.

41.10 Sec. 22. Laws 2014, chapter 312, article 1, section 15, is amended to read:

41.11 Sec. 15. **UNIVERSITY OF MINNESOTA BASE ADJUSTMENT.**

41.12 (a) For fiscal years 2016 to ~~2041~~ 2017, \$3,500,000 is added to the base operations and  
 41.13 maintenance appropriation to the Board of Regents of the University of Minnesota in Laws  
 41.14 2013, chapter 99, article 1, section 5.

41.15 (b) For fiscal years 2018 to 2040, \$3,312,000 is added to the base operations and  
 41.16 maintenance appropriation to the Board of Regents of the University of Minnesota in Laws  
 41.17 2013, chapter 99, article 1, section 5.

41.18 Sec. 23. **DEVELOPMENTAL EDUCATION REFORM.**

41.19 (a) The Board of Trustees of the Minnesota State Colleges and Universities shall create  
 41.20 a plan to reform developmental education offerings on system campuses aimed at reducing  
 41.21 the number of students placed into developmental education. The plan must include, but is  
 41.22 not limited to:

41.23 (1) a systemwide multiple measures placement plan to guide campuses in placement of  
 41.24 students into developmental education courses;

41.25 (2) uniform cut scores for student placement, where appropriate, which will lead to fewer  
 41.26 students being placed into developmental education courses;

41.27 (3) other identified system policy changes, including an appeals process, that will decrease  
 41.28 the number of students being placed into developmental education courses;

41.29 (4) accelerated pathways in mathematics, reading, and composition to ensure students  
 41.30 can complete developmental education work in no more than one year, including allowing  
 41.31 for students to complete college-level gateway courses in one year whenever possible;

42.1 (5) a comprehensive examination of the cost structure of developmental education,  
 42.2 including potential financial incentives for students or other mechanisms to lower the cost  
 42.3 of developmental offerings for students; and

42.4 (6) identified best practices and targeted support strategies such as the use of supplemental  
 42.5 instruction, that may be used on every system campus around developmental education  
 42.6 offerings.

42.7 (b) The plan must include deadlines for implementation of proposed changes and must  
 42.8 be submitted to the chairs and ranking minority members of the legislative committees with  
 42.9 jurisdiction over higher education finance and policy by February 15, 2018.

42.10 (c) The plan, in its entirety, shall be implemented by the start of the 2020-2021 academic  
 42.11 term, with individual provisions being implemented earlier as dictated by the plan.

42.12 **Sec. 24. GREATER MINNESOTA OUTREACH AND RECRUITMENT.**

42.13 The Board of Regents of the University of Minnesota is requested to develop a plan to  
 42.14 conduct outreach and recruitment of students from Minnesota, specifically identifying  
 42.15 mechanisms to increase the number of students from greater Minnesota who are admitted  
 42.16 to the university campus located in the metropolitan area. Greater Minnesota is defined as  
 42.17 any area other than the area described in Minnesota Statutes, section 473.121, subdivision  
 42.18 4. The plan must be submitted to the chairs and ranking members of the senate and house  
 42.19 of representatives legislative committees with jurisdiction over higher education finance  
 42.20 and policy by February 15, 2018.

42.21 **Sec. 25. UNIVERSITY OF MINNESOTA FETAL TISSUE RESEARCH;**  
 42.22 **LEGISLATIVE AUDITOR REVIEW.**

42.23 (a) The legislative auditor is requested to complete a comprehensive review of the use  
 42.24 of fetal tissue in research activities at the University of Minnesota. The review must include:

42.25 (1) the total number of research activities in which fetal tissue is currently or has been  
 42.26 previously used, including those that are in progress and those that have been completed;

42.27 (2) the cost of acquiring fetal tissues for use in research activities, itemized by the source  
 42.28 of funds used for procurement, including funds from federal, state, and other public sources,  
 42.29 and funds derived from student tuition and fees;

42.30 (3) the extent to which the conduct of the research activities complies with applicable  
 42.31 federal and state laws related to acquisition, sale, handling, and disposition of human tissues,  
 42.32 including fetal tissues;

43.1 (4) the extent to which the conduct of the research activities complies with applicable  
43.2 Board of Regents policies and procedures related to acquisition, sale, handling, and  
43.3 disposition of human tissues, including fetal tissues; and

43.4 (5) whether applicable Board of Regents policies include provisions to ensure fetal tissue  
43.5 is used in research activities only when necessary, and to ensure that the research activities  
43.6 are conducted in an ethical manner, including whether procedures and protocols for oversight  
43.7 have been implemented to verify compliance with these policies.

