

SENATE  
STATE OF MINNESOTA  
NINETIETH SESSION

S.F. No. 3671

(SENATE AUTHORS: FISCHBACH and Eichorn)

DATE	D-PG	OFFICIAL STATUS
03/21/2018	6866	Introduction and first reading
		Referred to Higher Education Finance and Policy
04/19/2018	7316a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to higher education; providing for the financing of higher education

1.3 programs; modifying certain higher education policy provisions; making clarifying

1.4 and technical changes to loan forgiveness and research grant programs; requiring

1.5 reports; appropriating money; amending Minnesota Statutes 2016, sections

1.6 127A.70, subdivision 2; 135A.15, subdivision 2; 136A.15, subdivision 8; 136A.16,

1.7 subdivisions 1, 2, 5, 8, 9; 136A.162; 136A.1701, subdivision 7; 136A.1791,

1.8 subdivision 8; 136A.1795, subdivision 2; 136A.64, subdivision 1; 136A.822,

1.9 subdivision 10; 136A.901, subdivision 1; Minnesota Statutes 2017 Supplement,

1.10 sections 136A.1275, subdivisions 2, 3; 136A.1789, subdivision 2; 136A.646;

1.11 136A.672, by adding a subdivision; 136A.822, subdivision 6; 136A.8295, by

1.12 adding a subdivision; Laws 2017, chapter 89, article 1, section 2, subdivisions 18,

1.13 20, 29, 31, 32, 33, 34, 40; proposing coding for new law in Minnesota Statutes,

1.14 chapter 136A; repealing Minnesota Statutes 2016, sections 136A.15, subdivisions

1.15 2, 7; 136A.1701, subdivision 12.

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

1.17 Section 1. APPROPRIATIONS.

1.18 The sums shown in the columns marked "Appropriations" are added to the appropriations

1.19 in Laws 2017, chapter 89, article 1, unless otherwise specified, to the agencies and for the

1.20 purposes specified in this act. The appropriations are from the general fund, or another

1.21 named fund, and are available for the fiscal years indicated for each purpose. The figures

1.22 "2018" and "2019" used in this act mean that the appropriations listed under them are

1.23 available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first

1.24 year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium" is fiscal

1.25 years 2018 and 2019.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2018</u>	<u>2019</u>
1.26		
1.27		
1.28		
1.29		

2.1 **Sec. 2. MINNESOTA OFFICE OF HIGHER**  
 2.2 **EDUCATION**

2.3 **Subdivision 1. Total Appropriation**                                 **\$**                                 **-0-** **\$**                                 **500,000**

2.4 The amounts that may be spent for each  
 2.5 purpose are specified in the following  
 2.6 subdivisions.

2.7 **Subd. 2. State Grants**   **-0-**                                 **300,000**

2.8 This is a onetime appropriation.

2.9 **Subd. 3. Agricultural Educators Loan**  
 2.10 **Forgiveness**   **-0-**                                 **100,000**

2.11 For transfer to the agricultural education loan  
 2.12 forgiveness account in the special revenue  
 2.13 fund under Minnesota Statutes, section  
 2.14 136A.1794, subdivision 2. This is a onetime  
 2.15 appropriation.

2.16 **Subd. 4. Student Loan Debt Counseling**   **-0-**                                 **50,000**

2.17 For a student loan debt counseling grant under  
 2.18 Minnesota Statutes, section 136A.1705. This  
 2.19 is a onetime appropriation.

2.20 **Subd. 5. Teacher Preparation Program Design**  
 2.21 **Grant**   **-0-**                                 **50,000**

2.22 For a teacher preparation program design grant  
 2.23 under section 35. This is a onetime  
 2.24 appropriation.

2.25 **Sec. 3. BOARD OF TRUSTEES OF THE**  
 2.26 **MINNESOTA STATE COLLEGES AND**  
 2.27 **UNIVERSITIES**

2.28 **Subdivision 1. Total Appropriation**                                 **\$**                                 **-0-** **\$**                                 **500,000**

2.29 The amounts that may be spent for each  
 2.30 purpose are specified in the following  
 2.31 subdivisions.

2.32 **Subd. 2. Operations and Maintenance**   **-0-**                                 **500,000**

2.33 For renewal of workforce development  
 2.34 scholarships first awarded in academic year

3.1 2018-2019 under Minnesota Statutes, section  
3.2 136F.38. This is a onetime appropriation and  
3.3 is available until June 30, 2020.

3.4 Sec. 4. Minnesota Statutes 2016, section 127A.70, subdivision 2, is amended to read:

3.5 Subd. 2. **Powers and duties; report.** (a) The partnership shall develop recommendations  
3.6 to the governor and the legislature designed to maximize the achievement of all P-20 students  
3.7 while promoting the efficient use of state resources, thereby helping the state realize the  
3.8 maximum value for its investment. These recommendations may include, but are not limited  
3.9 to, strategies, policies, or other actions focused on:

3.10 (1) improving the quality of and access to education at all points from preschool through  
3.11 graduate education;

3.12 (2) improving preparation for, and transitions to, postsecondary education and work;

3.13 (3) ensuring educator quality by creating rigorous standards for teacher recruitment,  
3.14 teacher preparation, induction and mentoring of beginning teachers, and continuous  
3.15 professional development for career teachers; and

3.16 (4) realigning the governance and administrative structures of early education,  
3.17 kindergarten through grade 12, and postsecondary systems in Minnesota.

