

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2214

(SENATE AUTHORS: FISCHBACH)

DATE	D-PG	OFFICIAL STATUS
03/20/2017	1582	Introduction and first reading Referred to Higher Education Finance and Policy
03/23/2017	1800a	Comm report: To pass as amended and re-refer to Finance
03/27/2017	1951a	Comm report: To pass as amended
	1963	Second reading
03/28/2017	2181a	Special Order: Amended
	2188	Third reading Passed
04/06/2017	3140	Returned from House with amendment
	3140	Senate not concur, conference committee of 5 requested
04/18/2017	3170	Senate conferees Fischbach; Draheim; Anderson, P.; Jensen; Clausen
04/20/2017	3186	House conferees Nornes; Christensen; Daniels; Whelan; Omar
05/15/2017		Conference committee report, delete everything Senate adopted CC report and repassed bill Third reading Passed House adopted SCC report and repassed bill

1.1 A bill for an act

1.2 relating to higher education; providing funding and policy changes for the Office

1.3 of Higher Education, the Minnesota State Colleges and Universities, the University

1.4 of Minnesota, and other related programs; modifying state grant program calculation

1.5 parameters; requiring reports; appropriating money; amending Minnesota Statutes

1.6 2016, sections 135A.031, subdivision 7; 135A.15, subdivision 1a; 136A.101,

1.7 subdivision 5a; 136A.125, subdivisions 2, 4; 136A.1275; 136A.685; 148.89,

1.8 subdivision 5; Laws 2014, chapter 312, article 1, section 15; proposing coding for

1.9 new law in Minnesota Statutes, chapters 136A; 148; 298.

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

1.11 **ARTICLE 1**

1.12 **HIGHER EDUCATION APPROPRIATIONS**

1.13 Section 1. **APPROPRIATIONS.**

1.14 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.15 and for the purposes specified in this article. The appropriations are from the general fund,

1.16 or another named fund, and are available for the fiscal years indicated for each purpose.

1.17 The figures "2018" and "2019" used in this article mean that the appropriations listed under

1.18 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

1.19 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"

1.20 is fiscal years 2018 and 2019.

1.21	<u>APPROPRIATIONS</u>
1.22	<u>Available for the Year</u>
1.23	<u>Ending June 30</u>
1.24	<u>2018</u> <u>2019</u>

1.25 **Sec. 2. MINNESOTA OFFICE OF HIGHER**

1.26 **EDUCATION**

2.1	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 244,044,000</u>	<u>\$ 240,573,000</u>
2.2	<u>The amounts that may be spent for each</u>		
2.3	<u>purpose are specified in the following</u>		
2.4	<u>subdivisions.</u>		
2.5	<u>Subd. 2. State Grants</u>	<u>185,174,000</u>	<u>185,394,000</u>
2.6	<u>If the appropriation in this subdivision for</u>		
2.7	<u>either year is insufficient, the appropriation</u>		
2.8	<u>for the other year is available for it.</u>		
2.9	<u>Subd. 3. Child Care Grants</u>	<u>6,684,000</u>	<u>6,684,000</u>
2.10	<u>Subd. 4. State Work-Study</u>	<u>14,502,000</u>	<u>14,502,000</u>
2.11	<u>Subd. 5. Interstate Tuition Reciprocity</u>	<u>11,018,000</u>	<u>11,018,000</u>
2.12	<u>If the appropriation in this subdivision for</u>		
2.13	<u>either year is insufficient, the appropriation</u>		
2.14	<u>for the other year is available to meet</u>		
2.15	<u>reciprocity contract obligations.</u>		
2.16	<u>Subd. 6. Safety Officer's Survivors</u>	<u>100,000</u>	<u>100,000</u>
2.17	<u>This appropriation is to provide educational</u>		
2.18	<u>benefits under Minnesota Statutes, section</u>		
2.19	<u>299A.45, to eligible dependent children and</u>		
2.20	<u>to the spouses of public safety officers killed</u>		
2.21	<u>in the line of duty.</u>		
2.22	<u>If the appropriation in this subdivision for</u>		
2.23	<u>either year is insufficient, the appropriation</u>		
2.24	<u>for the other year is available for it.</u>		
2.25	<u>Subd. 7. Indian Scholarships</u>	<u>3,500,000</u>	<u>3,500,000</u>
2.26	<u>The commissioner must contract with or</u>		
2.27	<u>employ at least one person with demonstrated</u>		
2.28	<u>competence in American Indian culture and</u>		
2.29	<u>residing in or near the city of Bemidji to assist</u>		
2.30	<u>students with the scholarships under</u>		
2.31	<u>Minnesota Statutes, section 136A.126, and</u>		
2.32	<u>with other information about financial aid for</u>		
2.33	<u>which the students may be eligible. Bemidji</u>		

3.1 State University must provide office space at
 3.2 no cost to the Office of Higher Education for
 3.3 purposes of administering the American Indian
 3.4 scholarship program under Minnesota Statutes,
 3.5 section 136A.126. This appropriation includes
 3.6 funding to administer the American Indian
 3.7 scholarship program.

3.8 **Subd. 8. Tribal College Grants** 150,000 150,000

3.9 For tribal college assistance grants under
 3.10 Minnesota Statutes, section 136A.1796.

3.11 **Subd. 9. Intervention for College Attendance**
 3.12 **Program Grants** 671,000 671,000

3.13 For the intervention for college attendance
 3.14 program under Minnesota Statutes, section
 3.15 136A.861.

3.16 The commissioner may use no more than two
 3.17 percent of this appropriation to administer the
 3.18 intervention for college attendance program
 3.19 grants.

3.20 **Subd. 10. Student-Parent Information** 122,000 122,000

3.21 **Subd. 11. Get Ready!** 180,000 180,000

3.22 **Subd. 12. Minnesota Education Equity**
 3.23 **Partnership** 45,000 45,000

3.24 **Subd. 13. Midwest Higher Education Compact** 115,000 115,000

3.25 **Subd. 14. United Family Medicine Residency**
 3.26 **Program** 501,000 501,000

3.27 For a grant to United Family Medicine
 3.28 residency program. This appropriation shall
 3.29 be used to support up to 21 resident physicians
 3.30 each year in family practice at United Family
 3.31 Medicine residency programs and shall
 3.32 prepare doctors to practice family care
 3.33 medicine in underserved rural and urban areas
 3.34 of the state. It is intended that this program
 3.35 will improve health care in underserved

4.1 communities, provide affordable access to
 4.2 appropriate medical care, and manage the
 4.3 treatment of patients in a cost-effective
 4.4 manner.