43.8 (b) As used in this section, "research activities" include any academic fetal tissue research  
43.9 or fetal tissue transplantation research activity or program conducted in a University of  
43.10 Minnesota facility, or that is supported, directly or indirectly, by University of Minnesota  
43.11 funds.

43.12 **EFFECTIVE DATE.** This section is effective the day following final enactment. The  
43.13 legislative auditor is requested to complete the review no later than one year following final  
43.14 enactment.

43.15 Sec. 26. **STATE GRANT REPORT.**

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

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

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

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

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

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

44.1 **Sec. 27. UNIVERSITY OF MINNESOTA TUITION.**

44.2 (a) For the 2018-2019 and 2019-2020 academic years, the Board of Regents of the  
 44.3 University of Minnesota is encouraged to continue to adopt tuition schedules for the  
 44.4 University of Minnesota Twin Cities campus that:

44.5 (1) move the nonresident undergraduate tuition rate for a full-time student toward the  
 44.6 median nonresident undergraduate tuition rate for public Big Ten universities;

44.7 (2) move the resident undergraduate tuition rate for a full-time student toward the median  
 44.8 of resident undergraduate tuition rates for public Big Ten universities;

44.9 (3) move the nonresident graduate tuition rate in each graduate program for a full-time  
 44.10 student toward the median of nonresident graduate tuition rates for public Big Ten universities  
 44.11 with a similar program; and

44.12 (4) move the resident graduate tuition rate in each graduate program for a full-time  
 44.13 student toward the median of resident graduate tuition rates for public Big Ten universities  
 44.14 with a similar program.

44.15 (b) For purposes of this section, "public Big Ten university" means the flagship campus  
 44.16 for public universities that are members of the Big Ten Conference.

44.17 **Sec. 28. LIVING AND MISCELLANEOUS EXPENSE ALLOWANCE.**

44.18 The living and miscellaneous expense allowance for the state grant program under  
 44.19 Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2019, is set at  
 44.20 \$9,320 for each fiscal year of the biennium.

44.21 **Sec. 29. ONGOING APPROPRIATION.**

44.22 The appropriation under Laws 2016, chapter 189, article 25, section 62, subdivision 11,  
 44.23 may be used to provide grants for any purpose under Minnesota Statutes, section 136A.1275.

44.24 **ARTICLE 3**

44.25 **OFFICE OF HIGHER EDUCATION AGENCY POLICY**

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

44.27 Subd. 1a. **Sexual assault definition.** For the purposes of this section, "sexual assault"  
 44.28 means ~~foreible sex offenses~~ rape, sex offenses - fondling, sex offenses - incest, or sex  
 44.29 offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart  
 44.30 D, appendix A, as amended.

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

45.2 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

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

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

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

45.8 (b) A private institution must:

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

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

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

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

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

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

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

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

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

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

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

46.9 (c) The commissioner must make annual disbursements directly to the participant of  
46.10 \$15,000 or the balance of the participant's qualifying educational loans, whichever is less,  
46.11 for each year that a participant meets the service obligation required under subdivision 3,  
46.12 paragraph (b), up to a maximum of five years.

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

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

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

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

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

46.26 **136A.646 ADDITIONAL SECURITY.**

46.27 (a) ~~In the event~~ New schools that have been granted conditional approval for degrees or  
46.28 names to allow them the opportunity to apply for and receive accreditation under section  
46.29 136A.65, subdivision 7, or any registered institution that is notified by the United States  
46.30 Department of Education that it has fallen below minimum financial standards and that its  
46.31 continued participation in Title IV will be conditioned upon its satisfying either the Zone  
46.32 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter

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

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

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

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

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

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

47.16 (d) In the event of a school closure, the additional security must first be used to destroy  
 47.17 any private educational data under section 13.32 left at a physical campus in Minnesota  
 47.18 after all other governmental agencies have recovered or retrieved records under their record  
 47.19 retention policies. Any remaining funds must then be used to reimburse tuition and fee costs  
 47.20 to students that were enrolled at the time of the closure or had withdrawn in the previous  
 47.21 120 calendar days but did not graduate. Priority for refunds will be given to students in the  
 47.22 following order:

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

47.24 (2) private student loans; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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



49.1 its personnel, programs, services, or occupational opportunities for its graduates for promotion  
49.2 and student recruitment;

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

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

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

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

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

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

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

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

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

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

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

49.23 (iii) proposed implementation date of the degree;

49.24 (iv) admissions requirements for the degree;

49.25 (v) length of the degree;