3.18 (b) Under the direction of the P-20 Education Partnership Statewide Longitudinal  
3.19 Education Data System Governance Committee, the Office of Higher Education and the  
3.20 Departments of Education and Employment and Economic Development shall improve and  
3.21 expand the Statewide Longitudinal Education Data System (SLEDS) to provide policymakers,  
3.22 education and workforce leaders, researchers, and members of the public with data, research,  
3.23 and reports to:

3.24 (1) expand reporting on students' educational outcomes for diverse student populations  
3.25 including at-risk students, children with disabilities, English learners, and gifted students,  
3.26 among others, and include formative and summative evaluations based on multiple measures  
3.27 of child well-being, early childhood development, and student progress toward career and  
3.28 college readiness;

3.29 (2) evaluate the effectiveness of (i) investments in young children and families, and (ii)  
3.30 educational and workforce programs; and

3.31 (3) evaluate the relationship between (i) investments in young children and families,  
3.32 and (ii) education and workforce outcomes, consistent with section 124D.49.

4.1 To the extent possible under federal and state law, research and reports should be  
4.2 accessible to the public on the Internet, and disaggregated by demographic characteristics,  
4.3 organization or organization characteristics, and geography.

4.4 It is the intent of the legislature that the Statewide Longitudinal Education Data System  
4.5 inform public policy and decision-making. The SLEDS governance committee, with  
4.6 assistance from staff of the Office of Higher Education, the Department of Education, and  
4.7 the Department of Employment and Economic Development, shall respond to legislative  
4.8 committee and agency requests on topics utilizing data made available through the Statewide  
4.9 Longitudinal Education Data System as resources permit. Any analysis of or report on the  
4.10 data must contain only summary data.

4.11 (c) By January 15 of each year, the partnership shall submit a report to the governor and  
4.12 to the chairs and ranking minority members of the legislative committees and divisions with  
4.13 jurisdiction over P-20 education policy and finance that summarizes the partnership's progress  
4.14 in meeting its goals and identifies the need for any draft legislation when necessary to further  
4.15 the goals of the partnership to maximize student achievement while promoting efficient use  
4.16 of resources.

4.17 Sec. 5. Minnesota Statutes 2016, section 135A.15, subdivision 2, is amended to read:

4.18 Subd. 2. **Victims' rights.** The policy required under subdivision 1 shall, at a minimum,  
4.19 require that students and employees be informed of the policy, and shall include provisions  
4.20 for:

4.21 (1) filing criminal charges with local law enforcement officials in sexual assault cases;

4.22 (2) the prompt assistance of campus authorities, at the request of the victim, in notifying  
4.23 the appropriate law enforcement officials and disciplinary authorities of a sexual assault  
4.24 incident;

4.25 (3) allowing sexual assault victims to decide whether to report a case to law enforcement;

4.26 (4) requiring campus authorities to treat sexual assault victims with dignity;

4.27 (5) requiring campus authorities to offer sexual assault victims fair and respectful health  
4.28 care, counseling services, or referrals to such services;

4.29 (6) preventing campus authorities from suggesting to a victim of sexual assault that the  
4.30 victim is at fault for the crimes or violations that occurred;

4.31 (7) preventing campus authorities from suggesting to a victim of sexual assault that the  
4.32 victim should have acted in a different manner to avoid such a crime;

5.1 (8) subject to subdivision 10, protecting the privacy of sexual assault victims by only  
5.2 disclosing data collected under this section to the victim, persons whose work assignments  
5.3 reasonably require access, and, at a sexual assault victim's request, police conducting a  
5.4 criminal investigation;

5.5 (9) an investigation and resolution of a sexual assault complaint by campus disciplinary  
5.6 authorities;

5.7 (10) a sexual assault victim's participation in and the presence of the victim's attorney  
5.8 or other support person who is not a fact witness to the sexual assault at any meeting with  
5.9 campus officials concerning the victim's sexual assault complaint or campus disciplinary  
5.10 proceeding concerning a sexual assault complaint;

5.11 (11) ensuring that a sexual assault victim may decide when to repeat a description of  
5.12 the incident of sexual assault;

5.13 (12) notice to a sexual assault victim of the availability of a campus or local program  
5.14 providing sexual assault advocacy services and information on legal resources;

5.15 (13) notice to a sexual assault victim of the outcome of any campus disciplinary  
5.16 proceeding concerning a sexual assault complaint, consistent with laws relating to data  
5.17 practices;

5.18 (14) the complete and prompt assistance of campus authorities, at the direction of law  
5.19 enforcement authorities, in obtaining, securing, and maintaining evidence in connection  
5.20 with a sexual assault incident;

5.21 (15) the assistance of campus authorities in preserving for a sexual assault complainant  
5.22 or victim materials relevant to a campus disciplinary proceeding;

