

CHAPTER 149--H.F.No. 2647

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

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

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

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

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

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

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

136A.002 DEFINITIONS.

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

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

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

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

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

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

136A.01 MINNESOTA OFFICE OF HIGHER EDUCATION.

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

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

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

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

(3) negotiating and administering reciprocity agreements;

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

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

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

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

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

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

136A.03 EXECUTIVE OFFICERS; EMPLOYEES.

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

An employee appointed by the commissioner to serve in the unclassified service as provided in this section, ~~is~~ must be a person who has studied higher education or a related field at the graduate level or has similar experience and who is qualified for a career in financial aid and other aspects of higher education and for activities in keeping with the planning and administrative responsibilities of the office and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

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

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

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

136A.06 FEDERAL FUNDS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for eight semesters or the equivalent, excluding courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit. ~~A student who withdraws from enrollment for active military service, or for a major illness, while under the care of a medical professional, that substantially limits the student's ability to complete the term is entitled to an additional semester or the equivalent of grant eligibility.~~ A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 2. **Eligible programs.** ~~Scholarships must be for accredited degree programs in accredited Minnesota colleges or universities or for courses in accredited Minnesota business, technical, or vocational~~

~~schools~~ enrollment at an eligible institution that is accredited. Scholarships may also be given to students attending ~~Minnesota colleges~~ eligible institutions that are in candidacy status for obtaining full accreditation, and are eligible for and receiving federal financial aid programs. Students are also eligible for scholarships when enrolled as students in ~~Minnesota higher education~~ eligible institutions that have joint programs with other accredited higher education institutions.

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

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

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

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

(3) the amount of the state grant;

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

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

(6) the sum of all tribal scholarships;

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

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

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

(c) Awards are limited as follows:

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

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

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

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

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

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

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

136A.1311 CASH FLOW.

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

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

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

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

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

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

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

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

136A.162 CLASSIFICATION OF DATA.

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

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

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

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

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

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

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

136A.171 REVENUE BONDS; ISSUANCE; PROCEEDS.

The ~~Minnesota office of Higher Education~~ may issue revenue bonds to obtain funds for loans made in accordance with the provisions of this chapter. The aggregate amount of revenue bonds, issued directly by the office, outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, shall not exceed \$850,000,000. Proceeds from the issuance of bonds may be held and invested by the office pending disbursement in the form of loans. All interest and profits from the investments shall inure to the benefit of the office and shall be available to the office for the same purposes as the proceeds from the sale of revenue bonds including, but not limited to, costs incurred in administering loans under this chapter and loan reserve funds.

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

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

- (1) agree to practice in designated rural areas that are considered underserved; and
 - (2) work full time in a practice that is at least 50 percent involved with the care of food animals.
- (b) Appropriations made to the program do not cancel and are available until expended.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 2. **Eligibility; grant assistance.** (a) A tribally controlled college is eligible to receive supplemental grant assistance from the office of ~~Higher Education~~, as provided in this section, for nonben-

eficiary student enrollment if the college is not otherwise eligible to receive federal grant funding for those students under United States Code, title 25, section 1808.

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

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

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

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

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

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

136A.232 ADMINISTRATION; AGREEMENTS WITH EDUCATIONAL FACILITIES.

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

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

Subdivision 1. **Allocation to institutions.** The ~~Minnesota~~ office of ~~Higher Education~~ shall allocate work-study money to eligible postsecondary institutions according to the resident full-time equivalent enrollment of all eligible postsecondary institutions that apply to participate in the program, and the amount of the allocation that an institution spent during the previous academic year. Each institution wishing to participate in the work-study program must submit, in accordance with policies and procedures established by the office, an estimate of the amount of funds needed by the institution. Any funds allocated to an institution that exceed the actual need of the institution shall be reallocated by the office to other institutions. An institution may carry forward or backward the same percentage of its initial allocation that is authorized under federal work-study provisions.