4.5 **Subd. 15. MnLINK Gateway and Minitex** 5,905,000 5,905,000

4.6 **Subd. 16. Statewide Longitudinal Education**
 4.7 **Data System** 882,000 882,000

4.8 **Subd. 17. Hennepin County Medical Center** 645,000 645,000

4.9 For transfer to Hennepin County Medical
 4.10 Center for graduate family medical education
 4.11 programs at Hennepin County Medical Center.

4.12 **Subd. 18. MNSCU Two-Year Public College**
 4.13 **Program** 3,481,000 -0-

4.14 (a) \$2,780,000 in fiscal year 2018 is for
 4.15 two-year public college program grants under
 4.16 Laws 2015, chapter 69, article 3, section 20.

4.17 (b) \$545,000 in fiscal year 2018 is to provide
 4.18 mentoring and outreach as specified under
 4.19 Laws 2015, chapter 69, article 3, section 20.

4.20 (c) \$156,000 in fiscal year 2018 is for
 4.21 information technology and administrative
 4.22 costs associated with implementation of the
 4.23 grant program.

4.24 **Subd. 19. College Possible** 250,000 250,000

4.25 (a) This appropriation is for immediate transfer
 4.26 to College Possible to support programs of
 4.27 college admission and college graduation for
 4.28 low-income students through an intensive
 4.29 curriculum of coaching and support at both
 4.30 the high school and postsecondary level.

4.31 (b) This appropriation must, to the extent
 4.32 possible, be proportionately allocated between
 4.33 students from greater Minnesota and students
 4.34 in the seven-county metropolitan area.

5.1 (c) This appropriation must be used by College
 5.2 Possible only for programs supporting students
 5.3 who are residents of Minnesota and attending
 5.4 colleges or universities within Minnesota.

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

5.22 **Subd. 20. Spinal Cord Injury and Traumatic**
 5.23 **Brain Injury Research Grant Program**

3,000,000

3,000,000

5.24 For spinal cord injury and traumatic brain
 5.25 injury research grants authorized under
 5.26 Minnesota Statutes, section 136A.901.

5.27 The commissioner may use no more than two
 5.28 percent of this appropriation to administer the
 5.29 grant program under this subdivision.

5.30 **Subd. 21. Summer Academic Enrichment**
 5.31 **Program**

125,000

125,000

5.32 For summer academic enrichment grants under
 5.33 Minnesota Statutes, section 136A.091.

6.1 The commissioner may use no more than two
 6.2 percent of this appropriation to administer the
 6.3 grant program under this subdivision.

6.4 Subd. 22. Dual Training Competency Grants;
 6.5 OHE

2,000,000

2,000,000

6.6 For training grants under Minnesota Statutes,
 6.7 section 136A.246.

6.8 The commissioner may use no more than two
 6.9 percent of this appropriation to administer the
 6.10 grant program under this subdivision.

6.11 Subd. 23. Dual Training Competency Grants;
 6.12 DOLI

200,000

200,000

6.13 For transfer to the commissioner of labor and
 6.14 industry for identification of competency
 6.15 standards for dual training under Minnesota
 6.16 Statutes, section 175.45.

6.17 Subd. 24. Concurrent Enrollment Courses

340,000

340,000

6.18 (a) \$225,000 in fiscal year 2018 and \$225,000
 6.19 in fiscal year 2019 are for grants to develop
 6.20 new concurrent enrollment courses under
 6.21 Minnesota Statutes, section 124D.09,
 6.22 subdivision 10, that satisfy the elective
 6.23 standard for career and technical education.

6.24 Any balance in the first year does not cancel
 6.25 but is available in the second year.

6.26 (b) \$115,000 in fiscal year 2018 and \$115,000
 6.27 in fiscal year 2019 are for grants to
 6.28 postsecondary institutions currently
 6.29 sponsoring a concurrent enrollment course to
 6.30 expand existing programs. The commissioner
 6.31 shall determine the application process and
 6.32 the grant amounts. The commissioner must
 6.33 give preference to expanding programs that
 6.34 are at capacity. Any balance in the first year

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

7.3 (c) By December 1 of each year, the office
 7.4 shall submit a brief report to the chairs and
 7.5 ranking minority members of the legislative
 7.6 committees with jurisdiction over higher
 7.7 education regarding:

7.8 (1) the courses developed by grant recipients
 7.9 and the number of students who enrolled in
 7.10 the courses under paragraph (a); and

7.11 (2) the programs expanded and the number of
 7.12 students who enrolled in programs under
 7.13 paragraph (b).

7.14 **Subd. 25. Campus Sexual Assault Reporting** 25,000 25,000

7.15 For the sexual assault reporting required under
 7.16 Minnesota Statutes, section 135A.15.

7.17 **Subd. 26. Campus Sexual Violence Prevention**
 7.18 **and Response Coordinator** 150,000 150,000

7.19 For the Office of Higher Education to staff a
 7.20 campus sexual violence prevention and
 7.21 response coordinator to serve as a statewide
 7.22 resource providing professional development
 7.23 and guidance on best practices for
 7.24 postsecondary institutions. \$50,000 each year
 7.25 are for administrative funding to conduct
 7.26 trainings and provide materials to
 7.27 postsecondary institutions.

7.28 **Subd. 27. Teacher Shortage Loan Forgiveness** 200,000 200,000

7.29 For the loan forgiveness program under
 7.30 Minnesota Statutes, section 136A.1791.

7.31 The commissioner may use no more than two
 7.32 percent of this appropriation to administer the
 7.33 program under this subdivision.