5.23 (16) during and after the process of investigating a complaint and conducting a campus  
5.24 disciplinary procedure, the assistance of campus personnel, in cooperation with the  
5.25 appropriate law enforcement authorities, at a sexual assault victim's request, in shielding  
5.26 the victim from unwanted contact with the alleged assailant, including transfer of the victim  
5.27 to alternative classes or to alternative college-owned housing, if alternative classes or housing  
5.28 are available and feasible;

5.29 (17) forbidding retaliation, and establishing a process for investigating complaints of  
5.30 retaliation, against sexual assault victims by campus authorities, the accused, organizations  
5.31 affiliated with the accused, other students, and other employees;

5.32 (18) at the request of the victim, providing students who reported sexual assaults to the  
5.33 institution and subsequently choose to transfer to another postsecondary institution with

6.1 information about resources for victims of sexual assault at the institution to which the  
6.2 victim is transferring; and

6.3 (19) consistent with laws governing access to student records, providing a student who  
6.4 reported an incident of sexual assault with access to the student's description of the incident  
6.5 as it was reported to the institution, including if that student transfers to another postsecondary  
6.6 institution.

6.7 Sec. 6. Minnesota Statutes 2017 Supplement, section 136A.1275, subdivision 2, is amended  
6.8 to read:

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

6.11 (1) be enrolled in a Professional Educator Licensing and Standards Board-approved  
6.12 teacher preparation program that requires at least 12 weeks of student teaching in order to  
6.13 be recommended for a full professional teaching license;

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

6.16 (3) ~~intend to teach in a shortage area or belong to an underrepresented racial or ethnic~~  
6.17 ~~group~~ be meeting satisfactory academic progress as defined under section 136A.101,  
6.18 subdivision 10; and

6.19 (4) ~~be meeting satisfactory academic progress as defined under section 136A.101,~~  
6.20 ~~subdivision 10.~~ intend to teach in a shortage area or belong to an underrepresented racial  
6.21 or ethnic group. Intent can be documented based on the teacher license field the student is  
6.22 pursuing or a statement of intent to teach in an economic development region defined as a  
6.23 shortage area in the year the student receives a grant.

6.24 Sec. 7. Minnesota Statutes 2017 Supplement, section 136A.1275, subdivision 3, is amended  
6.25 to read:

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

6.30 (b) The commissioner must determine each academic year the stipend amount up to  
6.31 \$7,500 based on the amount of available funding, the number of eligible applicants, and the  
6.32 financial need of the applicants.

7.1 (c) The percentage of the total award funds available at the beginning of the fiscal year  
 7.2 reserved for teacher candidates who identify as belonging to ~~an underrepresented~~ a racial  
 7.3 or ethnic group underrepresented in the Minnesota teacher workforce must be equal to or  
 7.4 greater than the total percentage of students of ~~underrepresented~~ racial or ethnic groups  
 7.5 underrepresented in the Minnesota teacher workforce as measured under section 120B.35,  
 7.6 subdivision 3. If this percentage cannot be met because of a lack of qualifying candidates,  
 7.7 the remaining amount may be awarded to teacher candidates who intend to teach in a shortage  
 7.8 area.

7.9 Sec. 8. Minnesota Statutes 2016, section 136A.15, subdivision 8, is amended to read:

7.10 Subd. 8. **Eligible student.** "Eligible student" means a student who is officially registered  
 7.11 or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident  
 7.12 who is officially registered as a student or accepted for enrollment at an eligible institution  
 7.13 in another state ~~or province~~. Non-Minnesota residents are eligible students if they are enrolled  
 7.14 or accepted for enrollment in a minimum of one course of at least 30 days in length during  
 7.15 the academic year that requires physical attendance at an eligible institution located in  
 7.16 Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year  
 7.17 in correspondence courses or courses offered over the Internet are not eligible students.  
 7.18 Non-Minnesota resident students not physically attending classes in Minnesota due to  
 7.19 enrollment in a study abroad program for 12 months or less are eligible students.  
 7.20 Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not  
 7.21 eligible students. An eligible student, for section 136A.1701, means a student who gives  
 7.22 informed consent authorizing the disclosure of data specified in section 136A.162, paragraph  
 7.23 (c), to a consumer credit reporting agency.

7.24 Sec. 9. Minnesota Statutes 2016, section 136A.16, subdivision 1, is amended to read:

7.25 Subdivision 1. **Designation.** Notwithstanding chapter 16C, the office is designated as  
 7.26 the administrative agency for carrying out the purposes and terms of sections 136A.15 to  
 7.27 ~~136A.1702~~ 136A.1704. The office may establish one or more loan programs.

7.28 Sec. 10. Minnesota Statutes 2016, section 136A.16, subdivision 2, is amended to read:

7.29 Subd. 2. **Rules, policies, and conditions.** The office shall adopt policies and may  
 7.30 prescribe appropriate rules and conditions to carry out the purposes of sections 136A.15 to  
 7.31 136A.1702. ~~The policies and rules except as they relate to loans under section 136A.1701~~  
 7.32 ~~must be compatible with the provisions of the National Vocational Student Loan Insurance~~

8.1 ~~Act of 1965 and the provisions of title IV of the Higher Education Act of 1965, and any~~  
 8.2 ~~amendments thereof.~~

8.3 Sec. 11. Minnesota Statutes 2016, section 136A.16, subdivision 5, is amended to read:

8.4 Subd. 5. **Agencies.** The office may contract with loan servicers, collection agencies,  
 8.5 credit bureaus, or any other person, to carry out the purposes of sections 136A.15 to  
 8.6 ~~136A.1702~~ 136A.1704.