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

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

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

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

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

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

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

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

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

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

Subd. 4. **Cooperation with local schools.** Each campus using the state work study program is encouraged to cooperate with its local public elementary and secondary schools to place college work study students in activities in the schools, such as tutoring. Students must be placed in meaningful activities that directly assist students in kindergarten through grade 12 in meeting graduation standards ~~including the profiles of learning~~. College students shall work under direct supervision; therefore, school hiring authorities are not required to request criminal background checks on these students under section 123B.03.

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

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

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

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

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

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

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

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

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

- (1) academic counseling;
 - (2) mentoring;
 - (3) fostering and improving parental involvement in planning for and facilitating a college education;
 - (4) services for students with English as a second language;
 - (5) academic enrichment activities;
 - (6) tutoring;
 - (7) career awareness and exploration;
 - (8) orientation to college life;
 - (9) assistance with high school course selection and information about college admission requirements;
- and
- (10) financial aid counseling.

(b) Grants shall be awarded to postsecondary institutions, professional organizations, community-based organizations, or others deemed appropriate by the commissioner.

(c) Grants shall be awarded for one year and may be renewed for a second year with documentation to the Minnesota office of Higher Education of successful program outcomes.

Sec. 43. Minnesota Statutes 2013 Supplement, section 136A.861, subdivision 3, is amended to read:

Subd. 3. **Application process.** (a) The commissioner of the Minnesota Office of Higher Education shall develop a grant application process. The commissioner shall attempt to support projects in a manner that ensures that eligible students throughout the state have access to program services.

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

- (1) a description of the characteristics of the students to be served reflective of the need for services listed in subdivision 1;
- (2) a description of the services to be provided and a timeline for implementation of the activities;
- (3) a description of how the services provided will foster postsecondary attendance and support postsecondary retention;
- (4) a description of how the services will be evaluated to determine whether the program goals were met; and

(5) other information as identified by the commissioner.

Grant recipients must specify both program and student outcome goals, and performance measures for each goal.

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

Subd. 6. **Program evaluation.** Each grant recipient must annually submit a report to the ~~Minnesota office of Higher Education~~ delineating its program and student outcome goals, and activities implemented to achieve the stated outcomes. The goals must be clearly stated and measurable. Grant recipients are required to collect, analyze, and report on participation and outcome data that enable the office to verify that the program goals were met. The office shall maintain:

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

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

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

136F.01 DEFINITIONS.

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

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

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

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

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

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

Subdivision 1. **Membership.** The board consists of 15 members appointed by the governor, including three members who are students who have attended an institution for at least one year and are ~~currently~~ enrolled at the time of appointment at least half time in a degree, diploma, or certificate program in an in-

stitution governed by the board. The student members shall include one member from a community college, one member from a state university, and one member from a technical college. One member representing labor must be appointed after considering the recommendations made under section 136F.045. The governor is not bound by the recommendations. Appointments to the board are with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. All other members must be appointed to represent the state at large. In selecting appointees, the governor must consider the needs of the board of trustees and the balance of the board membership with respect to labor and business representation and racial, gender, geographic, and ethnic composition.

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

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

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

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

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

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

136F.045 LABOR ORGANIZATION BOARD MEMBER SELECTION PROCESS.

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

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

136F.05 MISSIONS.

The mission of the board is to provide programs of study that meet the needs of students for occupational, general, baccalaureate, and graduate education. The state universities, community colleges, and technical colleges shall have distinct missions as provided in section 135A.052, subdivision 1. Within that statutory definition and subject to the approval of the board, each community college, state university, and technical college may develop its own distinct campus mission. The board shall develop administrative arrangements that make possible the efficient use of the facilities and staff of the technical colleges, community colleges, and state universities for providing these several different programs of study, so that students may have the benefit of improved and broader course offerings, ease of transfer among schools and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. ~~In carrying out the merger of~~

~~the three separate systems~~, The board shall control administrative costs by eliminating duplicative administrative positions and course offerings.

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

136F.10 DESIGNATION.

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

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

136F.12 FOND DU LAC CAMPUS.

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

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

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

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

136F.14 CAMPUS MERGER OR REORGANIZATION.