8.1	<u>Subd. 28. Addiction Medicine Graduate</u>		
8.2	<u>Fellowship Program</u>	<u>210,000</u>	<u>-0-</u>
8.3	<u>For implementing a grant program used to</u>		
8.4	<u>support up to four physicians who are enrolled</u>		
8.5	<u>each year in an addiction medicine fellowship</u>		
8.6	<u>program. A grant recipient must be enrolled</u>		
8.7	<u>in a program that trains fellows in diagnostic</u>		
8.8	<u>interviewing, motivational interviewing,</u>		
8.9	<u>addiction counseling, recognition and care of</u>		
8.10	<u>common acute withdrawal syndromes and</u>		
8.11	<u>complications, pharmacotherapies of addictive</u>		
8.12	<u>disorders, epidemiology and pathophysiology</u>		
8.13	<u>of addiction, addictive disorders in special</u>		
8.14	<u>populations, secondary interventions, use of</u>		
8.15	<u>screening and diagnostic instruments, inpatient</u>		
8.16	<u>care, and working within a multidisciplinary</u>		
8.17	<u>team, and prepares doctors to practice</u>		
8.18	<u>addiction medicine in rural and underserved</u>		
8.19	<u>areas of the state.</u>		
8.20	<u>Subd. 29. Student and Employer Connection</u>		
8.21	<u>Information System</u>	<u>405,000</u>	<u>405,000</u>
8.22	<u>For a grant to the Saint Paul Foundation for</u>		
8.23	<u>the creation of a web-based job and</u>		
8.24	<u>intern-seeking software tool that blind matches</u>		
8.25	<u>the needs of employers located in Minnesota</u>		
8.26	<u>with the individual profiles of high school</u>		
8.27	<u>seniors and postsecondary students attending</u>		
8.28	<u>Minnesota high schools and postsecondary</u>		
8.29	<u>institutions. No more than two percent of this</u>		
8.30	<u>appropriation may be used for administrative</u>		
8.31	<u>expenses of the foundation. The foundation</u>		
8.32	<u>must report by January 15, 2019, on activities</u>		
8.33	<u>under this subdivision to the chairs and</u>		
8.34	<u>ranking minority members of the legislative</u>		
8.35	<u>committees with jurisdiction over higher</u>		
8.36	<u>education finance.</u>		

9.1	<u>Subd. 30. Emergency Assistance for</u>	<u>175,000</u>	<u>175,000</u>
9.2	<u>Postsecondary Students</u>		
9.3	<u>(a) This appropriation is for the Office of</u>		
9.4	<u>Higher Education to allocate grant funds on a</u>		
9.5	<u>matching basis to schools with a demonstrable</u>		
9.6	<u>homeless student population.</u>		
9.7	<u>(b) This appropriation shall be used to meet</u>		
9.8	<u>immediate student needs that could result in</u>		
9.9	<u>a student not completing the term or their</u>		
9.10	<u>program including, but not limited to,</u>		
9.11	<u>emergency housing, food, and transportation.</u>		
9.12	<u>Emergency assistance does not impact the</u>		
9.13	<u>amount of state financial aid received.</u>		
9.14	<u>(c) The commissioner shall determine the</u>		
9.15	<u>application process and the grant amounts.</u>		
9.16	<u>Any balance in the first year does not cancel</u>		
9.17	<u>but shall be available in the second year. The</u>		
9.18	<u>Office of Higher Education shall partner with</u>		
9.19	<u>interested postsecondary institutions, other</u>		
9.20	<u>state agencies, and student groups to establish</u>		
9.21	<u>the programs.</u>		
9.22	<u>Subd. 31. Large Animal Veterinarian Loan</u>		
9.23	<u>Forgiveness Program</u>	<u>375,000</u>	<u>375,000</u>
9.24	<u>For the large animal veterinarian loan</u>		
9.25	<u>forgiveness program under Minnesota Statutes,</u>		
9.26	<u>section 136A.1795. The base for fiscal year</u>		
9.27	<u>2028 is \$0.</u>		
9.28	<u>Subd. 32. Grants to Teacher Candidates</u>	<u>500,000</u>	<u>500,000</u>
9.29	<u>For grants to teacher candidates under</u>		
9.30	<u>Minnesota Statutes, section 136A.1275. This</u>		
9.31	<u>appropriation is in addition to the money</u>		
9.32	<u>available under Laws 2016, chapter 189,</u>		
9.33	<u>article 25, section 62, subdivision 11.</u>		

10.1 The commissioner may use no more than two
 10.2 percent of the appropriation for administration
 10.3 of the program.

10.4 **Subd. 33. Loan Repayment Assistance Program** 25,000 25,000

10.5 For a grant to the Loan Repayment Assistance
 10.6 Program of Minnesota to provide education
 10.7 debt relief to attorneys with full-time
 10.8 employment providing legal advice or
 10.9 representation to low-income clients or support
 10.10 services for this work.

10.11 **Subd. 34. Agency Administration** 2,389,000 2,389,000

10.12 **Subd. 35. Balances Forward**

10.13 A balance in the first year under this section
 10.14 does not cancel, but is available for the second
 10.15 year.

10.16 **Subd. 36. Transfers**

10.17 The commissioner of the Office of Higher
 10.18 Education may transfer unencumbered
 10.19 balances from the appropriations in this
 10.20 section to the state grant appropriation, the
 10.21 interstate tuition reciprocity appropriation, the
 10.22 child care grant appropriation, the Indian
 10.23 scholarship appropriation, the state work-study
 10.24 appropriation, the get ready appropriation, and
 10.25 the public safety officers' survivors
 10.26 appropriation. Transfers from the child care
 10.27 or state work-study appropriations may only
 10.28 be made to the extent there is a projected
 10.29 surplus in the appropriation. A transfer may
 10.30 be made only with prior written notice to the
 10.31 chairs and ranking minority members of the
 10.32 senate and house of representatives
 10.33 committees with jurisdiction over higher
 10.34 education finance.

11.1 **Sec. 3. BOARD OF TRUSTEES OF THE**
 11.2 **MINNESOTA STATE COLLEGES AND**
 11.3 **UNIVERSITIES**

11.4 **Subdivision 1. Total Appropriation** **\$ 700,036,000** **\$ 699,816,000**

11.5 The amounts that may be spent for each
 11.6 purpose are specified in the following
 11.7 subdivisions.

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

11.9 For the Office of the Chancellor and the
 11.10 Shared Services Division.

11.11 **Subd. 3. Operations and Maintenance** **662,847,000** **662,627,000**

11.12 (a) The Board of Trustees must establish
 11.13 tuition rates as follows:

11.14 (1) for the 2017-2018 academic year, the
 11.15 tuition rate at colleges and universities must
 11.16 not exceed the 2016-2017 academic year rate;
 11.17 and

11.18 (2) for the 2018-2019 academic year, the
 11.19 tuition rate at colleges and universities must
 11.20 not exceed the 2017-2018 academic year rate.

11.21 The student tuition relief may not be offset by
 11.22 increases in mandatory fees, charges, or other
 11.23 assessments to the student.