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

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

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

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

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

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

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

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

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

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

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

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

50.30 **136A.653 EXEMPTIONS.**

50.31 Subdivision 1. **Application.** A school that seeks an exemption under this section from  
50.32 the provisions of sections 136A.61 to 136A.71 must apply to the office to establish that the

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

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

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

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

51.21 **Subd. 3a. Tuition-free educational courses.** A school, including a school using an  
 51.22 online platform service, offering training, courses, or programs is exempt from sections  
 51.23 136A.61 to 136A.71, to the extent ~~it offers tuition-free courses to students in Minnesota. A~~  
 51.24 ~~course will be considered tuition-free if the school charges no tuition and the required fees~~  
 51.25 ~~and other required charges paid by the student for the course~~ tuition, fees, and any other  
 51.26 charges for a student to participate do not exceed two percent of the most recent average  
 51.27 undergraduate tuition and required fees as of January 1 of the current year charged for  
 51.28 full-time students at all degree-granting institutions as published annually by the United  
 51.29 States Department of Education as of January 1 of each year. To qualify for an exemption,  
 51.30 a school or online platform service must prominently display a notice comparable to the  
 51.31 following: "IMPORTANT: Each educational institution makes its own decision regarding  
 51.32 whether to accept completed coursework for credit. Check with your university or college."

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

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

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

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

52.14 **136A.67 REGISTRATION REPRESENTATIONS.**

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

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

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

52.29 Subd. 2. **Complaint.** A complaint must be in writing, be signed by a student, and state  
 52.30 how the school's policies and procedures or sections 136A.61 to 136A.71 were violated.  
 52.31 Student complaints shall be limited to complaints that occurred within six years from the  
 52.32 date the concern should have been discovered with reasonable effort and after the student

53.1 has utilized the school's internal complaint process. Students do not have to utilize a school's  
 53.2 internal complaint process before the office has authority when the student is alleging fraud  
 53.3 or misrepresentation. The office shall not investigate grade disputes, student conduct  
 53.4 proceedings, disability accommodation requests, and discrimination claims, including Title  
 53.5 IX complaints.

53.6 Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a  
 53.7 complaint within the authority of subdivision 2. A school involved in an investigation shall  
 53.8 be informed of the alleged violations and the processes of the investigation. A school  
 53.9 involved in an investigation shall respond to the alleged violations and provide requested  
 53.10 documentation to the office. Upon completing an investigation, the office shall inform the  
 53.11 school and the student of the investigation outcome.

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

53.16 Subd. 5. **Contested case hearing.** The school or the office may initiate a contested case  
 53.17 hearing under chapter 14 if attempts at a resolution are unsuccessful or within 30 days of  
 53.18 the date the school is notified of the action of the office. The prevailing party may recover  
 53.19 costs, disbursements, and reasonable attorney fees, as determined by the court or  
 53.20 administrative law judge.

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

53.22 **136A.68 RECORDS.**

53.23 A registered school shall maintain a permanent record for each student for 50 years from  
 53.24 the last date of the student's attendance. A registered school offering distance instruction to  
 53.25 a student located in Minnesota shall maintain a permanent record for each Minnesota student  
 53.26 for 50 years from the last date of the student's attendance. Records include a student's  
 53.27 academic transcript, documents, and files containing student data about academic credits  
 53.28 earned, courses completed, grades awarded, degrees awarded, and periods of attendance.  
 53.29 To preserve permanent records, a school shall submit a plan that meets the following  
 53.30 requirements:

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

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

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

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

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

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

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

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

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

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

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

54.29 Subd. 16. **Audited financial statements.** "Audited financial statements" means the  
54.30 financial statements of an entity or higher-level entity that have been examined by a certified  
54.31 public accountant or an equivalent government agency for public entities that include (1)

55.1 an auditor's report, a statement of financial position, an income statement, a statement of  
55.2 cash flows, and notes to the financial statements or (2) the required equivalents for public  
55.3 entities as determined by the Financial Accounting Standards Board, the Governmental  
55.4 Accounting Standards Board, or the Securities and Exchange Commission.

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

55.7 Subd. 17. **Review-level engagement.** "Review-level engagement" means a service  
55.8 performed by a certified public accountant that provides limited assurance that there are no  
55.9 material modifications that need to be made to an entity's financial statements in order for  
55.10 them to conform to generally accepted accounting principles. Review-level engagement  
55.11 provides fewer assurances than those reported under audited financial statements.

