

CHAPTER 2--H.F.No. 7

An act relating to higher education; providing funding and policy changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain student aid programs; restricting limitations on student access to transcripts; modifying certain school accountability provisions; expanding the hunger-free campus designation; establishing a pilot project; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 136A.101, subdivision 5a; 136A.121, subdivisions 2, 6, 9; 136A.123, subdivision 1; 136A.125, subdivisions 2, 4; 136A.126, subdivisions 1, 4; 136A.1275; 136A.1704; 136A.1791; 136A.246, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, by adding a subdivision; 136A.63, subdivision 2; 136A.645; 136A.653, subdivision 5; 136A.675; 136A.68; 136A.822, subdivision 12; 136A.8225; 136A.823, by adding a subdivision; 136A.827, subdivisions 4, 8; 136F.20, by adding a subdivision; 136F.245; 136F.305; 136F.38, subdivision 3; Laws 2014, chapter 312, article 1, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 136A; 136F; repealing Minnesota Statutes 2020, sections 136A.1703; 136A.823, subdivision 2; 136F.245, subdivision 3; Minnesota Rules, parts 4830.9050; 4830.9060; 4830.9070; 4830.9080; 4830.9090.

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

ARTICLE 1**APPROPRIATIONS**Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2022</u>	<u>2023</u>

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

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>271,702,000</u>	<u>\$</u>	<u>274,269,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. State Grants</u>	<u>210,037,000</u>	<u>210,037,000</u>
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

<u>Subd. 3. Child Care Grants</u>	<u>6,694,000</u>	<u>6,694,000</u>
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<u>Subd. 4. State Work-Study</u>	<u>14,502,000</u>	<u>14,502,000</u>
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<u>Subd. 5. Interstate Tuition Reciprocity</u>	<u>8,500,000</u>	<u>8,500,000</u>
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

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

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

<u>Subd. 7. American Indian Scholarships</u>	<u>3,500,000</u>	<u>3,500,000</u>
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The commissioner must contract with or employ at least one person with demonstrated competence in American Indian culture and residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. Bemidji State University must provide office space at no cost to the Office of Higher Education for purposes of administering the American Indian scholarship program under Minnesota Statutes, section 136A.126. This appropriation includes funding to administer the American Indian scholarship program.

<u>Subd. 8. Tribal College Grants</u>	<u>150,000</u>	<u>150,000</u>
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For Tribal college assistance grants under Minnesota Statutes, section 136A.1796.

Subd. 9. Intervention for College Attendance Program Grants1,143,0001,142,000For the intervention for college attendance program under Minnesota Statutes, section 136A.861.The commissioner may use no more than three percent of this appropriation to administer the intervention for college attendance program grants.**Subd. 10. Student-Parent Information**122,000122,000**Subd. 11. Get Ready!**180,000180,000**Subd. 12. Minnesota Education Equity Partnership**45,00045,000**Subd. 13. Midwest Higher Education Compact**115,000115,000**Subd. 14. United Family Medicine Residency Program**501,000501,000For a grant to United Family Medicine residency program. This appropriation shall be used to support up to 21 resident physicians each year in family practice at United Family Medicine residency programs and shall prepare doctors to practice family care medicine in underserved rural and urban areas of the state. It is intended that this program will improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a cost-effective manner.**Subd. 15. MnLINK Gateway and Minitex**5,905,0005,905,000**Subd. 16. Statewide Longitudinal Education Data System**1,782,0001,782,000**Subd. 17. Hennepin Healthcare**645,000645,000For transfer to Hennepin Healthcare for graduate family medical education programs at Hennepin Healthcare.**Subd. 18. College Possible**550,000550,000(a) This appropriation is for immediate transfer to College Possible to support programs of college

admission and college graduation for low-income students through an intensive curriculum of coaching and support at both the high school and postsecondary levels.

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

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

(d) By February 1 of each year, College Possible must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education and E-12 education on activities funded by this appropriation. The report must include but is not limited to information about the work of College Possible Minnesota throughout the state; the number of College Possible coaches hired; the number of existing partner high schools; the geographic distribution of participants; the number of high school and college students specifically supported by the appropriations funds; the percentages of students who applied to college, were admitted into college, and enrolled in college from the previous program year; the number of college graduates supported by the appropriation funding in the previous program year; and a list of all communities and partner institutions benefiting from coaching and support through College Possible programming.

Subd. 19. Spinal Cord Injury and Traumatic Brain Injury Research Grant Program

3,000,000

3,000,000

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

The commissioner may use no more than three percent of the amount transferred under this subdivision to administer the grant program.

Subd. 20. Summer Academic Enrichment Program

250,000

250,000

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

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

Subd. 21. Dual Training Competency Grants; Office of Higher Education

2,000,000

2,000,000

For transfer to the Dual Training Competency Grants account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10.

Subd. 22. Campus Sexual Assault Reporting

25,000

25,000

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

Subd. 23. Campus Sexual Violence Prevention and Response Coordinator

150,000

150,000

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

Subd. 24. Emergency Assistance for Postsecondary Students

269,000

269,000

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

(b) This appropriation shall be used to meet immediate student needs that could result in a student not completing the term or their program including, but not limited to, emergency housing, food, and transportation. Institutions shall minimize any negative impact on student financial aid resulting from the receipt of emergency funds.

(c) The commissioner shall determine the application process and the grant amounts. The Office of Higher Education shall partner with interested postsecondary institutions, other state agencies, and student groups to establish the programs.

(d) The base for this appropriation is \$319,000 in fiscal year 2024 and later.

<u>Subd. 25. Grants to Student Teachers in Shortage Areas</u>	<u>500,000</u>	<u>500,000</u>
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For grants to student teachers in shortage areas under Minnesota Statutes, section 136A.1275.

The commissioner may use no more than three percent of the appropriation for administration of the program.

<u>Subd. 26. Grants to Underrepresented Student Teachers</u>	<u>1,000,000</u>	<u>1,000,000</u>
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For grants to underrepresented student teachers under Minnesota Statutes, section 136A.1274.

The commissioner may use no more than three percent of the appropriation for administration of the program.

The base for this appropriation is \$1,125,000 in fiscal year 2024 and later.

<u>Subd. 27. Teacher Shortage Loan Repayment</u>	<u>200,000</u>	<u>200,000</u>
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For transfer to the teacher shortage loan repayment account in the special revenue fund under Minnesota Statutes, section 136A.1791, subdivision 8.

The commissioner may use no more than three percent of the amount transferred under this subdivision to administer the program.

<u>Subd. 28. Large Animal Veterinarian Loan Forgiveness Program</u>	<u>375,000</u>	<u>375,000</u>
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For transfer to the large animal veterinarian loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1795, subdivision 2.

<u>Subd. 29. Agricultural Educators Loan Forgiveness</u>	<u>50,000</u>	<u>50,000</u>
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For transfer to the agricultural education loan forgiveness account in the special revenue fund under Minnesota Statutes, section 136A.1794, subdivision 2.

<u>Subd. 30. Aviation Degree Loan Forgiveness Program</u>	<u>25,000</u>	<u>25,000</u>
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For transfer to the aviation degree loan forgiveness program account in the special revenue fund under Minnesota Statutes, section 136A.1789, subdivision 2.

Subd. 31. Grants for Students with Intellectual and Developmental Disabilities

200,000

200,000

For grants for students with intellectual and developmental disabilities under Minnesota Statutes, section 136A.1215.

Subd. 32. Loan Repayment Assistance Program

25,000

25,000

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

Subd. 33. Minnesota Independence College and Community

1,250,000

1,250,000

For a grant to Minnesota Independence College and Community for need-based scholarships and tuition reduction. Beginning with students first enrolled in the fall of 2019, eligibility is limited to resident students as defined in Minnesota Statutes, section 136A.101, subdivision 8.

The base for this appropriation is \$1,000,000 in fiscal year 2024 and later.

Subd. 34. Student Loan Debt Counseling

200,000

200,000

For student loan debt counseling under Minnesota Statutes, section 136A.1788.

The Office of Higher Education may use no more than three percent of the appropriation to administer the student loan debt counseling program.

Subd. 35. Hunger-Free Campus Grants

205,000

102,000

For the Office of Higher Education to provide initial and sustaining grants to Minnesota public postsecondary institutions and Tribal colleges under Minnesota Statutes, section 136F.245, subdivision 4,

to meet and maintain the criteria in that same section
to address food insecurity on campus.

**Subd. 36. Fostering Independence Higher Education
Grants**

238,000

3,759,000

For grants to eligible students under Minnesota
Statutes, section 136A.1241. Of this amount, \$238,000
in the first year is for administration costs. The base
for fiscal year 2024 and later is \$3,761,000.

Subd. 37. Concurrent Enrollment Grants

340,000

340,000

For concurrent enrollment grants under Minnesota
Statutes, section 136A.91.

**Subd. 38. Aspiring Teachers of Color Scholarship Pilot
Program**

1,500,000

1,500,000

(a) This appropriation is for the aspiring teachers of
color scholarship pilot program under article 2, section
45.

(b) The commissioner of the Office of Higher
Education may use no more than three percent of the
appropriation to administer the aspiring teachers of
color scholarship program.

(c) This is a onetime appropriation. The base for this
appropriation is \$0 in fiscal year 2024 and later.
Notwithstanding Minnesota Statutes, section 16A.28,
unencumbered balances under this subdivision do not
cancel until July 1, 2025.

Subd. 39. Direct Admissions

925,000

75,000

For the direct admissions pilot program in article 2,
section 42.

Subd. 40. Agency Administration

4,504,000

4,504,000

Subd. 41. Balances Forward

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

Subd. 42. Transfers

The commissioner of the Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, the get ready appropriation, the intervention for college attendance appropriation, the student-parent information appropriation, the summer academic enrichment program appropriation, the public safety officers' survivors appropriation, and the fostering independence higher education grant program. The commissioner may transfer unencumbered balances from the hunger-free campus appropriations to the emergency assistance for postsecondary students grant. To the extent there is a projected surplus in the appropriation for either the student teachers in shortage areas grant program or the underrepresented student teacher grant program, the commissioner may transfer unencumbered balances between the two programs as needed to meet demand. Transfers from the child care, state work-study, or the hunger-free campus appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over higher education finance.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>791,992,000</u>	<u>\$</u>	<u>789,491,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Central Office and Shared Services Unit</u>	<u>34,082,000</u>	<u>34,081,000</u>
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For the Office of the Chancellor and the Shared Services Division.

The base for this appropriation in fiscal year 2024 and later is \$34,401,000.