11.24 (b) \$1,500,000 in fiscal year 2018 and
 11.25 \$1,500,000 in fiscal year 2019 are
 11.26 appropriated from the general fund to the
 11.27 Board of Trustees of the Minnesota State
 11.28 Colleges and Universities to provide the
 11.29 supplemental aid under article 2, section 15.

11.30 (c) The Board of Trustees is requested to help
 11.31 Minnesota close the attainment gap by funding
 11.32 activities which improve retention and
 11.33 completion for students of color.

- 12.1 (d) \$260,000 in fiscal year 2018 and \$140,000
12.2 in fiscal year 2019 are for transfer to the Cook
12.3 County Higher Education Board to provide
12.4 educational programming and academic
12.5 support services to remote regions in
12.6 northeastern Minnesota. The project shall
12.7 continue to provide information to the Board
12.8 of Trustees on the number of students served,
12.9 credit hours delivered, and services provided
12.10 to students.
- 12.11 (e) \$50,000 in fiscal year 2018 and \$50,000
12.12 in fiscal year 2019 are for developing and
12.13 teaching online agricultural courses by farm
12.14 business management faculty at colleges that
12.15 offer farm business management.
- 12.16 (f) \$175,000 in fiscal year 2018 and \$175,000
12.17 in fiscal year 2019 are to implement the
12.18 veterans-to-agriculture pilot program. The
12.19 appropriation shall be used to continue this
12.20 program at South Central College, North
12.21 Mankato campus, and to support, in equal
12.22 amounts, up to six program sites statewide.
12.23 No more than two percent of the total
12.24 appropriation provided by this section may be
12.25 used for administrative purposes at the system
12.26 level.
- 12.27 The veterans-to-agriculture pilot program shall
12.28 be designed to facilitate the entrance of
12.29 military veterans into careers related to
12.30 agriculture and food production, processing,
12.31 and distribution through intensive, four- to
12.32 eight-week academic training in relevant fields
12.33 of study, job development programs and
12.34 outreach to potential employers, and
12.35 appropriate career-building skills designed to

- 13.1 assist returning veterans in entering the
13.2 civilian workforce. Upon successful
13.3 completion, a student shall be awarded a
13.4 certificate of completion or another
13.5 appropriate academic credit.
- 13.6 No later than December 15, 2018, the program
13.7 shall report to the committees of the house of
13.8 representatives and the senate with jurisdiction
13.9 over issues related to agriculture, veterans
13.10 affairs, and higher education on program
13.11 operations, including information on
13.12 participation rates, new job placements, and
13.13 any unmet needs.
- 13.14 (g) This appropriation includes \$40,000 in
13.15 fiscal year 2018 and \$40,000 in fiscal year
13.16 2019 to implement the sexual assault policies
13.17 required under Minnesota Statutes, section
13.18 135A.15.
- 13.19 (h) \$2,500,000 in fiscal year 2018 and
13.20 \$2,500,000 in fiscal year 2019 are for
13.21 upgrading the Integrated Statewide Record
13.22 System. The base for this appropriation in
13.23 fiscal year 2024 is \$0.
- 13.24 (i) \$100,000 in fiscal year 2018 is for use by
13.25 Winona State University for HealthForce
13.26 Minnesota to develop educational materials
13.27 that increase awareness of career opportunities
13.28 available in the field of senior care. The
13.29 educational materials developed under this
13.30 provision must be appropriate for students in
13.31 K-12 education settings, dislocated workers,
13.32 and rural communities. Materials must be
13.33 developed in collaboration with employers
13.34 and trade organizations representing
13.35 employers in the field of senior care.

14.1 Winona State University shall submit a report
 14.2 by February 1, 2019, to the chairs and ranking
 14.3 minority members of the legislative
 14.4 committees with jurisdiction over higher
 14.5 education finance and policy. The report must
 14.6 include information about the materials
 14.7 developed and to whom materials were
 14.8 distributed; and identify any collaborations
 14.9 with employers and trade organizations.

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

14.11 Sec. 4. **BOARD OF REGENTS OF THE**
 14.12 **UNIVERSITY OF MINNESOTA**

14.13 Subdivision 1. **Total Appropriation** \$ 643,318,000 \$ 643,318,000

14.14 Appropriations by Fund

	<u>2018</u>	<u>2019</u>
14.15 <u>General</u>	<u>641,161,000</u>	<u>641,161,000</u>
14.16 <u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>

14.18 The amounts that may be spent for each
 14.19 purpose are specified in the following
 14.20 subdivisions.

14.21 Subd. 2. **Operations and Maintenance** 573,723,000 573,723,000

14.22 (a) The Board of Regents is requested to set
 14.23 tuition rates for academic year 2017-2018 at
 14.24 levels not to exceed the rates for academic
 14.25 year 2016-2017.

14.26 The Board of Regents is requested to set
 14.27 tuition rates for academic year 2018-2019 at
 14.28 levels not to exceed the rates for academic
 14.29 year 2017-2018.

14.30 (b) \$15,000,000 in fiscal year 2018 and
 14.31 \$15,000,000 in fiscal year 2019 are to: (1)
 14.32 increase the medical school's research
 14.33 capacity; (2) improve the medical school's
 14.34 ranking in National Institutes of Health

15.1 funding; (3) ensure the medical school's
 15.2 national prominence by attracting and
 15.3 retaining world-class faculty, staff, and
 15.4 students; (4) invest in physician training
 15.5 programs in rural and underserved
 15.6 communities; and (5) translate the medical
 15.7 school's research discoveries into new
 15.8 treatments and cures to improve the health of
 15.9 Minnesotans.

15.10 (c) \$800,000 in fiscal year 2018 and \$800,000
 15.11 in fiscal year 2019 are for health training
 15.12 restoration. This appropriation must be used
 15.13 to support all of the following: (1) faculty
 15.14 physicians who teach at eight residency
 15.15 program sites, including medical resident and
 15.16 student training programs in the Department
 15.17 of Family Medicine; (2) the Mobile Dental
 15.18 Clinic; and (3) expansion of geriatric
 15.19 education and family programs.

15.20 (d) \$2,000,000 in fiscal year 2018 and
 15.21 \$2,000,000 in fiscal year 2019 are for the
 15.22 Minnesota Discovery, Research, and
 15.23 InnoVation Economy funding program for
 15.24 cancer care research.