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

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

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

55.17 (2) the specific programs which will be offered and the specific purposes of the  
55.18 instruction;

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

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

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

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

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

55.26 (i) annual gross revenues from all sources;

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

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

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

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

56.5 (9) copies of all Minnesota enrollment agreement forms and contract forms and all  
56.6 enrollment agreement forms and contract forms used in Minnesota; and

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

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

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

56.16 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's ~~gross~~  
56.17 net income from student tuition, fees, and other required institutional charges collected, but  
56.18 in no event less than \$10,000 ~~nor greater than \$250,000~~, except that a private career school  
56.19 may deposit a greater amount at its own discretion. A private career school in each annual  
56.20 application for licensure must compute the amount of the surety bond and verify that the  
56.21 amount of the surety bond complies with this subdivision, ~~unless the private career school~~  
56.22 ~~maintains a surety bond equal to at least \$250,000~~. A private career school that operates at  
56.23 two or more locations may combine gross net income from student tuition, fees, and other  
56.24 required institutional charges collected for all locations for the purpose of determining the  
56.25 annual surety bond requirement. The gross net tuition and fees used to determine the amount  
56.26 of the surety bond required for a private career school having a license for the sole purpose  
56.27 of recruiting students in Minnesota shall be only that paid to the private career school by  
56.28 the students recruited from Minnesota.

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



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

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

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

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

57.18 Subd. 12. **Permanent records.** A private career school licensed under sections 136A.82  
57.19 to 136A.834 and located in Minnesota shall maintain a permanent record for each student  
57.20 for 50 years from the last date of the student's attendance. A private career school licensed  
57.21 under this chapter and offering distance instruction to a student located in Minnesota shall  
57.22 maintain a permanent record for each Minnesota student for 50 years from the last date of  
57.23 the student's attendance. Records include school transcripts, documents, and files containing  
57.24 student data about academic credits earned, courses completed, grades awarded, degrees  
57.25 awarded, and periods of attendance. To preserve permanent records, a private career school  
57.26 shall submit a plan that meets the following requirements:

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

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

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

57.32 (4) a continuous surety bond or irrevocable letter of credit issued by a financial institution  
57.33 must be filed with the office in an amount not to exceed \$20,000 if the private career school

58.1 has no binding agreement approved by the office, for preserving student records. The bond  
 58.2 or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school  
 58.3 closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve,  
 58.4 recover, maintain, digitize, and destroy academic records.

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

58.6 Subd. 13. **Private career schools licensed by another state agency or board.** A private  
 58.7 career school required to obtain a private career school license due to the use of "academy,"  
 58.8 "institute," "college," or "university" in its name or licensed for the purpose of participating  
 58.9 in state financial aid under chapter 136A, and which is also licensed by another state agency  
 58.10 or board shall be required to satisfy only the requirements of subdivisions 4, clauses (1),  
 58.11 (2), (3), (5), (7), (8), and (10); 5; 6, paragraph (b), clause (2); 8, clauses (1), (4), (7), (8),  
 58.12 and (9); 9; 10, ~~clause (13)~~; and 12. If a school is licensed to participate in state financial aid  
 58.13 under this chapter, the school must follow the refund policy in section 136A.827, even if  
 58.14 that section conflicts with the refund policy of the licensing agency or board. A distance  
 58.15 education private career school located in another state, or a school licensed to recruit  
 58.16 Minnesota residents for attendance at a school outside of this state, or a school licensed by  
 58.17 another state agency as its primary licensing body, may continue to use the school's name  
 58.18 as permitted by its home state or its primary licensing body.

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

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

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

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

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

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

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

58.31 (6) a clear and conspicuous explanation of the form and means of notice the student  
 58.32 should use in the event the student elects to cancel the contract or sale, the effective date of

59.1 cancellation, and the name and address, e-mail address, or phone number of the seller to  
59.2 which the notice should be sent or delivered.

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

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

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

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

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

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

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

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

59.31 Subd. 3. **False statements.** (a) A private career school, agent, or solicitor shall not make,  
59.32 or cause to be made, any statement or representation, oral, written or visual, in connection

60.1 with the offering or publicizing of a program, if the private career school, agent, or solicitor  
60.2 knows or reasonably should have known the statement or representation to be false,  
60.3 fraudulent, deceptive, substantially inaccurate, or misleading.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

61.14 Sec. 27. [136A.8295] STUDENT COMPLAINTS.

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

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

61.27 Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a  
 61.28 complaint within the authority of subdivision 2. A school involved in an investigation shall  
 61.29 be informed of the alleged violations and the processes of the investigation. A school  
 61.30 involved in an investigation shall respond to the alleged violations and provide requested  
 61.31 documentation to the office. Upon completion of an investigation, the office shall inform  
 61.32 the school and the student of the investigation outcome.