<u>Subd. 3. Operations and Maintenance</u>	<u>753,795,000</u>	<u>751,295,000</u>
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(a) The Board of Trustees must establish tuition rates as follows:

(1) for the 2021-2022 and 2022-2023 academic years, tuition rates for undergraduate students at colleges and universities must not be increased by more than 3.5 percent as compared to the previous academic year, except that a university may change base tuition to adjust for the reduction of online differential charges provided the change is revenue-neutral; and

(2) the student tuition relief may not be offset by increases in mandatory fees, charges, or other assessments to the student. Colleges and universities are permitted to increase differential tuition charges in fiscal years 2022 and 2023 where costs for course or program delivery have increased due to extraordinary circumstances beyond the control of the college or university. Rates and rationale must be approved by the Board of Trustees.

(b) The Board of Trustees must request guidance from the United States Department of Education regarding whether it is permissible to allocate federal funds received under section 314 of the Consolidated Appropriations Act, 2021, as provided by Public Law 116-260, and section 2003 of the American Rescue Plan Act, as provided by Public Law 117-2, to provide a tuition credit for enrolled students or refund for students who are no longer enrolled in an amount equal to the amount of the online differential tuition rate charged to students for courses moved online due to the coronavirus pandemic during the 2020-2021 academic year that were not offered as online courses during the previous academic year. If the department advises that this is a permissible use of the federal funds, institutions must issue such tuition credits to enrolled students and must inform students who are no longer enrolled in the institution of their eligibility for a refund. In order to receive a refund, the student must apply for the refund.

(c) \$5,700,000 in fiscal year 2022 and \$5,700,000 in fiscal year 2023 are to provide supplemental aid for operations and maintenance to the president of each two-year institution in the system with at least one campus that is not located in a metropolitan county, as defined in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer at least

\$158,000 for each campus not located in a metropolitan county in each year to the president of each institution that includes such a campus.

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

(e) \$4,500,000 in fiscal year 2022 and \$4,500,000 in fiscal year 2023 are for workforce development scholarships under Minnesota Statutes, section 136F.38.

(f) \$300,000 in fiscal year 2022 and \$300,000 in fiscal year 2023 are for transfer to the Cook County Higher Education Board to provide educational programming, workforce development, and academic support services to remote regions in northeastern Minnesota. The Cook County Higher Education Board shall continue to provide information to the Board of Trustees on the number of students served, credit hours delivered, and services provided to students.

(g) This appropriation includes \$40,000 in fiscal year 2022 and \$40,000 in fiscal year 2023 to implement the sexual assault policies required under Minnesota Statutes, section 135A.15.

(h) This appropriation includes \$8,000,000 in fiscal year 2022 and \$8,000,000 in fiscal year 2023 for upgrading the Integrated Statewide Record System.

(i) This appropriation includes \$250,000 in fiscal year 2022 and \$250,000 in fiscal year 2023 to implement the Z-Degree program under Minnesota Statutes, section 136F.305. The base for this appropriation is \$50,000 in fiscal year 2024 and later.

(j) \$1,500,000 in fiscal year 2022 is for the mental health awareness program for students required under Minnesota Statutes, section 136F.20, subdivision 4. Of this amount: \$500,000 must be used for training opportunities under Minnesota Statutes, section 136F.20, subdivision 4, paragraph (a), clause (2); and \$200,000 must be used for grants to colleges and universities to establish peer support pilot programs in Minnesota Statutes, section 136F.20, subdivision 4, paragraph (c). The Board of Trustees shall convene a committee that includes students to review and

approve grant applications. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until July 1, 2025.

(k) \$1,000,000 in fiscal year 2022 is for colleges and universities to comply with the student basic needs requirements under Minnesota Statutes, section 136F.202. The Board of Trustees must use at least 25 percent of this appropriation for grants to colleges and universities to comply with Minnesota Statutes, section 136F.202, subdivision 1, paragraph (a). The board must use a consultation and committee process that includes students to review and approve grant applications. Notwithstanding Minnesota Statutes, section 16A.28, unencumbered balances under this paragraph do not cancel until July 1, 2025.

(l) The total operations and maintenance base for fiscal year 2024 and later is \$751,095,000.

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

Subdivision 1. <u>Total Appropriation</u>	<u>\$ 692,813,000</u>	<u>\$ 692,813,000</u>
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Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>690,656,000</u>	<u>690,656,000</u>
<u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>

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

Subd. 2. <u>Operations and Maintenance</u>	<u>621,968,000</u>	<u>621,968,000</u>
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(a) \$15,000,000 in fiscal year 2022 and \$15,000,000 in fiscal year 2023 are to: (1) increase the medical school's research capacity; (2) improve the medical school's ranking in National Institutes of Health funding; (3) ensure the medical school's national prominence by attracting and retaining world-class faculty, staff, and students; (4) invest in physician training programs in rural and underserved communities; and (5) translate the medical school's

research discoveries into new treatments and cures to improve the health of Minnesotans.

(b) \$7,800,000 in fiscal year 2022 and \$7,800,000 in fiscal year 2023 are for health training restoration. This appropriation must be used to support all of the following: (1) faculty physicians who teach at eight residency program sites, including medical resident and student training programs in the Department of Family Medicine; (2) the Mobile Dental Clinic; and (3) expansion of geriatric education and family programs.

(c) \$4,000,000 in fiscal year 2022 and \$4,000,000 in fiscal year 2023 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.

(d) \$500,000 in fiscal year 2022 and \$500,000 in fiscal year 2023 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

(e) \$150,000 in fiscal year 2022 and \$150,000 in fiscal year 2023 are for the Chloe Barnes Advisory Council on Rare Diseases under Minnesota Statutes, section 137.68. The base for this appropriation is \$0 in fiscal year 2024 and later.

(f) The total operations and maintenance base for fiscal year 2024 and later is \$620,818,000.

Subd. 3. Primary Care Education Initiatives

2,157,000

2,157,000

This appropriation is from the health care access fund.

Subd. 4. Special Appropriations

(a) Agriculture and Extension Service

42,922,000

42,922,000

For the Agricultural Experiment Station and the Minnesota Extension Service:

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

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

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

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

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

(4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:

(i) vegetable crop research with priority for extending the Minnesota vegetable growing season;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2023, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this paragraph.

(b) Health Sciences

9,204,000

9,204,000

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in rural areas of the state. The legislature intends this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner. The remainder of this appropriation is for the rural physicians associates program; the Veterinary Diagnostic Laboratory; health sciences research; dental care; the Biomedical Engineering Center; and the collaborative partnership between the University of Minnesota and Mayo Clinic for regenerative medicine, research, clinical translation, and commercialization.

(c) College of Science and Engineering

1,140,000

1,140,000

For the geological survey and the talented youth mathematics program.

(d) System Special7,431,0007,431,000

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

\$2,250,000 in fiscal year 2022 and \$2,250,000 in fiscal year 2023 are for the Natural Resources Research Institute to invest in applied research for economic development.

The base for this appropriation is \$7,181,000 in fiscal year 2024 and later and, of this amount, \$2,000,000 per fiscal year is for the Natural Resources Research Institute to invest in applied research for economic development.

(e) University of Minnesota and Mayo Foundation Partnership7,991,0007,991,000

This appropriation is for the following activities:

(1) \$7,491,000 in fiscal year 2022 and \$7,491,000 in fiscal year 2023 are for the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the legislative committees responsible for higher education finance by June 30 of each fiscal year.

(2) \$500,000 in fiscal year 2022 and \$500,000 in fiscal year 2023 are to award competitive grants to conduct research into the prevention, treatment, causes, and cures of Alzheimer's disease and other dementias.

Subd. 5. Academic Health Center

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

Sec. 5. MAYO CLINIC**Subdivision 1. Total Appropriation**\$ 1,351,000 \$1,351,000

The amounts that may be spent are specified in the following subdivisions.

Subd. 2. <u>Medical School</u>	<u>665,000</u>	<u>665,000</u>
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The state must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between each year of the biennium to accommodate enrollment fluctuations. It is intended that during the biennium the Mayo Clinic use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

Subd. 3. <u>Family Practice and Graduate Residency Program</u>	<u>686,000</u>	<u>686,000</u>
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The state must pay stipend support for up to 27 residents each year.

Sec. 6. CANCELLATIONS; FISCAL YEAR 2021.

(a) \$340,000 of the fiscal year 2021 general fund appropriation under Laws 2019, chapter 64, article 1, section 2, subdivisions 11, 25, and 26, is canceled.

(b) \$5,000,000 of the fiscal year 2021 general fund appropriation under Laws 2019, chapter 64, article 1, section 2, subdivision 2, is canceled.

(c) This section is effective the day following final enactment.

Sec. 7. Laws 2014, chapter 312, article 1, section 4, subdivision 2, is amended to read:

Subd. 2. Health Sciences Special	4,500,000
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(a) This appropriation is from the general fund for the direct and indirect expenses of the collaborative partnership between the ~~University~~ University of Minnesota and the Mayo Clinic for regenerative medicine research, clinical translation, and commercialization. In addition to representatives from the University of Minnesota and the Mayo Clinic, the collaborative partnership must include representatives of private industry and others with expertise in regenerative medicine research, clinical translation, commercialization, and medical venture financing who are not affiliated with either the University of Minnesota or the Mayo Clinic.

(b) By January 15 of each odd-numbered year beginning in 2017, the partnership must submit an independent financial audit to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over higher education and economic development. The audit must include the names of all recipients of grants awarded by the partnership and their affiliation, if any, with the University of Minnesota or the Mayo Clinic.

(c) The full amount of this appropriation is for the partnership and may not be used by the University of Minnesota for administrative or monitoring expenses.

(d) For fiscal year 2016 and thereafter, the base for this program is \$4,350,000.

(e) All grants awarded with funding provided by an appropriation to this program must be for a regenerative medicine development project, defined as any research, product development, or commercial venture relating to basic, preclinical, or clinical work to produce a drug, biological or chemical material, compound, or medical device designed to augment, repair, replace, or regenerate organs and tissue that have been damaged by disease, injury, aging, or other biological processes.

ARTICLE 2

HIGHER EDUCATION PROVISIONS

Section 1. [136A.057] STUDENT TRANSFER REPORTING.

(a) The commissioner must report on the office's website summary data on students who, within the most recent academic year, withdrew from enrollment without completing a degree or credential program at a public postsecondary institution in Minnesota. The summary data must include whether the students who withdrew transferred to another institution and the institutions transferred to and from.

(b) Summary data must be aggregated by postsecondary institution and degree or credential program. Summary data must be disaggregated by race, ethnicity, Pell eligibility, and age.

(c) The commissioner must post the initial data on the office's website on or before February 15, 2022, and must update the data at least annually thereafter.

Sec. 2. Minnesota Statutes 2020, section 136A.101, subdivision 5a, is amended to read:

Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the amount of a family's contribution to a student's cost of attendance, as determined by a federal need analysis. For dependent students, the assigned family responsibility is ~~82~~ 79 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is ~~74~~ 71 percent of the

student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is ~~38~~ 35 percent of the student contribution.