8.7 Sec. 12. Minnesota Statutes 2016, section 136A.16, subdivision 8, is amended to read:

8.8 Subd. 8. **Investment.** Money made available to the office that is not immediately needed  
 8.9 for the purposes of sections 136A.15 to ~~136A.1702~~ 136A.1704 may be invested by the  
 8.10 office. The money must be invested in bonds, certificates of indebtedness, and other fixed  
 8.11 income securities, except preferred stocks, which are legal investments for the permanent  
 8.12 school fund. The money may also be invested in prime quality commercial paper that is  
 8.13 eligible for investment in the state employees retirement fund. All interest and profits from  
 8.14 such investments inure to the benefit of the office or may be pledged for security of bonds  
 8.15 issued by the office or its predecessors.

8.16 Sec. 13. Minnesota Statutes 2016, section 136A.16, subdivision 9, is amended to read:

8.17 Subd. 9. **Staff.** The office may employ the professional and clerical staff the commissioner  
 8.18 deems necessary for the proper administration of the loan programs established and defined  
 8.19 by sections 136A.15 to ~~136A.1702~~ 136A.1704.

8.20 Sec. 14. Minnesota Statutes 2016, section 136A.162, is amended to read:

8.21 **136A.162 CLASSIFICATION OF DATA.**

8.22 (a) Except as provided in paragraphs (b) and (c), data on applicants for financial assistance  
 8.23 collected and used by the office for student financial aid programs administered by that  
 8.24 office are private data on individuals as defined in section 13.02, subdivision 12.

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

8.27 (c) The following data collected in the Minnesota supplemental loan program under  
 8.28 ~~section~~ sections 136A.1701 and 136A.1704 may be disclosed to a consumer credit reporting  
 8.29 agency only if the borrower and the cosigner give informed consent, according to section  
 8.30 13.05, subdivision 4, at the time of application for a loan:



- 9.1 (1) the lender-assigned borrower identification number;
- 9.2 (2) the name and address of borrower;
- 9.3 (3) the name and address of cosigner;
- 9.4 (4) the date the account is opened;
- 9.5 (5) the outstanding account balance;
- 9.6 (6) the dollar amount past due;
- 9.7 (7) the number of payments past due;
- 9.8 (8) the number of late payments in previous 12 months;
- 9.9 (9) the type of account;
- 9.10 (10) the responsibility for the account; and
- 9.11 (11) the status or remarks code.

9.12 Sec. 15. Minnesota Statutes 2016, section 136A.1701, subdivision 7, is amended to read:

9.13 Subd. 7. **Repayment of loans.** ~~(a) The office shall establish repayment procedures for~~  
 9.14 ~~loans made under this section, but in no event shall the period of permitted repayment for~~  
 9.15 ~~SELF II or SELF III loans exceed ten years from the eligible student's termination of the~~  
 9.16 ~~student's postsecondary academic or vocational program, or 15 years from the date of the~~  
 9.17 ~~student's first loan under this section, whichever is less. in accordance with the policies,~~  
 9.18 ~~rules, and conditions authorized under section 136A.16, subdivision 2. The office will take~~  
 9.19 ~~into consideration the loan limits and current financial market conditions when establishing~~  
 9.20 ~~repayment terms.~~

9.21 ~~(b) For SELF IV loans, eligible students with aggregate principal loan balances from~~  
 9.22 ~~all SELF phases that are less than \$18,750 shall have a repayment period not exceeding ten~~  
 9.23 ~~years from the eligible student's graduation or termination date. For SELF IV loans, eligible~~  
 9.24 ~~students with aggregate principal loan balances from all SELF phases of \$18,750 or greater~~  
 9.25 ~~shall have a repayment period not exceeding 15 years from the eligible student's graduation~~  
 9.26 ~~or termination date. For SELF IV loans, the loans shall enter repayment no later than seven~~  
 9.27 ~~years after the first disbursement date on the loan.~~

9.28 ~~(c) For SELF loans from phases after SELF IV, eligible students with aggregate principal~~  
 9.29 ~~loan balances from all SELF phases that are:~~

- 9.30 ~~(1) less than \$20,000, must have a repayment period not exceeding ten years from the~~  
 9.31 ~~eligible student's graduation or termination date;~~

10.1 ~~(2) \$20,000 up to \$40,000, must have a repayment period not exceeding 15 years from~~  
 10.2 ~~the eligible student's graduation or termination date; and~~

10.3 ~~(3) \$40,000 or greater, must have a repayment period not exceeding 20 years from the~~  
 10.4 ~~eligible student's graduation or termination date. For SELF loans from phases after SELF~~  
 10.5 ~~IV, the loans must enter repayment no later than nine years after the first disbursement date~~  
 10.6 ~~of the loan.~~

10.7 **Sec. 16. [136A.1705] STUDENT LOAN DEBT COUNSELING.**

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

10.15 (b) The purpose of the counseling is to assist borrowers to:

10.16 (1) understand their loan and repayment options;

10.17 (2) manage loan repayment; and

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

10.20 Subd. 2. **Qualified debt counseling organization.** A qualified debt counseling  
 10.21 organization is an organization that:

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

10.23 (2) employs certified financial loan counselors; and

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

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

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

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

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

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

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

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

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

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

11.11 (c) The evaluation must include information on the number of borrowers served with  
 11.12 on-time student loan payments, the numbers who brought their loans into good standing,  
 11.13 the number of student loan defaults, the number who developed a monthly budget plan, and  
 11.14 other information required by the commissioner. Recipients of the counseling must be  
 11.15 surveyed on their opinions about the usefulness of the counseling and the survey results  
 11.16 must be included in the report.