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

15.26 This appropriation is from the health care
 15.27 access fund.

15.28 **Subd. 4. Special Appropriations**

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

15.30 For the Agricultural Experiment Station and
 15.31 the Minnesota Extension Service:

15.32 (1) the agricultural experiment stations and
 15.33 Minnesota Extension Service must convene
 15.34 agricultural advisory groups to focus research,

16.1 education, and extension activities on producer
16.2 needs and implement an outreach strategy that
16.3 more effectively and rapidly transfers research
16.4 results and best practices to producers
16.5 throughout the state;

16.6 (2) this appropriation includes funding for
16.7 research and outreach on the production of
16.8 renewable energy from Minnesota biomass
16.9 resources, including agronomic crops, plant
16.10 and animal wastes, and native plants or trees.
16.11 The following areas should be prioritized and
16.12 carried out in consultation with Minnesota
16.13 producers, renewable energy, and bioenergy
16.14 organizations:

16.15 (i) biofuel and other energy production from
16.16 perennial crops, small grains, row crops, and
16.17 forestry products in conjunction with the
16.18 Natural Resources Research Institute (NRRI);

16.19 (ii) alternative bioenergy crops and cropping
16.20 systems; and

16.21 (iii) biofuel coproducts used for livestock feed;

16.22 (3) this appropriation includes funding for the
16.23 College of Food, Agricultural, and Natural
16.24 Resources Sciences to establish and provide
16.25 leadership for organic agronomic,
16.26 horticultural, livestock, and food systems
16.27 research, education, and outreach and for the
16.28 purchase of state-of-the-art laboratory,
16.29 planting, tilling, harvesting, and processing
16.30 equipment necessary for this project;

16.31 (4) this appropriation includes funding for
16.32 research efforts that demonstrate a renewed
16.33 emphasis on the needs of the state's agriculture
16.34 community. The following areas should be

- 17.1 prioritized and carried out in consultation with
17.2 Minnesota farm organizations:
- 17.3 (i) vegetable crop research with priority for
17.4 extending the Minnesota vegetable growing
17.5 season;
- 17.6 (ii) fertilizer and soil fertility research and
17.7 development;
- 17.8 (iii) soil, groundwater, and surface water
17.9 conservation practices and contaminant
17.10 reduction research;
- 17.11 (iv) discovering and developing plant varieties
17.12 that use nutrients more efficiently;
- 17.13 (v) breeding and development of turf seed and
17.14 other biomass resources in all three Minnesota
17.15 biomes;
- 17.16 (vi) development of new disease-resistant and
17.17 pest-resistant varieties of turf and agronomic
17.18 crops;
- 17.19 (vii) utilizing plant and livestock cells to treat
17.20 and cure human diseases;
- 17.21 (viii) the development of dairy coproducts;
- 17.22 (ix) a rapid agricultural response fund for
17.23 current or emerging animal, plant, and insect
17.24 problems affecting production or food safety;
- 17.25 (x) crop pest and animal disease research;
- 17.26 (xi) developing animal agriculture that is
17.27 capable of sustainably feeding the world;
- 17.28 (xii) consumer food safety education and
17.29 outreach;
- 17.30 (xiii) programs to meet the research and
17.31 outreach needs of organic livestock and crop
17.32 farmers; and

18.1	<u>(xiv) alternative bioenergy crops and cropping</u>		
18.2	<u>systems; and growing, harvesting, and</u>		
18.3	<u>transporting biomass plant material; and</u>		
18.4	<u>(5) by February 1, 2019, the Board of Regents</u>		
18.5	<u>must submit a report to the legislative</u>		
18.6	<u>committees and divisions with jurisdiction</u>		
18.7	<u>over agriculture and higher education finance</u>		
18.8	<u>on the status and outcomes of research and</u>		
18.9	<u>initiatives funded in this paragraph.</u>		
18.10	<u>(b) Health Sciences</u>	<u>9,204,000</u>	<u>9,204,000</u>
18.11	<u>\$346,000 each year is to support up to 12</u>		
18.12	<u>resident physicians in the St. Cloud Hospital</u>		
18.13	<u>family practice residency program. The</u>		
18.14	<u>program must prepare doctors to practice</u>		
18.15	<u>primary care medicine in rural areas of the</u>		
18.16	<u>state. The legislature intends this program to</u>		
18.17	<u>improve health care in rural communities,</u>		
18.18	<u>provide affordable access to appropriate</u>		
18.19	<u>medical care, and manage the treatment of</u>		
18.20	<u>patients in a more cost-effective manner. The</u>		
18.21	<u>remainder of this appropriation is for the rural</u>		
18.22	<u>physicians associates program; the Veterinary</u>		
18.23	<u>Diagnostic Laboratory; health sciences</u>		
18.24	<u>research; dental care; the Biomedical</u>		
18.25	<u>Engineering Center; and the collaborative</u>		
18.26	<u>partnership between the University of</u>		
18.27	<u>Minnesota and Mayo Clinic for regenerative</u>		
18.28	<u>medicine, research, clinical translation, and</u>		
18.29	<u>commercialization.</u>		
18.30	<u>(c) Institute of Technology</u>	<u>1,140,000</u>	<u>1,140,000</u>
18.31	<u>For the geological survey and the talented</u>		
18.32	<u>youth mathematics program.</u>		
18.33	<u>(d) System Special</u>	<u>6,181,000</u>	<u>6,181,000</u>

19.1 For general research, the Labor Education
 19.2 Service, Natural Resources Research Institute,
 19.3 Center for Urban and Regional Affairs, Bell
 19.4 Museum of Natural History, and the
 19.5 Humphrey exhibit.

19.6 \$1,000,000 in fiscal year 2018 and \$1,000,000
 19.7 in fiscal year 2019 are for the Natural
 19.8 Resources Research Institute to invest in
 19.9 applied research for economic development.

19.10 **(e) University of Minnesota and Mayo**
 19.11 **Foundation Partnership**

7,991,000

7,991,000

19.12 This appropriation is for the following
 19.13 activities:

19.14 (1) \$7,491,000 in fiscal year 2018 and
 19.15 \$7,491,000 in fiscal year 2019 are for the
 19.16 direct and indirect expenses of the
 19.17 collaborative research partnership between the
 19.18 University of Minnesota and the Mayo
 19.19 Foundation for research in biotechnology and
 19.20 medical genomics. An annual report on the
 19.21 expenditure of these funds must be submitted
 19.22 to the governor and the chairs of the legislative
 19.23 committees responsible for higher education
 19.24 finance by June 30 of each fiscal year.