Sec. 3. Minnesota Statutes 2020, 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 is entitled to an additional semester or the equivalent of grant eligibility if the student withdraws from enrollment;

(1) 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;

(2) for a ~~major illness~~ serious health condition, 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; or

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Sec. 4. Minnesota Statutes 2020, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of: (1) an allowance specified in law for living and miscellaneous expenses, and (2) an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or a tuition and fee maximum if one is established in law. If no living and miscellaneous expense allowance is established in law, the allowance is equal to ~~406~~ 109 percent of the federal poverty guidelines for a one person household in Minnesota for nine months. If no tuition and fee maximum is established in law, the allowance for tuition and fees is equal to the lesser of: (1) the average tuition and fees charged by the institution, and (2) for two-year programs, an amount equal to the highest tuition and fees charged at a public two-year institution, or for four-year programs, an amount equal to the highest tuition and fees charged at a public university.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Sec. 5. Minnesota Statutes 2020, 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 (1) 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, and (2) courses taken that qualify as developmental education or below college-level. 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. 6. Minnesota Statutes 2020, section 136A.123, subdivision 1, is amended to read:

Subdivision 1. **Program administration.** The commissioner of the Office of Higher Education must, to the extent funds are available, administer a credential completion program for adult learners consistent with this section.

Sec. 7. **[136A.124] FOSTERING INDEPENDENCE HIGHER EDUCATION GRANTS.**

Subdivision 1. **Establishment.** The office must establish a grant program for individuals who satisfy the eligibility requirements under subdivision 3. Using available FAFSA or other state aid data, the office shall identify and inform eligible individuals, and the institutions for which the individuals have been accepted or are attending, of their eligibility for the foster grant. This program is established to provide an individual who is currently or was formerly in foster care with foster grants for up to five years for higher education costs.

Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have the meanings given.

(b) "Adoption" means adoption of an individual who has been in the care and custody of a responsible social services agency or Tribal social services agency and in foster care.

(c) "Eligible institution" means an eligible public institution or an eligible private institution.

(d) "Eligible private institution" or "private institution" means an institution eligible for state student aid under section 136A.103, paragraph (a), clause (2).

(e) "Eligible public institution" or "public institution" means an institution operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota.

(f) "Foster care" has the meaning given in section 260C.007, subdivision 18.

(g) "Foster grant" means a grant under this section.

(h) "Office" means the Office of Higher Education.

(i) "Recognized cost of attendance" means the amount calculated under subdivision 4.

(j) "Responsible social services agency" has the meaning given in section 260C.007, subdivision 27a.

(k) "Tribal social services agency" has the meaning given in section 260.755, subdivision 21.

Subd. 3. **Eligibility.** (a) An individual who is eligible for the Education and Training Voucher Program is eligible for a foster grant.

(b) If the individual is not eligible for the Education and Training Voucher program, in order to receive a foster grant, an individual must:

(1) meet the definition of a resident student under section 136A.101, subdivision 8;

(2) be at least 13 years of age but fewer than 27 years of age;

(3) after the individual's 13th birthday, be in or have been in foster care in Minnesota before, on, or after the effective date of this section, including any of the following:

(i) placement in foster care at any time while 13 years of age or older;

(ii) adoption from foster care at any time after reaching 13 years of age; or

(iii) placement from foster care with a permanent legal custodian at any time after reaching 13 years of age;

(4) have graduated from high school or completed the equivalent as approved by the Department of Education;

(5) have been accepted for admission to, or be currently attending, an eligible institution;

(6) have submitted a FAFSA; and

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

Subd. 4. **Cost of attendance.** (a) The recognized cost of attendance for a public institution has the meaning in Code of Federal Regulations, title 20, chapter 28, subchapter IV, part F, section 1087ll.

(b) The recognized cost of attendance for a private institution equals the lesser of:

(1) the cost of attendance for the institution as calculated under Code of Federal Regulations, title 20, chapter 28, subchapter IV, part F, section 1087ll; or

(2) for two-year programs, an amount equal to the highest recognized cost of attendance charged at a public two-year institution, or for four-year programs, an amount equal to the highest recognized cost of attendance at a public university.

Subd. 5. **Foster grant amount; payment; opt-out.** (a) Each student shall be awarded a foster grant based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the foster grant must be equal to the applicant's recognized cost of attendance after deducting:

(1) the student aid index 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 Federal Supplemental Educational Opportunity Grant;

(5) the sum of all Tribal scholarships;

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

(7) the Education and Training Voucher Program;

(8) extended foster care benefits under section 260C.451;

(9) the amount of any private grants or scholarships, excluding grants and scholarships provided by the private institution of higher education in which the eligible student is enrolled; and

(10) for public institutions, the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts.

(b) The foster grant shall be paid directly to the eligible institution where the student is enrolled.

(c) An eligible private institution may opt out of participating in the foster grant program established under this section. To opt out, the institution shall provide notice to the office by September 1 for the next academic year.

(d) An eligible private institution that does not opt out under paragraph (c) and accepts the student's application to attend the institution must provide institutional grants, scholarships, tuition waivers, or tuition remission in an amount equal to the difference between:

(1) the institution's cost of attendance as calculated under subdivision 4, paragraph (b), clause (1); and

(2) the sum of the foster grant under this subdivision and the sum of the amounts in paragraph (a), clauses (1) to (9).

(e) An undergraduate student who is eligible may apply for and receive a foster grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time as defined in section 136A.101, subdivision 7a, or the equivalent for eight semesters or the equivalent, or received a foster grant for five years, whichever occurs first. A foster grant must not be awarded to a student for more than three years for a two-year degree, certificate, or diploma, or five years for a four-year undergraduate degree.

(f) Foster grants may be awarded to an eligible student for four quarters, three semesters, or the equivalent during the course of a single fiscal year. In calculating the award amount, the office must use the same calculation it would for any other term.

Subd. 6. Dissemination of information. (a) The office shall, by September 1, 2022, and September 1 each year thereafter, prepare and provide the information to be disseminated by responsible social services agencies, Tribal social services agencies, the office, the Department of Human Services, and eligible state and private institutions that:

(1) describes the availability of the program established under this section;

(2) explains how to participate in the program; and

(3) includes information on all available federal and state grants identified under subdivision 5.

(b) The office shall maintain and annually update the list of eligible private institutions that opt out under subdivision 5, paragraph (c), and post the list of the institutions on the office's website.

Subd. 7. **Assistance from the Office of Higher Education.** The office shall assist foster grant applicants eligible under subdivision 3 by providing assistance in:

- (1) completing the foster grant application; and
- (2) accessing and applying for available federal and state financial aid resources under subdivision 5.

Subd. 8. **Report.** (a) The office shall prepare an anonymized report to be submitted annually to the chairperson and minority chairperson of the legislative committees with jurisdiction over higher education that contains:

- (1) the number of students receiving foster grants and the institutions attended; and
- (2) annual retention and graduation data on students receiving foster grants.

(b) The report required under this subdivision may be combined with other legislatively required reporting. If submitted as a separate report, the report must be submitted by January 15.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to foster grants awarded beginning the 2022-2023 academic year. The first report under subdivision 8 must be submitted by January 15, 2024, unless included in other legislatively required reporting.

Sec. 8. Minnesota Statutes 2020, 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 or the applicant's spouse 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) ~~either has not earned a baccalaureate degree and has been enrolled full time less than ten semesters or the equivalent, or has earned a baccalaureate degree and has been enrolled full time less than ten semesters or the equivalent in a graduate or professional degree program;~~ received child care grant funds for a period of ten semesters or the equivalent;
- (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate, graduate, or professional degree, diploma, or certificate;
- (6) is enrolled in at least ~~six credits~~ one credit in an undergraduate program or one credit in a graduate or professional program in an eligible institution; and
- (7) is in good academic standing and making satisfactory academic progress.

(b) A student ~~who~~ is entitled to an additional semester or equivalent of grant eligibility and will be considered to be in continuing enrollment status upon return if the student withdraws from enrollment;

(1) 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;~~

(2) for a ~~major illness~~ serious health condition, 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;~~ or

(3) while providing care that substantially limits the student's ability to complete the term to the student's spouse, child, or parent who has a serious health condition.

Sec. 9. Minnesota Statutes 2020, section 136A.125, subdivision 4, is amended to read:

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

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

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

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

~~(b) (a) The maximum award to the applicant shall be \$3,000 \$6,500 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community. The office shall develop policies to determine community market costs and review institutional requests for compensatory grant increases to ensure need and equal treatment. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.~~

~~(e) (b) Applicants with family incomes expected family contributions at or below a percentage of the federal poverty level the qualifying expected family contribution for the federal Pell Grant, as determined by the commissioner, will qualify for the maximum award. The commissioner shall attempt to set the percentage at a level estimated to fully expend the available appropriation for child care grants. Applicants with family incomes expected family contributions exceeding that threshold will but less than 200 percent of the qualifying expected family contribution receive the maximum award minus ten percent of their income exceeding that threshold an amount proportional to their expected family contribution as determined by the commissioner. If the result is less than zero, the grant is zero.~~

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

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

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

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

~~(4) (3) multiplied by the number of credits for which the student is enrolled that academic term, up to 15 credits for undergraduate students and six for graduate and professional students. applicable enrollment factor:~~

(i) 1.00 for undergraduate students enrolled in 12 or more semester credits or the equivalent or for graduate students enrolled in six or more semester credits or the equivalent;

(ii) 0.75 for undergraduate students enrolled in nine, ten, or 11 semester credits or the equivalent or for graduate students enrolled in five semester credits or the equivalent;

(iii) 0.50 for undergraduate students enrolled in six, seven, or eight semester credits or the equivalent or for graduate students enrolled in three or four semester credits or the equivalent; and

(iv) 0.25 for undergraduate students enrolled in at least one but less than six semester credits or the equivalent or for graduate students enrolled in one or two semester credits or the equivalent.

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

Sec. 10. Minnesota Statutes 2020, section 136A.126, subdivision 1, is amended to read:

Subdivision 1. **Student eligibility.** The commissioner 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 or is an enrolled member or citizen of a federally recognized American Indian or Canadian First Nations tribe;

(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.

Sec. 11. Minnesota Statutes 2020, 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 federal Supplemental Educational Opportunity Grant;

(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 ~~award~~ academic year;
- (2) the maximum award for a graduate student is \$6,000 per ~~award~~ academic year; and
- (3) the minimum award for all students is \$100 per ~~award~~ academic 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.

(e) Scholarships may be given to an eligible student for four quarters, three semesters, or the equivalent during the course of a single fiscal year. In calculating the award amount, the office must use the same calculation it would for any other term.