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

11.20 Sec. 17. Minnesota Statutes 2017 Supplement, section 136A.1789, subdivision 2, is  
 11.21 amended to read:

11.22 Subd. 2. **Creation of account.** (a) An aviation degree loan forgiveness program account  
 11.23 is established in the special revenue fund to provide qualified pilots and qualified aircraft  
 11.24 technicians with financial assistance in repaying qualified education loans. The commissioner  
 11.25 must use money from the account to establish and administer the aviation degree loan  
 11.26 forgiveness program.

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

11.29 Sec. 18. Minnesota Statutes 2016, section 136A.1791, subdivision 8, is amended to read:

11.30 Subd. 8. **Fund Account established.** A teacher shortage loan forgiveness repayment  
 11.31 fund account is created in the special revenue fund for depositing money appropriated to

12.1 or received by the commissioner for the program. Money deposited in the fund shall not  
12.2 revert to any state fund at the end of any fiscal year but remains in the loan forgiveness  
12.3 repayment fund and is continuously available for loan forgiveness under this section.

12.4 Sec. 19. Minnesota Statutes 2016, section 136A.1795, subdivision 2, is amended to read:

12.5 Subd. 2. **Establishment; administration.** (a) The commissioner shall establish and  
12.6 administer a loan forgiveness program for large animal veterinarians who:

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

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

12.10 (b) A large animal veterinarian loan forgiveness program account is established in the  
12.11 special revenue fund. The commissioner must use money from the account to establish and  
12.12 administer the program under this section. Appropriations to the commissioner for the  
12.13 program are for transfer to the fund. Appropriations made to the program do not cancel and  
12.14 are available until expended.

12.15 Sec. 20. Minnesota Statutes 2016, section 136A.64, subdivision 1, is amended to read:

12.16 Subdivision 1. **Schools to provide information.** As a basis for registration, schools  
12.17 shall provide the office with such information as the office needs to determine the nature  
12.18 and activities of the school, including but not limited to the following which shall be  
12.19 accompanied by an affidavit attesting to its accuracy and truthfulness:

12.20 (1) articles of incorporation, constitution, bylaws, or other operating documents;

12.21 (2) a duly adopted statement of the school's mission and goals;

12.22 (3) evidence of current school or program licenses granted by departments or agencies  
12.23 of any state;

12.24 (4) a fiscal balance sheet on an accrual basis, or a certified audit of the immediate past  
12.25 fiscal year including any management letters provided by the independent auditor or, if the  
12.26 school is a public institution outside Minnesota, an income statement for the immediate past  
12.27 fiscal year;

12.28 (5) all current promotional and recruitment materials and advertisements; and

12.29 (6) the current school catalog and, if not contained in the catalog:

12.30 (i) the members of the board of trustees or directors, if any;

- 13.1 (ii) the current institutional officers;
- 13.2 (iii) current full-time and part-time faculty with degrees held or applicable experience;
- 13.3 (iv) a description of all school facilities;
- 13.4 (v) a description of all current course offerings;
- 13.5 (vi) all requirements for satisfactory completion of courses, programs, and degrees;
- 13.6 (vii) the school's policy about freedom or limitation of expression and inquiry;
- 13.7 (viii) a current schedule of fees, charges for tuition, required supplies, student activities,
- 13.8 housing, and all other standard charges;
- 13.9 (ix) the school's policy about refunds and adjustments;
- 13.10 (x) the school's policy about granting credit for prior education, training, and experience;
- 13.11 ~~and~~
- 13.12 (xi) the school's policies about student admission, evaluation, suspension, and dismissal;
- 13.13 and
- 13.14 (xii) the school's disclosure to students on the student complaint process under section
- 13.15 136A.672.

13.16 Sec. 21. Minnesota Statutes 2017 Supplement, section 136A.646, is amended to read:

13.17 **136A.646 ADDITIONAL SECURITY.**

13.18 (a) New schools that have been granted conditional approval for degrees or names to

13.19 allow them the opportunity to apply for and receive accreditation under section 136A.65,

13.20 subdivision 7, ~~or~~ shall provide a surety bond in a sum equal to ten percent of the net revenue

13.21 from tuition and fees in the registered institution's prior fiscal year, but in no case shall the

13.22 bond be less than \$10,000.