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

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

136F.18 CAMPUS CLOSING.

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

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

136F.23 STUDENT ASSOCIATIONS; PURCHASING AUTHORITY.

Notwithstanding chapter 16A or 16C, the student associations recognized by the board ~~of Trustees of the Minnesota State Colleges and Universities~~ may purchase goods or materials through state purchasing authority for the ordinary day-to-day operations of the associations. The student associations must be nonprofit 501(c)(3) organizations in order to qualify for this authority. The Department of Administration may require that the purchase documents be approved by appropriate officials in the board's central office.

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

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

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

136F.48 EMPLOYER-PAID HEALTH INSURANCE.

(a) This section applies to a person who:

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

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

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

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

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

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

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

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

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

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

136F.482 APPLICATION OF OTHER LAWS.

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

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

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

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

Subdivision 1. **Purchase of neighboring property.** The board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of a state college or university. Before taking action, the board shall consult with the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee about the proposed action. The board shall explain the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition. The amount funds needed may be spent from sums previously appropriated for purposes of the state colleges and universities, including, but not limited to, general fund appropriations for instructional or noninstructional expenditures, general fund appropriations carried forward, or state college

and university activity fund appropriations. The board may pay relocation costs, at its discretion, when acquiring property.

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

136F.65 ACCEPTANCE OF FEDERAL MONEY.

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

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

136F.705 UNDERGRADUATE TUITION GUARANTEE PLAN.

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

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

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

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

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

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

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

(1) acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings, parking facilities, and any other similar revenue-producing buildings of such type and character as the board finds necessary for the good and

benefit of state colleges and universities, and may acquire property whether real, personal, or mixed, by gift, purchase, or otherwise; provided that no contract for the construction of any building shall be entered into until financing has been approved by the legislature;

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

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

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

(5) borrow money and issue and sell bonds in an amount or amounts the legislature authorizes for the purpose of acquiring, constructing, completing, remodeling, or equipping any buildings or structures, and acquiring sites, and refund and refinance the bonds by the issuance and sale of refunding bonds when the board finds that it is in the public interest. The bonds shall be sold and issued by the board in the manner and upon the terms and conditions provided by chapter 475, except as otherwise provided in this section. The bonds are payable only from and secured by an irrevocable pledge of the revenues to be derived from the operation of any buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of the bonds and from other income and revenues described in section 136F.92, clause (1), the board by resolution specifies, and notwithstanding this limitation all bonds issued under sections 136F.90 to 136F.98 shall have the qualities of negotiable instruments under the laws of this state. The legislature shall not appropriate money from the general fund to pay for these bonds.

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

136F.92 RESOLUTION OF BOARD.

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

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

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

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

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

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

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

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

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

136F.93 STUDENT ACTIVITIES, FEES CHARGED.

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

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

136F.94 SPECIAL REVENUE FUND.

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

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

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

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

136F.95 ALLOCATION OF RECEIPTS.

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

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

136F.96 ADMINISTRATION.

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

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

136F.97 CONTRACTS OF BOARD, PERFORMANCE COMPELLED.

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

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

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

Subdivision 1. **Issuance of bonds.** The board of Trustees of the Minnesota State Colleges and Universities or a successor may issue revenue bonds under sections 136F.90 to 136F.97 whose aggregate principal amount at any time may not exceed \$405,000,000, and payable from the revenue appropriated to

the fund established by section 136F.94, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures or portions thereof to be used for dormitory, residence hall, student union, food service, parking purposes, or for any other similar revenue-producing building or buildings of such type and character as the board finds desirable for the good and benefit of the state colleges and universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee about the facilities to be financed by the bonds.

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

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

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

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

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

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

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

137.52 RECREATIONAL PROGRAM ASSESSMENT.

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

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

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

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

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

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

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

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

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

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

Sec. 75. **REPEALER.**

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

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

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

Presented to the governor March 21, 2014

Signed by the governor March 25, 2014, 1:25 p.m.