Sec. 12. **[136A.1274] UNDERREPRESENTED STUDENT TEACHER GRANTS.**

Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education must establish a grant program for student teaching stipends for low-income students who belong to an underrepresented racial or ethnic group.

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

- (1) be enrolled in a Professional Educator Licensing and Standards Board-approved teacher preparation program that requires at least 12 weeks of student teaching in order to be recommended for any Tier 3 teaching license;
- (2) demonstrate financial need based on criteria established by the commissioner under subdivision 3;
- (3) be meeting satisfactory academic progress as defined under section 136A.101, subdivision 10; and
- (4) belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce.

Subd. 3. **Administration.** (a) The commissioner must establish an application process and other guidelines for implementing this program. The commissioner must notify grant recipients of their award amounts by the following dates:

- (1) for fall student teaching placements, recipients must be notified by August 15;
- (2) for spring student teaching placements, recipients must be notified by December 1; and
- (3) for summer student teaching placements, recipients must be notified by May 1.

These notification deadlines do not apply in cases where grants are awarded to student teachers who applied after application deadlines and funds remained after the initial round of grants were awarded.

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

(c) The commissioner must give equal consideration to all eligible applicants regardless of the order the application was received before the application deadline.

(d) If there are insufficient funds to provide an award to all eligible applicants, the commissioner shall prioritize the awards to eligible applicants based on:

(1) the financial need of an applicant; and

(2) the statewide distribution of funds.

Subd. 4. **Reporting.** (a) By February 15 of each year, the commissioner must submit a report on the details of the program under this section to the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information:

(1) the number of eligible applicants and the number of teacher candidates receiving an award, each broken down by postsecondary institution;

(2) the total number of awards, the total dollar amount of all awards, and the average award amount; and

(3) and other summary data identified by the commissioner as outcome indicators.

EFFECTIVE DATE. This section is effective July 1, 2021, except that the commissioner may delay notification to student teachers receiving grants for the fall 2021 term until September 1, 2021.

Sec. 13. Minnesota Statutes 2020, section 136A.1275, is amended to read:

136A.1275 STUDENT TEACHER CANDIDATE GRANTS IN SHORTAGE AREAS.

Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education must establish a grant program for student teaching stipends for low-income students ~~enrolled in a Professional Educator Licensing and Standards Board-approved teacher preparation program~~ who intend to teach in a license shortage area or rural school district after graduating and receiving their teaching license ~~or belong to an underrepresented racial or ethnic group.~~

~~(b) "Shortage area" means a license field or economic development region within Minnesota defined as a shortage area by the Professional Educator Licensing and Standards Board in coordination with the commissioner using data collected for the teacher supply and demand report under section 122A.091, subdivision 5. "License shortage area" means a licensure area that is identified as a shortage area by the Professional Educator Licensing and Standards Board in coordination with the commissioner using data collected for the teacher supply and demand report under section 122A.091, subdivision 5, provided that only licensure areas within the following fields may be identified as a license shortage area for purposes of this section:~~

(1) English as a second language;

(2) early childhood;

(3) special education;

(4) career and technical education;

(5) science, technology, engineering, arts, and math; and

(6) world languages.

(c) "Rural school district" means a school district with fewer than 30 resident pupil units under section 126C.05, subdivision 6, per square mile.

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

(1) be enrolled in a Professional Educator Licensing and Standards Board-approved teacher preparation program that requires at least 12 weeks of student teaching ~~in order to be recommended for any Tier 3 teaching license;~~

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

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

~~(4) intend to teach in a shortage area or belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce~~ intend to teach in a rural school district or intend to teach in a license shortage area. Intent ~~can~~ to teach in a license shortage area must be documented verified based on the teacher license field the student is pursuing or a statement of. To verify intent to teach in an economic development region defined as a shortage area in the year the student receives a grant a rural school district, the student must submit to the commissioner a completed affidavit, prescribed by the commissioner, affirming the student's intent to teach in a rural district following graduation. Upon obtaining employment after graduating, the teacher shall report to the office the name of the school district in which the teacher is teaching.

Subd. 3. **Administration; repayment.** (a) The commissioner must establish an application process and other guidelines for implementing this program. The commissioner must notify grant recipients of their award amounts by the following dates:

(1) for fall student teaching placements, recipients must be notified by August 15;

(2) for spring student teaching placements, recipients must be notified by December 1; and

(3) for summer student teaching placements, recipients must be notified by May 1.

These notification deadlines do not apply in cases where grants are awarded to student teachers who applied after application deadlines and funds remained after the initial round of grants were awarded.

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

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

(c) The commissioner must give equal consideration to all eligible applicants regardless of the order the application was received before the application deadline.

(d) If there are insufficient funds to provide an award to all eligible applicants, the commissioner shall prioritize the awards to eligible participants based on:

(1) the financial need of an applicant; and

(2) whether the applicant intends to teach in both a rural school district and a license shortage area.

Subd. 4. **Reporting.** (a) By February 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information:

(1) the total number of awards, the total dollar amount of all awards, and the average award amount;

(2) the number of eligible applicants and the number of student teachers receiving an award, each broken down by postsecondary institution;

(3) the licensure areas and school districts in which the student teachers taught; and

(4) other summary data identified by the commissioner as outcome indicators, including how many student teachers awarded a rural teacher grant were employed in a rural district after graduation.

(b) By July 1 of each odd numbered year, the commissioner must update and post on the office's website a list of licensure shortage areas eligible for a grant under this section.

EFFECTIVE DATE. This section is effective July 1, 2021, except that the commissioner may delay notification to student teachers receiving grants for the fall 2021 term until September 1, 2021.

Sec. 14. Minnesota Statutes 2020, section 136A.1704, is amended to read:

136A.1704 STUDENT LOAN REFINANCING.

The office may refinance student and parent loans as provided by this section and on other terms and conditions the office prescribes. The office may establish credit requirements for borrowers and determine what types of student and parent loans will be eligible for refinancing. The refinanced loan need not have been made through a loan program administered by the office. Loans shall be made with available funds in the loan capital fund under section 136A.1785. The maximum amount of outstanding loans refinanced under this section may not exceed ~~\$100,000,000~~ \$300,000,000. The maximum loan under this section may not exceed ~~\$70,000~~ \$200,000.

Sec. 15. Minnesota Statutes 2020, section 136A.1791, is amended to read:

136A.1791 TEACHER SHORTAGE LOAN ~~FORGIVENESS~~ REPAYMENT PROGRAM.

Subdivision 1. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition and reasonable educational and living expenses related to a teacher's preparation or further education, only if the further education will result in the teacher decreasing the gap in a new shortage area.

(c) "School district" means an independent school district, special school district, intermediate district, education district, special education cooperative, service cooperative, a cooperative center for vocational education, or a charter school located in Minnesota.

(d) "Teacher" means an individual holding a teaching license issued by the Professional Educator Licensing and Standards Board who is employed by a school district to provide classroom instruction.

~~(e) "Teacher shortage area" means:~~

~~(1) the licensure fields and economic development regions reported by the Professional Educator Licensing and Standards Board in coordination with the commissioner as experiencing a teacher shortage; and~~

~~(2) economic development regions where there is a shortage of licensed teachers who reflect the racial or ethnic diversity of students in the region as reported by the Professional Educator Licensing and Standards Board in coordination with the commissioner.~~

~~(f)~~ (e) "Commissioner" means the commissioner of the Office of Higher Education unless indicated otherwise.

(f) "License shortage area" has the meaning given in section 136A.1275, subdivision 1, paragraph (b).

(g) "Racial or ethnic group underrepresented in the teacher workforce" means a racial or ethnic group for which the aggregate percentage of Minnesota teachers of that racial or ethnic group is lower than the aggregate percentage of Minnesota kindergarten through grade 12 students of that racial or ethnic group.

(h) "Rural school district" means a school district with fewer than 30 resident pupil units under section 126C.05, subdivision 6, per square mile.

Subd. 2. **Program established; administration.** The commissioner shall establish and administer a teacher shortage loan ~~forgiveness~~ repayment program. ~~A teacher is eligible for the program if the teacher is teaching in an identified teacher shortage area under subdivision 3 and complies with the requirements of this section.~~

~~Subd. 3. **Report on teacher shortage areas.** Using data collected for the teacher supply and demand report to the legislature under section 122A.091, subdivision 5, the Professional Educator Licensing and Standards Board shall identify the licensure fields and economic development regions in Minnesota experiencing a teacher shortage.~~

Subd. 3a. **Eligibility.** To be eligible for a disbursement under this section, a teacher must belong to a racial or ethnic group underrepresented in the Minnesota teacher workforce, teach in a rural school district, or teach in a license shortage area.

Subd. 4. **Application for loan ~~forgiveness~~ repayment.** Each applicant for loan ~~forgiveness~~ repayment, according to rules adopted by the commissioner, shall:

(1) apply for teacher shortage loan ~~forgiveness~~ repayment and promptly submit any additional information required by the commissioner; and

(2) submit to the commissioner a completed affidavit, prescribed by the commissioner, affirming the teacher is teaching in: (i) a licensure field identified by the commissioner as experiencing a teacher license shortage area; or (ii) an economic development region identified by the commissioner as experiencing a teacher shortage a rural school district.

Subd. 5. **Amount of loan ~~forgiveness~~ repayment.** (a) To the extent funding is available, the annual amount of teacher shortage loan ~~forgiveness~~ repayment for an approved applicant shall not exceed \$1,000 or the cumulative balance of the applicant's qualified educational loans, including principal and interest, whichever amount is less.

(b) Recipients must secure their own qualified educational loans. Teachers who graduate from an approved teacher preparation program or teachers who add a licensure field, consistent with the teacher shortage requirements of this section, are eligible to apply for the loan ~~forgiveness~~ repayment program.

(c) No teacher shall receive more than five annual awards.

Subd. 6. **Disbursement.** (a) The commissioner must make annual disbursements directly to the participant of the amount for which a participant is eligible, for each year that a participant is eligible.

(b) Within 60 days of the disbursement date, the participant must provide the commissioner with verification that the full amount of loan repayment disbursement has been applied toward the designated loans. A participant that previously received funds under this section but has not provided the commissioner with such verification is not eligible to receive additional funds.

Subd. 7. **Penalties.** (a) A teacher who submits a false or misleading application or other false or misleading information to the commissioner may:

(1) have his or her teaching license suspended or revoked under section 122A.20;

(2) be disciplined by the teacher's employing school district; or

(3) be required by the commissioner to repay the total amount of the loan ~~forgiveness~~ repayment he or she received under this program, plus interest at a rate established under section 270C.40.

(b) The commissioner must deposit any repayments received under paragraph (a) in the fund established in subdivision 8.