13.23 (b) Any registered institution that is notified by the United States Department of Education

13.24 that it has fallen below minimum financial standards and that its continued participation in

13.25 Title IV will be conditioned upon its satisfying either the Zone Alternative, Code of Federal

13.26 Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code

13.27 of Federal Regulations, title 34, section 668.175, paragraph (c), shall provide a surety bond

13.28 in a sum equal to the "letter of credit" required by the United States Department of Education

13.29 in the Letter of Credit Alternative, but in no event shall such bond be less than \$10,000 nor

13.30 more than \$250,000. In the event the letter of credit required by the United States Department

13.31 of Education is higher than ten percent of the Title IV, Higher Education Act program funds

14.1 received by the institution during its most recently completed fiscal year, the office shall  
 14.2 reduce the office's surety requirement to represent ten percent of the Title IV, Higher  
 14.3 Education Act program funds received by the institution during its most recently completed  
 14.4 fiscal year, subject to the minimum and maximum in this paragraph.

14.5 ~~(b)~~ (c) In lieu of a bond, the applicant may deposit with the commissioner of management  
 14.6 and budget:

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

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

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

14.12 ~~(e)~~ (d) The surety of any bond may cancel it upon giving 60 days' notice in writing to  
 14.13 the office and shall be relieved of liability for any breach of condition occurring after the  
 14.14 effective date of cancellation.

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

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

14.23 (2) private student loans; and

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

14.28 Sec. 22. Minnesota Statutes 2017 Supplement, section 136A.672, is amended by adding  
 14.29 a subdivision to read:

14.30 Subd. 6. **Disclosure.** Schools must disclose on their Web site, student handbook, and  
 14.31 student catalog the student complaint process under this section to students.

15.1 Sec. 23. Minnesota Statutes 2017 Supplement, section 136A.822, subdivision 6, is amended  
15.2 to read:

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

15.8 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's net  
15.9 ~~income~~ revenue from student tuition, fees, and other required institutional charges collected,  
15.10 but in no event less than \$10,000, except that a private career school may deposit a greater  
15.11 amount at its own discretion. A private career school in each annual application for licensure  
15.12 must compute the amount of the surety bond and verify that the amount of the surety bond  
15.13 complies with this subdivision. A private career school that operates at two or more locations  
15.14 may combine net ~~income~~ revenue from student tuition, fees, and other required institutional  
15.15 charges collected for all locations for the purpose of determining the annual surety bond  
15.16 requirement. The net revenue from tuition and fees used to determine the amount of the  
15.17 surety bond required for a private career school having a license for the sole purpose of  
15.18 recruiting students in Minnesota shall be only that paid to the private career school by the  
15.19 students recruited from Minnesota.

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

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

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

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

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

16.7 Sec. 24. Minnesota Statutes 2016, section 136A.822, subdivision 10, is amended to read:

16.8 Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a  
16.9 private career school, the private career school shall furnish to the office a catalog, brochure,  
16.10 or electronic display including:

16.11 (1) identifying data, such as volume number and date of publication;

16.12 (2) name and address of the private career school and its governing body and officials;

16.13 (3) a calendar of the private career school showing legal holidays, beginning and ending  
16.14 dates of each course quarter, term, or semester, and other important dates;

16.15 (4) the private career school policy and regulations on enrollment including dates and  
16.16 specific entrance requirements for each program;

16.17 (5) the private career school policy and regulations about leave, absences, class cuts,  
16.18 make-up work, tardiness, and interruptions for unsatisfactory attendance;

16.19 (6) the private career school policy and regulations about standards of progress for the  
16.20 student including the grading system of the private career school, the minimum grades  
16.21 considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a  
16.22 description of any probationary period allowed by the private career school, and conditions  
16.23 of reentrance for those dismissed for unsatisfactory progress;

16.24 (7) the private career school policy and regulations about student conduct and conditions  
16.25 for dismissal for unsatisfactory conduct;

16.26 (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student  
16.27 activities, laboratory fees, service charges, rentals, deposits, and all other charges;

16.28 (9) the private career school policy and regulations, including an explanation of section  
16.29 136A.827, about refunding tuition, fees, and other charges if the student does not enter the  
16.30 program, withdraws from the program, or the program is discontinued;

16.31 (10) a description of the available facilities and equipment;



17.1 (11) a course outline syllabus for each course offered showing course objectives, subjects  
 17.2 or units in the course, type of work or skill to be learned, and approximate time, hours, or  
 17.3 credits to be spent on each subject or unit;

17.4 (12) the private career school policy and regulations about granting credit for previous  
 17.5 education and preparation;

17.6 (13) a notice to students relating to the transferability of any credits earned at the private  
 17.7 career school to other institutions;

17.8 (14) a procedure for investigating and resolving student complaints; ~~and~~

17.9 (15) the name and address of the office; and

17.10 (16) the student complaint process and rights under section 136A.8295.

17.11 A private career school that is exclusively a distance education school is exempt from  
 17.12 clauses (3) and (5).

17.13 Sec. 25. Minnesota Statutes 2017 Supplement, section 136A.8295, is amended by adding  
 17.14 a subdivision to read:

17.15 Subd. 6. **Disclosure.** Schools must disclose on their Web site, student handbook, and  
 17.16 student catalog the student complaint process under this section to students.