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

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

62.6 **136A.83 INSPECTION.**

62.7 (a) The office or a delegate may inspect the instructional books and records, classrooms,  
 62.8 dormitories, tools, equipment and classes of any private career school or applicant for license  
 62.9 at any reasonable time. The office may require the submission of ~~a certified public audit,~~  
 62.10 ~~or if there is no such audit available~~ audited financial statements. The office or a delegate  
 62.11 may inspect the financial books and records of the private career school. In no event shall  
 62.12 such financial information be used by the office to regulate or set the tuition or fees charged  
 62.13 by the private career school.

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

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

62.20 **136A.833 EXEMPTIONS.**

62.21 Subdivision 1. **Application for exemptions.** A school that seeks an exemption from the  
 62.22 provisions of sections 136A.822 to 136A.834 must apply to the office to establish that the  
 62.23 school meets the requirements of an exemption. An exemption expires two years from the  
 62.24 date of approval or when a school adds a new program or makes a modification equal to or  
 62.25 greater than 25 percent to an existing educational program. If a school is reapplying for an  
 62.26 exemption, the application must be submitted to the office 90 days before the current  
 62.27 exemption expires.

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

62.30 (1) public postsecondary institutions;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

64.15 (18) private career schools providing exclusively training, instructional programs, or  
 64.16 courses where tuition, fees, and any other charges for a student to participate do not exceed  
 64.17 \$100.

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

64.20 Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections  
 64.21 136A.82 to 136A.834 must apply to the office to establish that the school meets the  
 64.22 requirements of an exemption. An exemption expires two years from the date of approval  
 64.23 or when a school adds a new program or makes a modification equal to or greater than 25  
 64.24 percent to an existing educational program. If a school is reapplying for an exemption, the  
 64.25 application must be submitted to the office 90 days before the current exemption expires.

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

64.27 Subd. 10. **Credit load.** By the end of the first academic year including summer term, a  
 64.28 grantee must have accumulated at least the lesser of 30 program credits by the end of the  
 64.29 first academic year including summer term or the number of credits that the student's program  
 64.30 is scheduled for during the first academic year. A college must certify that a grantee is  
 64.31 carrying sufficient credits in the second grant year to complete the program at the end of



65.1 the second year, including summer school. The commissioner shall set the terms and provide  
65.2 the form for certification.

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

65.4 Delete the title and insert:

65.5 "A bill for an act

65.6 relating to higher education; providing funding and policy for the Office of Higher  
65.7 Education, the Minnesota State Colleges and Universities, the University of  
65.8 Minnesota, and other related programs; modifying state grant program calculation  
65.9 parameters; providing financial aid and student loan forgiveness programs; requiring  
65.10 reports; appropriating money; amending Minnesota Statutes 2016, sections 43A.06,  
65.11 subdivision 1; 135A.031, subdivision 7; 135A.15, subdivision 1a; 136A.101,  
65.12 subdivision 5a; 136A.103; 136A.125, subdivisions 2, 4; 136A.1275; 136A.1795,  
65.13 subdivision 4; 136A.62, by adding a subdivision; 136A.646; 136A.65, subdivisions  
65.14 1a, 4, 7; 136A.653; 136A.657, by adding a subdivision; 136A.67; 136A.68;  
65.15 136A.685; 136A.821, by adding subdivisions; 136A.822, subdivisions 4, 6, 12,  
65.16 13; 136A.826, subdivision 2; 136A.827, subdivisions 2, 3; 136A.828, subdivision  
65.17 3; 136A.83; 136A.833; 136A.834, by adding a subdivision; 136A.902, subdivision  
65.18 1; 148.89, subdivision 5; Laws 2014, chapter 312, article 1, section 15; Laws 2015,  
65.19 chapter 69, article 3, section 20, subdivision 10; proposing coding for new law in  
65.20 Minnesota Statutes, chapters 135A; 136A; 136F; 137; 148; 298."

66.1 We request the adoption of this report and repassage of the bill.

66.2 Senate Conferees:

66.3 ..... ..

66.4 Michelle L. Fischbach Rich Draheim

66.5 ..... ..

66.6 Paul Anderson Scott M. Jensen

66.7 ..... ..

66.8 Greg D. Clausen

66.9 House Conferees:

66.10 ..... ..

66.11 Bud Nornes Drew Christensen

66.12 ..... ..

66.13 Brian Daniels Abigail Whelan

66.14 ..... ..

66.15 Ilhan Omar