Subd. 8. **Account established.** A teacher shortage loan ~~forgiveness~~ repayment account is created in the special revenue fund for depositing money appropriated to or received by the commissioner for the program. Money deposited in the account is appropriated to the commissioner, does not cancel, and is continuously available for loan ~~forgiveness~~ repayment under this section.

Subd. 9. **Annual reporting.** By February 1 of each year, the commissioner must report to the chairs of the kindergarten through grade 12 and higher education committees of the legislature on the number of individuals who received loan ~~forgiveness~~ repayment under this section, the race or ethnicity of the teachers participating in the program, the licensure areas and ~~economic development regions~~ school districts in which the teachers taught, the average amount paid to a teacher participating in the program, and other summary data identified by the commissioner as outcome indicators.

Subd. 10. **Rulemaking.** The commissioner shall adopt rules under chapter 14 to administer this section.

Sec. 16. Minnesota Statutes 2020, section 136A.246, subdivision 1, is amended to read:

Subdivision 1. **Program created.** The commissioner shall make grants for the training of employees to achieve the competency standard for an occupation identified by the commissioner of labor and industry under section 175.45 and Laws 2014, chapter 312, article 3, section 21. ~~"Competency standard" has the meaning given in section 175.45, subdivision 2.~~ An individual must, no later than the commencement of the training, be an employee of the employer seeking a grant to train that individual.

Sec. 17. Minnesota Statutes 2020, section 136A.246, is amended by adding a subdivision to read:

Subd. 1a. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Competency standard" has the meaning given in section 175.45, subdivision 2.

(c) "Eligible training" means training provided by an eligible training provider that:

(1) includes training to meet one or more identified competency standards;

(2) is instructor-led for a majority of the training; and

(3) results in the employee receiving an industry-recognized degree, certificate, or credential.

(d) "Eligible training provider" means an institution:

(1) operated by the Board of Trustees of the Minnesota State Colleges and Universities or the Board of Regents of the University of Minnesota;

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

(3) exempt from the provisions of section 136A.822 to 136A.834 or 136A.61 to 136A.71 as approved by the office.

(e) "Industry-recognized degrees, certificates, or credentials" means:

(1) certificates, diplomas, or degrees issued by a postsecondary institution;

(2) registered apprenticeship certifications or certificates;

(3) occupational licenses or registrations;

(4) certifications issued by, or recognized by, industry or professional associations; and

(5) other certifications as approved by the commissioner.

Sec. 18. Minnesota Statutes 2020, section 136A.246, subdivision 2, is amended to read:

Subd. 2. **Eligible grantees.** An employer or an organization representing the employer is eligible to apply for a grant to train employees if the employer has an employee who is in or is to be trained to be in an occupation for which a competency standard has been identified and the employee has not attained the competency standard prior to the commencement of the planned training. ~~Training need not address all aspects of a competency standard but may address only the competencies of a standard that an employee is lacking. An employee must receive an industry-recognized degree, certificate, or credential upon successful completion of the training. A grantee must have an agreement with an eligible training provider to provide eligible training prior to payment of grant.~~

Sec. 19. Minnesota Statutes 2020, section 136A.246, subdivision 3, is amended to read:

Subd. 3. ~~**Eligible training institution or program provider.** The employer must have an agreement with a training institution or program to provide the employee competency standard training prior to the grant award. The training may be provided by any institution or program having trainers qualified to instruct on the competency standard.~~

The Office of Higher Education and the Department of Labor and Industry must cooperate in maintaining an inventory of degree, certificate, and credential programs that provide training to meet competency standards. The inventory must be posted on each agency's website with contact information for each program by September 1, 2016. The postings must be updated periodically.

Sec. 20. Minnesota Statutes 2020, section 136A.246, subdivision 4, is amended to read:

Subd. 4. **Application.** Applications must be made to the commissioner on a form provided by the commissioner. The commissioner must, to the extent possible, make the application form as short and simple to complete as is reasonably possible. The commissioner shall establish a schedule for applications and grants. The application must include, without limitation:

- (1) the projected number of employee trainees;
- ~~(2) the number of projected employee trainees who graduated from high school or passed the commissioner of education selected high school equivalency test in the current or immediately preceding calendar year;~~
- ~~(3)~~ (2) the competency standard for which training will be provided;
- ~~(4)~~ (3) the credential the employee will receive upon completion of training;
- ~~(5)~~ (4) the name and address of the eligible training institution or program and a signed statement by the institution or program that it is able and agrees to provide the training provider;
- ~~(6)~~ (5) the period of the training; and
- ~~(7)~~ (6) the cost of the training charged by the eligible training institution or program and certified by the institution or program provider. The cost of training includes tuition, fees, and required books and materials.

An application may be made for training of employees of multiple employers either by the employers or by an organization on their behalf.

Sec. 21. Minnesota Statutes 2020, section 136A.246, subdivision 5, is amended to read:

Subd. 5. **Grant criteria.** ~~(a) Except as provided in this subdivision, the commissioner shall award grants to employers solely for training employees who graduated from high school or passed commissioner of education selected high school equivalency tests in the current or immediately preceding calendar year.~~

~~(b) If there are not sufficient eligible applications satisfying paragraph (a), the commissioner may award grants to applicants to train employees who do not meet the requirements of paragraph (a).~~

~~(c)~~ (a) The commissioner shall, to the extent possible after complying with paragraph (a), make at least an approximately equal dollar amount of grants for training for employees whose work site is projected to be outside the metropolitan area as defined in section 473.121, subdivision 2, as for employees whose work site is projected to be within the metropolitan area.

~~(d)~~ (b) In determining the award of grants, the commissioner must consider, among other factors:

- (1) the aggregate state and regional need for employees with the competency to be trained;
- (2) the competency standards developed by the commissioner of labor and industry as part of the Minnesota PIPELINE Project;
- (3) the per employee cost of training;
- (4) the additional employment opportunities for employees because of the training;

(5) the on-the-job training the employee receives;

(6) the employer's demonstrated ability to recruit, train, and retain employees who are recent high school graduates or who recently passed high school equivalency tests;

~~(6)~~ (7) projected increases in compensation for employees receiving the training; and

~~(7)~~ (8) the amount of employer training cost match, if required, on both a per employee and aggregate basis.

Sec. 22. Minnesota Statutes 2020, section 136A.246, subdivision 6, is amended to read:

Subd. 6. **Employer match.** A large employer must pay for at least 25 percent of the eligible training ~~institution's or program's provider's~~ charge for the eligible training to the ~~training institution or program provider.~~ For the purpose of this subdivision, a "large employer" means a business with more than \$25,000,000 in annual gross revenue in the previous calendar year.

Sec. 23. Minnesota Statutes 2020, section 136A.246, subdivision 7, is amended to read:

Subd. 7. **Payment of grant.** (a) The commissioner shall pay the grant to the employer after the employer presents satisfactory evidence to the commissioner that the employer has paid the eligible training ~~institution or program provider.~~

(b) If an employer demonstrates that it is not able to pay for the training in advance, the commissioner shall make grant payments directly to the eligible training ~~institution or program provider.~~

Sec. 24. Minnesota Statutes 2020, section 136A.246, subdivision 8, is amended to read:

Subd. 8. **Grant amounts.** (a) The maximum grant for an application is \$150,000. A grant may not exceed \$6,000 per year for a maximum of four years per employee.

(b) An employee who is attending an eligible training provider that is an institution under section 136A.103 must apply for Pell and state grants as a condition of payment for training that employee under this section.

Sec. 25. Minnesota Statutes 2020, section 136A.63, subdivision 2, is amended to read:

Subd. 2. **Sale of an institution.** Within 30 days of a change of its ownership a school must submit a registration renewal application, all usual and ordinary information and materials for an initial registration, and applicable registration fees for a new institution. For purposes of this subdivision, "change of ownership" means a merger or consolidation with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; the school enters receivership; or a change in the nonprofit or for-profit status of a school.

Sec. 26. Minnesota Statutes 2020, section 136A.645, is amended to read:

136A.645 SCHOOL CLOSURE.

(a) When a school intends to cease postsecondary education operations, announces its closure, or is informed by the office that the office anticipates the school's closure due to its registration status or ability to meet criteria for approval under section 136A.65, the school must provide the office:

(1) a notice of closure, including the name of the school, the name of the school owner, an active mailing address and telephone number that the school owner may be reached at after the school physically closes, the name of the school director, and the planned date for termination of postsecondary operations;

(2) a report of all students currently enrolled and all students enrolled within the prior 120 days, including the following information for each student: name, address, school e-mail address, alternate e-mail address, program of study, number of credits completed, number of credits remaining, and enrollment status at closure;

(3) a report of refunds due to any student and the amount due;

(4) a written statement from the school's owner or designee affirming that all recruitment efforts, school marketing, advertisement, solicitation, and enrollment of new students has ceased;

(5) a copy of any communication between the school's accreditors about the school closure;

(6) confirmation that the requirements for student records under section 136A.68 have been satisfied, including:

(i) the planned date for the transfer of the student records;

(ii) confirmation of the name and address of the organization to receive and hold the student records; and

(iii) the official at the organization receiving the student records who is designated to provide official copies of records or transcripts upon request;

(7) academic information, including the school's most recent catalog, all course syllabi, and faculty credential information; and

(8) copies of any teach-out, transfer, or train-out agreement between the school and a new school for students to be able to complete their studies. A teach-out fulfills the original contract or agreement between the closing school and the student. If a teach-out is arranged for another approved school to do the remaining occupational training, that other school must (i) provide comparable education and training and (ii) agree that students transferring from the closing school pay only what the cost of tuition and fees remain unpaid according to the terms and conditions in the enrollment agreement entered into between the student and the closing school.

(b) Without limitation as to other circumstance, a school shall be deemed to have ceased operations when the school:

(1) has an unscheduled nonemergency closure or cancellation of classes for more than 24 hours without prior notice to the office;

(2) announces it is closed or closing; ~~or~~

(3) files for bankruptcy; or

(4) fails to complete a renewal application when required under section 136A.63, subdivision 2.

(c) When a school is deemed to have ceased operations, the office shall provide the school a reasonable time to correct student records and grant credentials. After that time, the office must revoke the school's registration. This revocation is not appealable under section 136A.65, subdivision 8.

Sec. 27. Minnesota Statutes 2020, section 136A.653, subdivision 5, is amended to read:

Subd. 5. **Regionally Higher Learning Commission accredited institutions in Minnesota.** (a) A ~~regionally accredited~~ postsecondary institution accredited by the Higher Learning Commission or its successor with its primary physical location in Minnesota is exempt from the provisions of sections 136A.61 to 136A.71, including related fees, when it creates new or modifies existing:

- (1) majors, minors, concentrations, specializations, and areas of emphasis within approved degrees;
- (2) nondegree programs within approved degrees;
- (3) underlying curriculum or courses;
- (4) modes of delivery; and
- (5) locations.