19.25 (2) \$500,000 in fiscal year 2018 and \$500,000
 19.26 in fiscal year 2019 are to award competitive
 19.27 grants to conduct research into the prevention,
 19.28 treatment, causes, and cures of Alzheimer's
 19.29 disease and other dementias.

19.30 **Subd. 5. Academic Health Center**

19.31 The appropriation for Academic Health Center
 19.32 funding under Minnesota Statutes, section
 19.33 297F.10, is estimated to be \$22,250,000 each
 19.34 year.

20.1 **Sec. 5. MAYO CLINIC**

20.2	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>1,351,000</u>	<u>\$</u>	<u>1,351,000</u>
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20.3 The amounts that may be spent are specified
 20.4 in the following subdivisions.

20.5	<u>Subd. 2. Medical School</u>		<u>665,000</u>		<u>665,000</u>
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20.6 The state must pay a capitation each year for
 20.7 each student who is a resident of Minnesota.

20.8 The appropriation may be transferred between
 20.9 each year of the biennium to accommodate
 20.10 enrollment fluctuations. It is intended that
 20.11 during the biennium the Mayo Clinic use the
 20.12 capitation money to increase the number of
 20.13 doctors practicing in rural areas in need of
 20.14 doctors.

20.15	<u>Subd. 3. Family Practice and Graduate</u>				
20.16	<u>Residency Program</u>		<u>686,000</u>		<u>686,000</u>

20.17 The state must pay stipend support for up to
 20.18 27 residents each year.

20.19 **ARTICLE 2**20.20 **HIGHER EDUCATION POLICY**

20.21 Section 1. Minnesota Statutes 2016, section 135A.031, subdivision 7, is amended to read:

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

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

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

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

20.30 (2) a five-year history of the system's total instructional expenditures per full-year
 20.31 equivalent student, by level of instruction, including upper-division undergraduate,

21.1 lower-division undergraduate, graduate, professional, and other categories of instructional
21.2 programs offered by the system;

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

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

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

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

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

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

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

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

22.5 (11) aggregate data on the following:

22.6 (i) student demographics;

22.7 (ii) student enrollment history, including student enrollment by legislative district;

22.8 (iii) degrees and certificates awarded by region, as defined in section 462.385, subdivision
22.9 1;

22.10 (iv) student debt history;

22.11 (v) student academics, including completion rates by preparedness and financial need;

22.12 (vi) human resources, including employee head count and employee demographics;

22.13 (vii) facilities, including physical space overview, condition, square footage and
22.14 distribution by region, any deferred maintenance, and capital bonding requested and received;

22.15 (viii) administrative costs, including administrators as a percent of total employee head
22.16 count, system office budget as a percent of total system general fund revenue, institutional
22.17 support spending as a percent of total expenses, and institutional spending per college and
22.18 university; and

22.19 (ix) finances, including system expenditures and revenues, college and university
22.20 operating budgets, allocation method, and results; and

22.21 (12) a comparison of the expenditure categories from the most recent fiscal year to the
22.22 prior fiscal year for both functional areas and objects of expenditure, including a full
22.23 explanation of all material changes to the expenditure categories.

22.24 (b) Data required by this subdivision shall be submitted by the public postsecondary
22.25 systems to the Minnesota Office of Higher Education and the Department of Management
22.26 and Budget and included in the biennial budget document. Representatives from each system,
22.27 in consultation with the commissioner of management and budget and the commissioner
22.28 of the Office of Higher Education, shall develop consistent reporting practices for this
22.29 purpose.

22.30 (c) To the extent practicable, each system shall develop the ability to respond to legislative
22.31 requests for financial analyses that are more detailed than those required by this subdivision,
22.32 including but not limited to analyses that show expenditures or revenues by institution or

23.1 program, or in multiple categories of expenditures or revenues, and analyses that show
 23.2 revenue sources for particular types of expenditures.

23.3 Sec. 2. Minnesota Statutes 2016, section 135A.15, subdivision 1a, is amended to read:

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

23.8 Sec. 3. Minnesota Statutes 2016, section 136A.101, subdivision 5a, is amended to read:

23.9 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the
 23.10 amount of a family's contribution to a student's cost of attendance, as determined by a federal
 23.11 need analysis. For dependent students, the assigned family responsibility is 94 percent of
 23.12 the parental contribution. For independent students with dependents other than a spouse,
 23.13 the assigned family responsibility is 86 percent of the student contribution. For independent
 23.14 students without dependents other than a spouse, the assigned family responsibility is 50
 23.15 percent of the student contribution. For all student types, the assigned family responsibility
 23.16 equals the modified contribution for that student minus \$158.

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

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

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

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

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

23.27 (4) either has not earned a baccalaureate degree and has been enrolled full time less than
 23.28 ~~eight~~ ten semesters or the equivalent, or has earned a baccalaureate degree and has been
 23.29 enrolled full time less than ~~eight~~ ten semesters or the equivalent in a graduate or professional
 23.30 degree program;

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

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

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

24.6 (b) A student who withdraws from enrollment for active military service after December
24.7 31, 2002, because the student was ordered to active military service as defined in section
24.8 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a medical
24.9 professional, that substantially limits the student's ability to complete the term is entitled to
24.10 an additional semester or the equivalent of grant eligibility and will be considered to be in
24.11 continuing enrollment status upon return.

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

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

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

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

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

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

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

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

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

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

25.5 (3) divided by 15 for undergraduate students and six for graduate and professional
25.6 students; and

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

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

25.13 Sec. 6. Minnesota Statutes 2016, section 136A.1275, is amended to read:

25.14 **~~136A.1275 GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS~~**
25.15 **TEACHER CANDIDATE GRANTS.**

25.16 Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education
25.17 must establish a grant program for student teaching stipends for low-income students enrolled
25.18 in a Board of Teaching-approved teacher preparation program who are interested in teaching
25.19 in a high needs subject area or region intend to teach in a shortage area after graduating and
25.20 receiving their teaching license or belong to an underrepresented racial or ethnic group. For
25.21 purposes of this section, "high needs subject area or region" means a shortage of teachers
25.22 teaching in particular subject areas or a shortage of teachers teaching in particular regions
25.23 of the state identified in the commissioner of education's biennial survey of districts under
25.24 section 127A.05, subdivision 6, or in another Department of Education survey on teacher
25.25 shortages.

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

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

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

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

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

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

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

26.15 (b) The commissioner must determine each academic year the stipend amount up to
 26.16 \$7,500 based on the amount of available funding ~~and~~, the number of eligible applicants,
 26.17 and the financial need of the applicants.