17.17 Sec. 26. Minnesota Statutes 2016, section 136A.901, subdivision 1, is amended to read:

17.18 Subdivision 1. **Grant program.** (a) The commissioner shall establish a grant program  
 17.19 to award grants to institutions in Minnesota for research into spinal cord injuries and traumatic  
 17.20 brain injuries. Grants shall be awarded to conduct research into new and innovative treatments  
 17.21 and rehabilitative efforts for the functional improvement of people with spinal cord and  
 17.22 traumatic brain injuries. Research topics may include, but are not limited to, pharmaceutical,  
 17.23 medical device, brain stimulus, and rehabilitative approaches and techniques. The  
 17.24 commissioner, in consultation with the advisory council established under section 136A.902,  
 17.25 shall award 50 percent of the grant funds for research involving spinal cord injuries and 50  
 17.26 percent to research involving traumatic brain injuries. In addition to the amounts appropriated  
 17.27 by law, the commissioner may accept additional funds from private and public sources.  
 17.28 Amounts received from these sources are appropriated to the commissioner for the purposes  
 17.29 of issuing grants under this section.

17.30 (b) A spinal cord and traumatic brain injury grant account is established in the special  
 17.31 revenue fund. The commissioner must use money from the account to administer the grant

18.1 program under this section. Appropriations to the commissioner for the program are for  
 18.2 transfer to the fund, do not cancel, and are available until expended.

18.3 Sec. 27. Laws 2017, chapter 89, article 1, section 2, subdivision 18, is amended to read:

18.4	Subd. 18. <b>MNSCU Two-Year Public College</b>	3,481,000	
18.5	<b>Program</b>	<u>2,481,000</u>	-0-

18.6 (a) ~~\$2,780,000~~ \$1,780,000 in fiscal year 2018  
 18.7 is for two-year public college program grants  
 18.8 under Laws 2015, chapter 69, article 3, section  
 18.9 20.

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

18.13 (c) \$156,000 in fiscal year 2018 is for  
 18.14 information technology and administrative  
 18.15 costs associated with implementation of the  
 18.16 grant program.

18.17 **EFFECTIVE DATE.** This section is effective June 30, 2018.

18.18 Sec. 28. Laws 2017, chapter 89, article 1, section 2, subdivision 20, is amended to read:

18.19	Subd. 20. <b>Spinal Cord Injury and Traumatic</b>		
18.20	<b>Brain Injury Research Grant Program</b>	3,000,000	3,000,000

18.21 ~~For spinal cord injury and traumatic brain~~  
 18.22 ~~injury research grants authorized under~~  
 18.23 ~~Minnesota Statutes, section 136A.901.~~

18.24 For transfer to the spinal cord and traumatic  
 18.25 brain injury grant account in the special  
 18.26 revenue fund under Minnesota Statutes,  
 18.27 section 136A.901, subdivision 1.

18.28 The commissioner may use no more than three  
 18.29 percent of this appropriation to administer the  
 18.30 grant program under this subdivision.

19.1 Sec. 29. Laws 2017, chapter 89, article 1, section 2, subdivision 29, is amended to read:

19.2	<b>Subd. 29. Emergency Assistance for</b>	175,000	175,000
19.3	<b>Postsecondary Students</b>		

19.4 (a) This appropriation is for the Office of  
 19.5 Higher Education to allocate grant funds on a  
 19.6 matching basis to ~~schools~~ eligible institutions  
 19.7 as defined under Minnesota Statutes, section  
 19.8 136A.103, located in Minnesota with a  
 19.9 demonstrable homeless student population.

19.10 (b) This appropriation shall be used to meet  
 19.11 immediate student needs that could result in  
 19.12 a student not completing the term or their  
 19.13 program including, but not limited to,  
 19.14 emergency housing, food, and transportation.  
 19.15 Emergency assistance does not impact the  
 19.16 amount of state financial aid received.

19.17 (c) The commissioner shall determine the  
 19.18 application process and the grant amounts.  
 19.19 Any balance in the first year does not cancel  
 19.20 but shall be available in the second year. The  
 19.21 Office of Higher Education shall partner with  
 19.22 interested postsecondary institutions, other  
 19.23 state agencies, and student groups to establish  
 19.24 the programs.

19.25 Sec. 30. Laws 2017, chapter 89, article 1, section 2, subdivision 31, is amended to read:

19.26	<b>Subd. 31. Teacher Shortage Loan Forgiveness</b>	200,000	200,000
-------	--	---------	---------

19.27 For transfer to the teacher shortage loan  
 19.28 forgiveness program repayment account in the  
 19.29 special revenue fund under Minnesota  
 19.30 Statutes, section 136A.1791, subdivision 8.

19.31 The commissioner may use no more than three  
 19.32 percent of this appropriation to administer the  
 19.33 program under this subdivision.

20.1 Sec. 31. Laws 2017, chapter 89, article 1, section 2, subdivision 32, is amended to read:

20.2	<b>Subd. 32. Large Animal Veterinarian Loan</b>		
20.3	<b>Forgiveness Program</b>	375,000	375,000

20.4 For transfer to the large animal veterinarian  
 20.5 loan forgiveness program account in the  
 20.6 special revenue fund under Minnesota  
 20.7 Statutes, section 136A.1795, subdivision 2.