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

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

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

Sec. 28. Minnesota Statutes 2020, section 136A.675, is amended to read:

136A.675 RISK ANALYSIS.

Subdivision 1. **Standard development and usage.** (a) ~~To screen and detect whether an institution may not be financially or administratively responsible, the office shall develop a set of financial and programmatic evaluation metrics to aid in the detection of the failure or potential failure of a school to meet the standards established under sections 136A.61 to 136A.71~~ nonfinancial indicators. These metrics shall include indicators of financial stability, changes in the senior management or the financial aid and senior administrative staff of an institution, changes in enrollment, changes in program offerings, and changes in faculty staffing patterns. The development of financial standards and nonfinancial indicators shall use industry standards as benchmarks guidance. ~~The development of the nonfinancial standards shall include a measure of trends and dramatic changes in trends or practice.~~

(b) Annually, the agency office must specify the metrics and standards for each area and provide a copy of the financial and nonfinancial indicators to each registered institution and post them a list of reviewed indicators on the agency office website.

(c) The agency office shall use regularly reported data submitted to the federal government or other regulatory or accreditation agencies wherever possible. ~~The agency may require more frequent data reporting by an institution to ascertain whether the standards are being met.~~

(d) The office must use the indicators in this subdivision to identify institutions at potential risk of being unable to meet the standards established under sections 136A.646; 136A.64, subdivision 3; 136A.65, subdivisions 1a and 4, paragraph (a), clauses (1), (2), (3), and (7); and 136A.685 and thus unlikely to meet its financial obligations or complete its academic terms for the next 18 months.

Subd. 2. **Additional reporting.** (a) In addition to the information required for the indicators in subdivision 1, an institution must notify the office within ten business days if any of the events in paragraphs (b) to (e) occur.

(b) Related to revenue, debt, and cash flow, notice is required if:

(1) the institution defaulted on a debt payment or covenant and has not received a waiver of the violation from the financial institution within 60 days;

(2) for institutions with a federal composite score of less than 1.5, the institution's owner withdraws equity that directly results in a composite score of less than 1.0, unless the withdrawal is a transfer between affiliated entities included in a common composite score;

(3) the United States Department of Education requires a 25 percent or greater Letter of Credit, except when the Letter of Credit is imposed due to a change of ownership;

(4) the United States Department of Education requires Heightened Cash Monitoring 2;

(5) the institution receives written notification that it violated the United States Department of Education's revenue requirement under United States Code, title 20, section 1094(a)(24), as amended; or

(6) the institution receives written notification by the United States Department of Education that it has fallen below minimum financial standards and that its continued participation in Title IV is conditioned upon satisfying either the Zone Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c).

(c) Related to accreditation and licensing, notice is required if:

(1) the institution receives written notification of probation, warning, show-cause, or loss of institutional accreditation;

(2) the institution receives written notification that its institutional accreditor lost federal recognition;
or

(3) the institution receives written notification that it has materially violated state authorization or institution licensing requirements in a different state that may lead to or has led to the termination of the institution's ability to continue to provide educational programs or otherwise continue to operate in that state.

(d) Related to securities, notice is required if:

(1) the Securities and Exchange Commission (i) issues an order suspending or revoking the registration of the institution's securities, or (ii) suspends trading of the institution's securities on any national securities exchange;

(2) the national securities exchange on which the institution's securities are traded notifies the institution that it is not in compliance with the exchange's listing requirements and the institution's securities are delisted;
or

(3) the Securities and Exchange Commission is not in timely receipt of a required report and did not issue an extension to file the report.

(e) Related to criminal and civil investigations, notice is required if:

(1) the institution receives written notification of a felony criminal indictment or charges of the institution's owner;

(2) the institution receives written notification of criminal indictment or charges of the institution's officers related to operations of the institution; or

(3) there has been a criminal, civil, or administrative adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the institution or its owner, officers, agents, or sponsoring organization.

Subd. 3. **Determination procedures.** (a) The office shall conduct a systematic evaluation under this paragraph and make a preliminary determination as to whether action under paragraph (e) is necessary, if the office: (1) identifies a potential risk under subdivision 1, paragraph (d); (2) receives notification from an institution under subdivision 2; or (3) identifies other exigent circumstances impacting the institution that may deny students a reasonable opportunity to complete their education program at the institution or through an alternate institution with minimal disruption. The systematic evaluation must, to the extent practicable, be a collaboration between the office and the institution. The office must request additional context and information from the institution that demonstrates the administrative and financial responsibility of the institution. If the institution is not financially or administratively responsible, a contingency plan must be implemented either collaboratively or as part of a final determination under paragraph (e), clause (4).

(b) The office shall provide notice in writing to the institution of the preliminary determination. The notice shall provide the analysis used by the office to make the determination, a request for the institution to provide additional context and information that demonstrates the administrative and financial responsibility of the institution not provided under paragraph (a), any potential action the office may take under paragraph (e), and a deadline for responding to the notice. The institution shall have no fewer than ten business days to respond to the preliminary determination.

(c) The response from the institution to provide additional context and information must be written and may include a collaborative consultation with the office. In its response, the institution shall provide additional context, financial data, and other information, including but not limited to evidence of sound business practices, institutional financial health, compliance with the requirements of sections 136A.61 to 136A.71, or sufficient and timely plans to cure any noncompliance or to manage financial health and risk.

(d) If the institution does not respond to the office's notice and request for additional context and information within the time required, the office's preliminary determination shall become final and the office may take any of the actions specified in the notice required by paragraph (e). If the institution responds to the office's notice, the office must reevaluate the preliminary determination. The office shall use the additional context and information provided by the institution to make a final determination and determine which actions under paragraph (e), if any, are necessary to mitigate risk to students and state financial aid under this chapter.

(e) The office may use a final determination to:

(1) revoke, suspend, or refuse to renew registration, approval of an institution's degree, or use of a regulated term in its name under section 136A.65, subdivision 8;

(2) require periodic monitoring and submission of reports on the institution's administrative and financial responsibility to ascertain whether compliance and financial risk improves;

(3) require periodic collaborative consultations with the institution on noncompliance with sections 136A.61 to 136A.71, or how the institution is managing financial health and risk;

(4) require the institution to submit contingency plans such as teach-out plans or transfer pathways for students;

(5) prohibit the institution from accepting tuition and fee payments made through cash, alternative loans, or the equivalent, prior to the add/drop period of the current period of instruction;

(6) prohibit the institution from enrolling new students;

(7) initiate alternative processes and communications with students enrolled at the institution;

(8) require a surety bond under section 136A.646; or

(9) submit institution closure information under section 136A.645.

(f) The office shall provide to the institution written notice of the final determination and the actions taken under paragraph (e).

Subd. 4. **Data classification.** Data under this section shall be classified as financial records under section 136A.64, subdivision 2, except for the following data, which shall be public:

(1) a final determination that is subject to action under subdivision 3, paragraph (e), clauses (1), (5), (6), and (7), and a summary of the reasons for the determination; and

(2) data received by the office under subdivision 2, paragraph (b), clauses (2), (4), and (6); paragraph (c), clauses (1) and (2); and paragraphs (d) and (e).

Sec. 29. Minnesota Statutes 2020, section 136A.68, is amended to read:

136A.68 RECORDS.

(a) A registered school shall maintain a permanent record for each student for 50 years from the last date of the student's attendance. A registered school offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance. Records include a student's academic transcript, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance.

(b) A registered school shall maintain records required for professional licensure in Minnesota that are not included in paragraph (a) for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater.

(c) To preserve permanent records, a school shall submit a plan that meets the following requirements:

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

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

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

(4) if the school has no binding agreement approved by the office for preserving student records, a continuous surety bond or an irrevocable letter of credit issued by a financial institution must be filed with

the office in an amount not to exceed \$20,000. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Sec. 30. Minnesota Statutes 2020, section 136A.822, subdivision 12, is amended to read:

Subd. 12. **Permanent student records.** (a) A private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student record for each student for 50 years from the last date of the student's attendance. A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance.

(b) A private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student record required for professional licensure in Minnesota for each student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater. A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain records required for professional licensure in Minnesota that are not included in paragraph (a) for each Minnesota student for ten years from the last date of the student's attendance or the number of years required by an institutional or programmatic accreditor, whichever is greater.

To preserve permanent student records, a private career school shall submit a plan that meets the following requirements:

- (1) at least one copy of the records must be held in a secure, fireproof depository;
- (2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;
- (3) an alternative method, approved by the office, of complying with clauses (1) and (2) must be established if the private career school ceases to exist; and
- (4) a continuous surety bond or irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed \$20,000 if the private career school has no binding agreement approved by the office, for preserving student records. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Sec. 31. Minnesota Statutes 2020, section 136A.8225, is amended to read:

136A.8225 SCHOOL CLOSURE.

(a) When a school intends to cease postsecondary education operations, announces its closure, or is informed by the office that the office anticipates the school's closure due to its licensure status or ability to meet criteria for approval under section 136A.822, subdivision 8, the school must provide the office:

- (1) a notice of closure, including the name of the school, the name of the school owner, an active mailing address and telephone number that the school owner may be reached at after the school physically closes, the name of the school director, and the planned date for termination of postsecondary operations;

(2) a report of all students currently enrolled and all students enrolled within the prior 120 days, including the following information for each student: name, address, school e-mail address, alternate e-mail address, program of study, number of credits completed, number of credits remaining, and enrollment status at closure;

(3) a report of refunds due to any student and the amount due;

(4) a written statement from the school's owner or designee affirming that all recruitment efforts, school marketing, advertisement, solicitation, and enrollment of new students has ceased;

(5) a copy of any communication between the school's accreditors about the school closure;

(6) confirmation that the requirements for student records under section 136A.822, subdivision 12, have been satisfied, including:

(i) the planned date for the transfer of the student records;

(ii) confirmation of the name and address of the organization to receive and hold the student records; and

(iii) the official at the organization receiving the student records who is designated to provide official copies of records or transcripts upon request;

(7) academic information, including the school's most recent catalog, all course syllabi, and faculty credential information;

(8) copies of any teach-out, transfer, or train-out agreement between the school and a new school for students to be able to complete their studies. A teach-out fulfills the original contract or agreement between the closing school and the student. If a teach-out is arranged for another approved school to do the remaining occupational training, that other school must (i) provide comparable education and training and (ii) agree that students transferring from the closing school pay only what the cost of tuition and fees remain unpaid according to the terms and conditions in the enrollment agreement entered into between the student and the closing school.