26.18 (c) The percentage of the total award reserved for teacher candidates who identify as
 26.19 belonging to an underrepresented racial or ethnic group must be equal to or greater than the
 26.20 total percentage of students of underrepresented racial or ethnic groups as measured under
 26.21 section 120B.35, subdivision 3. If this percentage cannot be met because of a lack of
 26.22 qualifying candidates, the remaining amount may be awarded to teacher candidates who
 26.23 intend to teach in a shortage area.

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

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

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

27.1 (1) understand their loan and repayment options;

27.2 (2) manage loan repayment; and

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

27.5 Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling
27.6 organization is an organization that:

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

27.8 (2) employs certified financial loan counselors; and

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

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

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

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

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

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

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

27.20 (b) The commissioner shall select one grant recipient for a two-year award every two
27.21 years, as funds are available. A grant may be renewed biennially.

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

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

27.27 (c) The evaluation must include information on the number of borrowers served with
27.28 on-time student loan payments, the numbers who brought their loans into good standing,
27.29 the number of student loan defaults, the number who developed a monthly budget plan, and
27.30 other information required by the commissioner. Recipients of the counseling must be

28.1 surveyed on their opinions about the usefulness of the counseling and the survey results
 28.2 must be included in the report.

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

28.6 **Sec. 8. [136A.659] EXEMPTION; ACCREDITED NONPROFIT SCHOOLS.**

28.7 Except as provided in this section, a regionally accredited nonprofit postsecondary
 28.8 institution with its primary physical location in Minnesota shall not be subject to the
 28.9 requirements of sections 136A.61 to 136A.71 related to approval or preapproval of degree
 28.10 programs within approved degrees, majors, minors, concentrations, areas of emphasis,
 28.11 nondegree programs within approved degrees, courses, new locations, and underlying
 28.12 curriculum, including modifications thereof and fees related thereto.

28.13 Regionally accredited nonprofit postsecondary institutions shall notify the commissioner
 28.14 of the Office of Higher Education about new locations, new majors, and new degrees within
 28.15 existing degrees and upon request, shall provide additional information to the commissioner
 28.16 of the Office of Higher Education about new locations, new majors, and new degrees.
 28.17 Regionally accredited nonprofit postsecondary institutions must notify the commissioner
 28.18 of the Office of Higher Education within 60 days of a program closing. Nothing in this
 28.19 section exempts a regionally accredited nonprofit postsecondary institution from the annual
 28.20 registration and degree approval requirements of sections 136A.61 to 136A.71.

28.21 Sec. 9. Minnesota Statutes 2016, section 136A.685, is amended to read:

28.22 **136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR**
 28.23 **MISREPRESENTATION.**

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

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

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

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

29.3 Sec. 10. Minnesota Statutes 2016, section 148.89, subdivision 5, is amended to read:

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

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

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

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

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

29.22 (i) mental and emotional disorder or disability;

29.23 (ii) alcohol and substance dependence or abuse;

29.24 (iii) disorders of habit or conduct;

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

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

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

29.29 (5) psychoeducational services and treatment; and

29.30 (6) consultation and supervision.

30.1 Sec. 11. **[148.9075] LICENSURE EXEMPTIONS.**

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

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

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

30.11 Subd. 2. Students. Nothing in sections 148.88 to 148.98 shall prohibit the practice of
 30.12 psychology under qualified supervision by practicum psychology students, predoctoral
 30.13 psychology interns, or an individual who has earned a doctoral degree in psychology and
 30.14 is in the process of completing their postdoctoral supervised psychological employment.

30.15 Sec. 12. **[298.2215] COUNTY SCHOLARSHIP PROGRAM.**

30.16 Subdivision 1. Establishment. A county may establish a scholarship fund from any
 30.17 unencumbered revenue received pursuant to section 298.018, 298.28, 298.39, 298.396, or
 30.18 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used
 30.19 at a two-year Minnesota State Colleges and Universities institution within the county. The
 30.20 county shall establish procedures for applying for and distributing the scholarships.

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

30.24 Sec. 13. Laws 2014, chapter 312, article 1, section 15, is amended to read:

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

30.26 (a) For fiscal years 2016 to ~~2041~~ 2017, \$3,500,000 is added to the base operations and
 30.27 maintenance appropriation to the Board of Regents of the University of Minnesota in Laws
 30.28 2013, chapter 99, article 1, section 5.

30.29 (b) For fiscal years 2018 to 2040, \$3,312,000 is added to the base operations and
 30.30 maintenance appropriation to the Board of Regents of the University of Minnesota in Laws
 30.31 2013, chapter 99, article 1, section 5.

31.1 Sec. 14. **DEVELOPMENTAL EDUCATION REFORM.**

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

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

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

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

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

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

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

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

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

31.26 Sec. 15. **GREATER MINNESOTA OUTREACH AND RECRUITMENT.**

31.27 The Board of Regents of the University of Minnesota is requested to develop a plan to
31.28 conduct outreach and recruitment of students from Minnesota, specifically identifying
31.29 mechanisms to increase the number of students from greater Minnesota who are admitted
31.30 to the university campus located in the metropolitan area. Greater Minnesota is defined as
31.31 any area other than the area described in Minnesota Statutes, section 473.121, subdivision
31.32 4. The plan must be submitted to the chairs and ranking members of the senate and house

32.1 of representatives legislative committees with jurisdiction over higher education finance
 32.2 and policy by February 15, 2018.

32.3 Sec. 16. **SCHOOL DISTRICT GRADUATE REPORTING.**

32.4 (a) The commissioner of the Office of Higher Education must report on its Web site the
 32.5 following aggregate information on students graduating from Minnesota high schools,
 32.6 limited to the most recent academic year:

32.7 (1) the number and percent of students from each high school placed in supplemental
 32.8 or developmental education;

32.9 (2) the number and percent of students from each high school who complete supplemental
 32.10 or developmental education within one academic year;

32.11 (3) the number and percent of students from each high school that complete gateway
 32.12 courses in one academic year; and

32.13 (4) time to complete a degree or certificate.

32.14 (b) Reporting must be aggregated by school district and must disaggregate student data
 32.15 by race, ethnicity, free or reduced lunch eligibility, and age. The commissioner of the Office
 32.16 of Higher Education must post the report on its Web site on or before February 1, 2018,
 32.17 and update the report at least annually thereafter.