20.8 Sec. 32. Laws 2017, chapter 89, article 1, section 2, subdivision 33, is amended to read:

20.9	<b>Subd. 33. Agricultural Educators Loan</b>		
20.10	<b>Forgiveness</b>	50,000	50,000

20.11 For ~~deposit in~~ transfer to the agricultural  
 20.12 education loan forgiveness account in the  
 20.13 special revenue fund under Minnesota  
 20.14 Statutes, section 136A.1794, subdivision 2.

20.15 Sec. 33. Laws 2017, chapter 89, article 1, section 2, subdivision 34, is amended to read:

20.16	<b>Subd. 34. Aviation Degree Loan Forgiveness</b>		
20.17	<b>Program</b>	25,000	25,000

20.18 For transfer to the aviation degree loan  
 20.19 forgiveness program account in the special  
 20.20 revenue fund under Minnesota Statutes,  
 20.21 section 136A.1789, subdivision 2.

20.22 Sec. 34. Laws 2017, chapter 89, article 1, section 2, subdivision 40, is amended to read:

20.23 **Subd. 40. Transfers**

20.24 The commissioner of the Office of Higher  
 20.25 Education may transfer unencumbered  
 20.26 balances from the appropriations in this  
 20.27 section to the state grant appropriation, the  
 20.28 interstate tuition reciprocity appropriation, the  
 20.29 child care grant appropriation, the Indian  
 20.30 scholarship appropriation, intervention for  
 20.31 college attendance program grants  
 20.32 appropriation, summer academic enrichment  
 20.33 program appropriation, student-parent

21.1 information appropriation, the state  
 21.2 work-study appropriation, the get ready  
 21.3 appropriation, and the public safety officers'  
 21.4 survivors appropriation. Transfers from the  
 21.5 child care or state work-study appropriations  
 21.6 may only be made to the extent there is a  
 21.7 projected surplus in the appropriation. A  
 21.8 transfer may be made only with prior written  
 21.9 notice to the chairs and ranking minority  
 21.10 members of the senate and house of  
 21.11 representatives committees with jurisdiction  
 21.12 over higher education finance.

21.13 **Sec. 35. AFFORDABLE TEXTBOOK PLAN AND REPORT.**

21.14 The Board of Trustees of the Minnesota State Colleges and Universities shall develop  
 21.15 a plan to increase the use of affordable textbooks and instructional materials. The board  
 21.16 must explore and study registration software or other systems and methods to disclose or  
 21.17 display the cost of all textbooks and instructional materials required for a course at or prior  
 21.18 to course registration. The plan must describe the systems or methods examined and the  
 21.19 results of the study. The plan must establish a goal for the percentage of all courses offered  
 21.20 at state colleges and universities that will use affordable textbooks and instructional materials.  
 21.21 The plan must identify and describe key terms, including "affordable textbook," "instructional  
 21.22 material," and "course." The board must submit the plan to the chairs and ranking minority  
 21.23 members of the legislative committees with jurisdiction over higher education by January  
 21.24 15, 2020.

21.25 **Sec. 36. TEACHER PREPARATION PROGRAM DESIGN GRANT.**

21.26 The commissioner of the Office of Higher Education shall make a grant to an institution  
 21.27 of higher education, defined under Minnesota Statutes, section 135A.51, subdivision 5, to  
 21.28 explore, design, and plan for a teacher preparation program leading to licensure as a teacher  
 21.29 of the blind or visually impaired, consistent with Minnesota Rules, part 8710.5100. The  
 21.30 commissioner may develop an application process and guidelines, as necessary, and may  
 21.31 use up to two percent of the appropriation for administrative costs. The grant recipient shall  
 21.32 submit a report describing the plan and identifying potential ongoing costs for the program  
 21.33 to the chairs and ranking minority members of the legislative committees with jurisdiction  
 21.34 over higher education finance and policy no later than January 15, 2020.

22.1 Sec. 38. **REPEALER.**

22.2 Minnesota Statutes 2016, sections 136A.15, subdivisions 2 and 7; and 136A.1701,

22.3 subdivision 12, are repealed.

**136A.15 DEFINITIONS.**

Subd. 2. **Academic year or its equivalent.** "Academic year or its equivalent" shall be as defined in the federal regulations which govern the administration of the National Vocational Student Loan Insurance Act of 1965 and title IV of the Higher Education Act of 1965.

Subd. 7. **Eligible lender.** "Eligible lender" means an eligible institution, an agency or instrumentality of a state, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the state of Minnesota or of the United States.

**136A.1701 SUPPLEMENTAL AND ADDITIONAL LOANS.**

Subd. 12. **Eligible student.** "Eligible student" means a student who is a Minnesota resident who is enrolled or accepted for enrollment at an eligible institution in Minnesota or in another state or province. Non-Minnesota residents are eligible students if they are enrolled or accepted for enrollment in a minimum of one course of at least 30 days in length during the academic year that requires physical attendance at an eligible institution located in Minnesota. Non-Minnesota resident students enrolled exclusively during the academic year in correspondence courses or courses offered over the Internet are not eligible students. Non-Minnesota resident students not physically attending classes in Minnesota due to enrollment in a study abroad program for 12 months or less are eligible students. Non-Minnesota residents enrolled in study abroad programs exceeding 12 months are not eligible students. For purposes of this section, an "eligible student" must also meet the eligibility requirements of section 136A.15, subdivision 8.