(b) Without limitation as to other circumstance, a school shall be deemed to have ceased operations when the school:

(1) has an unscheduled nonemergency closure or cancellation of classes for more than 24 hours without prior notice to the office;

(2) announces it is closed or closing; ~~or~~

(3) files for bankruptcy; or

(4) fails to complete a renewal application when required under section 136A.823, subdivision 3.

(c) When a school is deemed to have ceased operations, the office shall provide the school a reasonable time to correct student records and grant credentials. After that time, the office must revoke the school's license. This revocation is not appealable under section 136A.829, subdivision 2.

Sec. 32. Minnesota Statutes 2020, section 136A.823, is amended by adding a subdivision to read:

Subd. 3. **Change of ownership.** Within 30 days of a change of ownership, a school must submit a registration renewal application, the information and materials for an initial registration under section 136A.822, subdivision 4, and the applicable registration fees for a new institution under section 136A.824,

subdivision 1. For purposes of this subdivision, "change of ownership" means: a merger or consolidation with a corporation; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; entering into receivership; or a change in the nonprofit or for-profit status of a school.

Sec. 33. Minnesota Statutes 2020, section 136A.827, subdivision 4, is amended to read:

Subd. 4. **Proration.** (a) When a student has been accepted by a private career school and gives notice of cancellation after the program of instruction has begun, but before completion of 75 percent of the program, the amount charged for tuition, fees and all other charges shall be prorated based on the number of days in the term as a portion of the total charges for tuition, fees and all other charges. An additional 25 percent of the total cost of the program may be added but shall not exceed \$100. After completion of 75 percent of the program, no refunds are required. the student is entitled to a refund if, at the last documented date of attendance, the student has not completed at least 75 percent of the entire program of instruction. For purposes of this subdivision, program of instruction is calculated under paragraph (c) or (d). Program of instruction does not mean one term, a payment period, a module, or any other portion of the entire instructional program.

(b) A notice of cancellation from a student under this subdivision must be confirmed in writing by the private career school and mailed to the student's last known address. The confirmation from the school must state that the school has withdrawn the student from enrollment, and if this action was not the student's intent, the student must contact the school.

(c) The length of a program of instruction for a program that has a defined calendar start and end date that does not change after the program has begun equals the number of days from the first scheduled date of the program through the last scheduled date of the program. To calculate the completion percentage, divide the number of calendar days from the first date of the program through the student's last documented date of attendance by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed \$50; plus

(3) the lesser of (i) 25 percent of the total tuition, or (ii) \$100.

(d) The length of a program of instruction for a program that is measured in clock hours equals the number of clock hours the student was scheduled to attend. To calculate the completion percentage, divide the number of clock hours that the student actually attended by the length of the program of instruction, and truncate the result after the second digit following the decimal point. If the completion percentage is less than 75 percent, the private career school may retain:

(1) tuition, fees, and charges equal to the total of tuition, fees, and charges multiplied by the completion percentage; plus

(2) the initial program application fees, not to exceed \$50; plus

(3) the lesser of (i) 25 percent of the total tuition, or (ii) \$100.

Sec. 34. Minnesota Statutes 2020, section 136A.827, subdivision 8, is amended to read:

Subd. 8. **Cancellation occurrence.** ~~Written notice of cancellation shall take place on the date the letter of cancellation is postmarked or, in the cases where the notice is hand carried, it shall occur on the date the notice is delivered to the private career school.~~ Notice of cancellation shall be the date a student notifies a private career school of the student's intention to withdraw or otherwise leave the program of study. The student is not required to provide a written notice. The private career school may require a student to provide the student's notification only to specific offices or personnel at the school as long as this requirement is documented as part of the "Student's Right to Cancel" in all places that the information appears, including on the private career school's website. The date of the notice of cancellation may or may not be the same date as the student's last documented date of attendance. If a student has not attended class for a period of ~~21~~ 14 consecutive days without contacting the private career school to ~~indicate an intent to continue in the private career school~~ provide notice of cancellation or otherwise ~~making~~ make arrangements concerning the absence, the student is considered to have withdrawn from the private career school for all purposes as of the student's last documented date of attendance.

Sec. 35. **[136A.91] CONCURRENT ENROLLMENT GRANTS.**

Subdivision 1. **Grants.** (a) The Office of Higher Education must establish a competitive grant program for postsecondary institutions to expand concurrent enrollment opportunities. To the extent that there are qualified applicants, the commissioner of the Office of Higher Education shall distribute grant funds to ensure:

- (1) eligible students throughout the state have access to concurrent enrollment programs; and
- (2) preference for grants that expand programs is given to programs already at capacity.

(b) The commissioner may award grants under this section to postsecondary institutions for any of the following purposes:

- (1) to develop new concurrent enrollment courses under section 124D.09, subdivision 10, that satisfy the elective standard for career and technical education; or
- (2) to expand the existing concurrent enrollment programs already offered by the postsecondary institution by:
 - (i) creating new sections within the same high school;
 - (ii) offering the existing course in new high schools; or
 - (iii) supporting the preparation, recruitment, and success of students who are underrepresented in concurrent enrollment classrooms.

Subd. 2. **Application.** (a) The commissioner shall develop a grant application process. A grant applicant must:

- (1) specify the purpose under subdivision 1, paragraph (b), for which the institution is applying;
 - (2) specify both program and student outcome goals;
 - (3) include student feedback in the development of new programs or the expansion of existing programs;
- and

(4) demonstrate a commitment to equitable access to concurrent enrollment coursework for all eligible high school students.

(b) A postsecondary institution applying for a grant under subdivision 1, paragraph (b), clause (3), must provide a 50 percent match for the grant funds.

Subd. 3. **Report.** By December 1 of each year, the office shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education regarding:

(1) the amount of funds granted under each clause of subdivision 1, paragraph (b);

(2) the courses developed by grant recipients and the number of students who enrolled in the courses under subdivision 1, paragraph (b), clause (1); and

(3) the programs expanded and the number of students who enrolled in programs under subdivision 1, paragraph (b), clause (2).

Sec. 36. Minnesota Statutes 2020, section 136F.20, is amended by adding a subdivision to read:

Subd. 4. **Mental health awareness program.** (a) The board shall implement a mental health awareness program at each Minnesota state college and university by the start of the 2022-2023 academic year. A mental health awareness program shall include:

(1) a web page at each institution that includes links to existing self-assessment resources, resources connecting students to campus and community-based resources, and emergency contact information and resources;

(2) mandatory mental health first aid training, evidence-based suicide prevention training, or other similar mental health training for faculty, staff, and students, giving priority to those who serve in roles that include increased direct contact with students who are experiencing mental health concerns, such as student housing and campus safety employees. Each college and university shall identify the appropriate faculty, staff, and students to receive training based on college or university structure and available funding;

(3) a session at each student orientation program that includes information about maintaining good mental health, the symptoms of mental health conditions common among college students, and mental health resources and services available to students;

(4) a messaging strategy to send students information on available mental health resources and services at least once per term, and during periods of high academic stress; and

(5) distributing the suicide prevention helpline and text line contact information in a way that increases accessibility and awareness of that information to students.

(b) The board shall create and maintain a mental health community of practice including faculty and staff with subject matter expertise in mental health to identify resources and best practices to inform campus-based strategies to raise awareness of local and state resources and implement appropriate training experiences.

(c) The board shall make grants to Minnesota State Colleges and Universities to establish a peer support pilot program designed to assist students with a mental health condition. The program shall utilize student peers to support students living with mental health conditions on campus. The peer support program may be housed within the counseling center, wellness center, or resident assistance programs on campus. The

peer support program leaders must be trained to facilitate discussions on mental health, identify students who may be in crisis, and refer students to programs for mental health support.

Sec. 37. [136F.202] STUDENT SUCCESS BASIC NEEDS BARRIER REDUCTION.

Subdivision 1. **Basic needs resources.** (a) Each college and university shall create and maintain a web page that clearly identifies basic needs resources available at the college or university. This web page shall clearly identify at least one staff member, faculty member, or department as a point of contact to whom students may direct questions. Each college and university shall also make the information under this paragraph available on the college or university mobile application, if possible.

(b) The board shall pursue the creation of a centralized basic needs online resource web page that will raise awareness of campus-based resources available at colleges and universities and local, state, and national resources that can assist in addressing basic needs insecurity.

Subd. 2. **Basic needs support trigger.** (a) The board shall develop and implement, at each college and university, initiatives or campaigns to raise awareness among all students of potential Supplemental Nutrition Assistance Program (SNAP) eligibility including targeted communications to students who are likely eligible.

(b) The board shall develop a financial aid resource trigger that utilizes data from the Free Application for Federal Student Aid (FAFSA), applications for state financial aid, or other applicable data to identify students who are likely eligible for assistance or programs that reduce basic needs insecurity such as SNAP. The board shall utilize this resource trigger to provide information and support to students on how to access assistance or programs that reduce basic needs insecurity.

Sec. 38. Minnesota Statutes 2020, section 136F.245, is amended to read:

136F.245 HUNGER-FREE CAMPUS DESIGNATION.

Subdivision 1. **Establishment.** (a) A Hunger-Free Campus designation ~~for Minnesota State community and technical colleges~~ is established for public postsecondary institutions and for nonprofit degree-granting institutions physically located in Minnesota and registered with the Office of Higher Education under section 136A.63. In order to be awarded the designation, ~~a campus~~ an institution must meet the following minimum criteria:

(1) have an established on-campus food pantry or partnership with a local food bank to provide regular, on-campus food distributions;

(2) provide information to students on SNAP, MFIP, and other programs that reduce food insecurity. The institution shall notify students in work-study employment of their potential eligibility for SNAP benefits and provide information to those students that includes eligibility criteria and how to apply for benefits;

(3) hold or participate in one hunger awareness event per academic year;

(4) have an established emergency assistance grant that is available to students; and

(5) establish a hunger task force that meets a minimum of three times per academic year. The task force must include at least two students currently enrolled at the ~~college~~ institution.

(b) Each institution must reapply at least every four years to maintain the designation.

Subd. 2. **Designation approval.** (a) The statewide student ~~association~~ associations representing the state community and technical colleges and the state universities shall create an application process and a

~~nonmonetary~~ an award; and provide final approval for the designation at each state college and university, respectively.

(b) The University of Minnesota Student Association at each institution shall create an application process and an award and provide final approval for the designation at each University of Minnesota institution.

(c) The Minnesota Association of Private College Students and the Student Advisory Council member representing Tribal colleges pursuant to section 136A.031, subdivision 3, shall create an application process and an award and provide final approval for the designation at each nonprofit degree-granting institution.

~~Subd. 3. **Expiration.** This section expires July 1, 2023.~~

Subd. 4. **Competitive grant.** (a) Institutions eligible for a grant under this subdivision include public postsecondary institutions and Tribal colleges.