32.18 Sec. 17. **REQUIRED MNSCU EASEMENTS.**

32.19 Subdivision 1. **Easement grant to the Housing and Redevelopment Authority in and**
 32.20 **for the city of Virginia.** The Board of Trustees of the Minnesota State Colleges and
 32.21 Universities shall, by July 1, 2017, grant permanent easements as described in subdivisions
 32.22 2 and 3 to the Housing and Redevelopment Authority in and for the city of Virginia, for the
 32.23 benefit of:

32.24 A parcel of land lying in the Southwest Quarter of the Northeast Quarter of Section 7,
 32.25 Township 58 North, Range 17 West, in St. Louis County, described as follows:

32.26 Commencing at the center of said Section 7, Township 58 North, Range 17 West; thence
 32.27 Northerly along the North-South quarter line a distance of 725 feet, thence due East a
 32.28 distance of 72 feet to the point of beginning; thence due North a distance of 350 feet;
 32.29 thence due East a distance of 300 feet; thence due South a distance of 350 feet; thence
 32.30 due West a distance of 300 feet to the point of beginning,

33.1 which easements shall run with the land and shall inure to the benefit of and be binding
33.2 upon the owners of the benefited and burdened parcels and their respective successors and
33.3 assigns.

33.4 Subd. 2. **Access easement.** The board shall grant to the authority a 50.00-foot-wide
33.5 easement for vehicular and pedestrian ingress and egress access purposes over and across
33.6 that part of Southwest Quarter of the Northeast Quarter of Section 7, Township 58 North,
33.7 Range 17 West, St. Louis County. The centerline of said easement is described as follows:

33.8 Commencing at the southwest corner of said Southwest Quarter of the Northeast Quarter;
33.9 thence North 3 degrees 00 minutes 34 seconds West, assumed bearing along the west
33.10 line of said Southwest Quarter of the Northeast Quarter a distance of 725.00 feet; thence
33.11 on a bearing of East 72.00 feet; thence on a bearing of South 25.00 feet to the point of
33.12 beginning of the centerline to be described; thence on a bearing of East 330.30 feet;
33.13 thence South 1 degree 18 minutes 18 seconds East 249.04 feet; thence southwesterly
33.14 32.44 feet along a tangential curve, concave to the northwest, having a radius of 25.15
33.15 feet and a central angle of 73 degrees 55 minutes 31 seconds; thence southerly 56.77
33.16 feet along a reverse curve, concave to the east, having a radius of 44.00 feet and a central
33.17 angle of 73 degrees 55 minutes 31 seconds; thence South 1 degree 18 minutes 18 seconds
33.18 East tangent to said curve 37.63 feet; thence southeasterly 34.85 feet along a tangential
33.19 curve, concave to the northeast, having a radius of 44.00 feet and a central angle of 45
33.20 degrees 22 minutes 30 seconds; thence South 46 degrees 40 minutes 49 seconds East
33.21 tangent to said last described curve 53.67 feet; thence southerly 19.86 feet along a
33.22 tangential curve, concave to the west, having a radius of 25.00 feet and a central angle
33.23 of 45 degrees 31 minutes 06 seconds; thence South 1 degree 09 minutes 42 seconds East
33.24 tangent to said last described curve 269.94 feet to the south line of said Southwest Quarter
33.25 of the Northeast Quarter and said centerline there terminating.

33.26 The sidelines of said easement shall be prolonged or shortened to terminate on the northerly
33.27 right-of-way line of Chestnut Street.

33.28 Subd. 3. **Parking easement.** The board shall grant to the authority an easement for
33.29 parking purposes, specifically for the nonexclusive right to use up to 26 parking spaces, as
33.30 well as the right to use handicapped parking spaces as needed, over and across that part of
33.31 Southwest Quarter of the Northeast Quarter of Section 7, Township 58 North, Range 17
33.32 West, St. Louis County, described as follows:

33.33 Commencing at the southwest corner of said Southwest Quarter of the Northeast Quarter;
33.34 thence North 3 degrees 00 minutes 34 seconds West, assumed bearing along the west

34.1 line of said Southwest Quarter of the Northeast Quarter a distance of 725.00 feet; thence
 34.2 on a bearing of East 72.00 feet; thence on a bearing of South 50.00 feet; thence on a
 34.3 bearing of East 305.87 feet; thence South 1 degree 18 minutes 18 seconds East 27.91
 34.4 feet to the point of beginning of the tract to be described; thence South 88 degrees 41
 34.5 minutes 42 seconds West 275.00 feet; thence South 1 degree 18 minutes 18 seconds
 34.6 East 380.00 feet; thence North 88 degrees 41 minutes 42 seconds East 275.00 feet; thence
 34.7 North 1 degree 18 minutes 18 seconds West 380.00 feet to the point of beginning.

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

34.9 **Sec. 18. SUPPLEMENTAL AID FOR TWO-YEAR MNSCU INSTITUTIONS.**

34.10 The Board of Trustees of the Minnesota State Colleges and Universities shall provide
 34.11 supplemental aid for operations and maintenance to the president of each two-year institution
 34.12 in the system with at least one campus that is not located in a metropolitan county, as defined
 34.13 in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer \$50,000 for
 34.14 each campus not located in a metropolitan county in each year to the president of each
 34.15 institution that includes such a campus, provided that no institution may receive more than
 34.16 \$150,000 in total supplemental aid each year.

34.17 **Sec. 19. STATE GRANT TUITION CAPS; LIVING AND MISCELLANEOUS**
 34.18 **EXPENSE ALLOWANCE.**

34.19 (a) For the purposes of the state grant program under Minnesota Statutes, section
 34.20 136A.121, for the biennium ending June 30, 2019, the tuition maximum is \$14,186 in each
 34.21 fiscal year of the biennium for students in four-year programs, and \$5,736 in each fiscal
 34.22 year of the biennium for students in two-year programs.

34.23 (b) The living and miscellaneous expense allowance for the state grant program under
 34.24 Minnesota Statutes, section 136A.121, for the biennium ending June 30, 2019, is set at
 34.25 \$9,320 for each fiscal year of the biennium.

34.26 **Sec. 20. ONGOING APPROPRIATION.**

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

APPENDIX
Article locations in S2214-3

ARTICLE 1 HIGHER EDUCATION APPROPRIATIONS Page.Ln 1.11
ARTICLE 2 HIGHER EDUCATION POLICY Page.Ln 20.19