(b) The commissioner shall establish a competitive grant program to distribute grants to eligible institutions to meet and maintain the requirements under subdivision 1, paragraph (a). Initial grants shall be made to institutions that have not earned the designation and demonstrate a need for funding to meet the hunger-free campus designation requirements. Sustaining grants shall be made to institutions that have earned the designation and demonstrate both a partnership with a local food bank or organization that provides regular, on-campus food distributions and a need for funds to maintain the requirements under subdivision 1, paragraph (a).

(c) The commissioner shall give preference to applications for initial grants and to applications from institutions with the highest number of federal Pell Grant eligible students enrolled. The commissioner shall consider the head count at the institution when awarding grants. The maximum grant award for an initial institution designation is \$8,000. The maximum grant award for sustaining an institution designation is \$5,000.

(d) The commissioner, in collaboration with student associations representing eligible institutions, shall create an application process and establish selection criteria for awarding the grants.

Subd. 5. **Grant requirements.** (a) An eligible institution that receives a grant under subdivision 4 must:

(1) use the grant funds to meet or maintain the minimum criteria of a hunger-free campus designation under subdivision 1; and

(2) match at least 50 percent of the grant amount awarded with funds or in-kind resources.

(b) In addition to the requirements of paragraph (a), in order to receive a sustaining grant, an institution must demonstrate a partnership with a local food bank or organization or other source of funding that ensures regular, on-campus distributions.

Sec. 39. Minnesota Statutes 2020, section 136F.305, is amended to read:

136F.305 Z-DEGREES.

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

~~(b) "Custom textbook" means course materials that are compiled by a publisher at the direction of a faculty member or, if applicable, the other adopting entity in charge of selecting course materials for courses taught at a state college or university. Custom textbooks may include items such as selections from original instructor materials, previously copyrighted publisher materials, copyrighted third-party works, or elements unique to a specific state college or university.~~

(b) "Course" means a single unit of teaching in one subject area led by one or more instructors with a definite start and end date and a fixed roster of students.

(c) "Course materials" means a hard-copy or digital book, printed pages of instructional material, including consumable workbooks, lab manuals, subscriptions, online homework and quizzing platforms, and other required physical and digital content.

(d) "Course section" means an instance of a course.

~~(e)~~ (e) "Incentive" means anything provided to faculty to identify, review, adapt, author, or adopt open textbooks educational resources.

~~(f)~~ (f) "Open educational resources" means high-quality teaching, learning, and research resources materials that reside are in the public domain or have been released under an intellectual property license that permits their free use and repurposing by others, and may include other resources that are legally available and free of cost to students. Open educational resources include course materials, modules, custom and open textbooks, articles, faculty-created content, streaming videos, tests, software, and any other tools, materials, or techniques used to support access to knowledge textbooks and curricula, syllabi, lecture notes, assignments, tests, projects, audio, video, and animation.

~~(g)~~ (g) "Open textbook" means a textbook that is distributed using an open copyright a type of open educational resource released under an intellectual property license that at a minimum allows a student to obtain, retain, reuse, and redistribute the material at no cost.

(h) "Library-curated materials" means diverse resources purchases by the library at no additional cost to the student for the supplementation or replacement of course materials.

~~(i)~~ (i) "System office" means the Minnesota State Colleges and Universities system office.

~~(j)~~ (j) "Z-Degree" means a zero-textbook-cost complete associate's or bachelor's degree program that exclusively uses course materials that are no cost to students such as open educational resources, open textbooks, and library-curated materials. Students may still incur costs for printing digital materials or for the following: art supplies, calculators, equipment, fees in statute or policy mandated to be charged by all colleges and universities, campus discretionary fees established by the board and adopted by the college, personal property, and service charges or course activities having value outside of the classroom.

Subd. 2. **Requirement.** (a) Three additional colleges must offer the opportunity to earn a Z-Degree by academic year 2020-2021. A college's Four additional colleges or universities must offer the opportunity to earn a Z-Degree by academic year 2023-2024. Course offerings for its in a Z-Degree program must include at least two distinct courses in each transfer curriculum goal area and at least enough credits in each transfer curriculum goal area to complete the transfer curriculum package.

(b) The Minnesota State Colleges and Universities shall support a continuous process for colleges and universities to implement Z-Degrees, expand Z-Degree courses and sections, and sustain existing Z-Degrees.

Subd. 3. **Open educational resource development.** ~~(a) The Minnesota State Colleges and Universities must develop a program to offer a Z-degree at three additional colleges by expanding the use of open educational resources, including custom and open textbooks. The system office must provide opportunities for faculty to identify, review, adapt, author, create, share, and adopt open educational resources. The system office must develop incentives to academic departments to identify, review, adapt, author, or adopt open educational resources within their academic programs.~~

(b) The programs and incentives developed under this subdivision must be implemented pursuant to faculty collective bargaining agreements.

Subd. 4. **Report.** ~~Annually by January 15, the board must submit reports by January 13, 2021, and January 12, 2022, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education. Each report must include (1) the number of courses and course sections transitioned to using an open textbook resulting from the programs in this section into a new Z-Degree, and (2) the total amount of student textbook savings resulting from the transitions, and (3) information on the types of incentives developed and offered to faculty and the corresponding funding for those incentives.~~

Sec. 40. Minnesota Statutes 2020, section 136F.38, subdivision 3, is amended to read:

Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible for resident tuition, as defined in section 135A.043, who is enrolled in any of the following programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health care services; (4) information technology; (5) early childhood; ~~or~~ (6) transportation or (7) a program of study under paragraph (b).

(b) Each institution may add one additional area of study or certification, based on a workforce shortage for full-time employment requiring postsecondary education that is unique to the institution's specific region, as reported in the most recent Department of Employment and Economic Development job vacancy survey data for the economic development region in which the institution is located. A workforce shortage area is one in which the job vacancy rate for full-time employment in a specific occupation in a region is higher than the state average vacancy rate for that same occupation. The institution may change the area of study or certification based on new data once every two years.

(c) The student must be enrolled for at least nine credits in a two-year college in the Minnesota State Colleges and Universities system to be eligible for first- and second-year scholarships.

(d) The student is eligible for a one-year transfer scholarship if the student transfers from a two-year college after two or more terms, and the student is enrolled for at least nine credits in a four-year university in the Minnesota State Colleges and Universities system.

Sec. 41. **CREDIT FOR PRIOR LEARNING.**

(a) Minnesota State Colleges and Universities must expand credit for prior learning to include as many forms of work-based experiences as possible, working with faculty to properly credit experiences for students, as appropriate. Minnesota State Colleges and Universities shall proactively make students aware of the credit for prior learning program and take steps to ensure gaining credit is easily accessible to students.

(b) By February 1, 2022, Minnesota State Colleges and Universities must report to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over higher education on the success of credit for prior learning in granting credits and its continued development as required under this subdivision.

Sec. 42. DIRECT ADMISSIONS PILOT PROGRAM.

Subdivision 1. **Authorization.** The commissioner of the Office of Higher Education shall develop a pilot program in consultation with stakeholders including Minnesota State Colleges and Universities, the University of Minnesota, the Student Advisory Council under Minnesota Statutes, section 136A.031, Minnesota Department of Education, the Minnesota Association of Secondary School Principals, and the Minnesota School Board Association to automatically offer conditional admission into Minnesota public colleges and universities to Minnesota public high school seniors based on a student's high school grade point average, high school and college transcript information, standardized tests, statewide assessments, and other measures as determined by stakeholders.

Subd. 2. **Pilot design and goals.** The pilot program shall establish and, to the extent feasible, implement a process for leveraging existing kindergarten through grade 12 and higher education student information systems to automate the admissions process for students. The pilot program will specifically evaluate the impact this process has on outcomes for students with lower levels of college knowledge, low-income students, and students from populations underserved in higher education. Initial pilot program participants must include high schools with a significant number of students of color, low-income students, or both, and must achieve statewide representation.

Subd. 3. **Evaluation and report.** By February 1, 2022, the Office of Higher Education shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education finance and policy and higher education on activities occurring under this section. The report must include but is not limited to information about the pilot program design, implementation challenges and recommendations, outcomes, and the feasibility of scaling the program to all public high schools.

Sec. 43. REPORT ON THE EXPENSE PATTERNS OF PUBLIC HIGHER EDUCATION INSTITUTIONS.

(a) The Board of Trustees of the Minnesota State Colleges and Universities shall perform an internal audit of expenditures to determine the extent to which administrative costs have increased based on uniform, historical data, and provide a report to the chairs and ranking minority members of the house of representatives and senate higher education committees, and the chairs and ranking minority members of the senate Finance Committee, and the house of representatives Ways and Means Committee by January 1, 2022.

(b) The Board of Trustees shall provide the following information for each institution under its jurisdiction. The Board of Trustees shall use the Integrated Postsecondary Education Data System (IPEDS) data submitted to the National Center for Education Statistics (NCES) to ensure uniformity, as institutions that receive federal financial aid funding report their financial data annually to NCES, and expense classifications are generally consistent year-to-year and apply to institutions uniformly. The report shall include for each Minnesota State College and University the following information:

(1) the amount and description of expenses included in the following terms as reported in the integrated postsecondary education data system:

(i) instruction;

(ii) research;

(iii) public service;

(iv) academic support;

(v) student services;

(vi) institutional support; and

(vii) other core expenses;

(2) historical data on the amount of expenses listed in clause (1) over the previous ten years, accompanied by a graph reflecting the figures;

(3) the current ratio of the institution's spending on institutional support versus instruction, and the ratio over the previous ten fiscal years, accompanied by a graph reflecting the figures; and

(4) an analysis as to whether the institution's administrative operations are growing disproportionately in relation to its core academic functions, which may place upward pressure on the cost of tuition and required fees, if such institution has any ratio under clause (3) that is greater than the respective median ratio for institutions of its Carnegie classification and of similar undergraduate enrollments. The variables in clause (3) must be used when comparing and calculating ratios for institutions of the same Carnegie classification and similar undergraduate enrollments.

(c) The Board of Trustees shall also provide in the report an analysis of administrative costs at the central office and the increase in staffing over the previous ten years.

(d) The Board of Regents of the University of Minnesota is requested to perform an audit and provide the reports as specified under this section.

Sec. 44. **TRANSCRIPT ACCESS.**

Subdivision 1. **Definitions.** (a) The terms defined in this subdivision apply to this section.

(b) "Debt" means any money, obligation, claim, or sum, due or owed, or alleged to be due or owed, from a student that appears on the student account. Debt does not include the fee, if any, charged to all students for the actual costs of providing the transcripts.

(c) "School" means any public institution governed by the Board of Trustees of the Minnesota State Colleges and Universities, private postsecondary educational institution as defined under section 136A.62 or 136A.821, or public or private entity responsible for providing transcripts to current or former students of an educational institution. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

(d) "Transcript" means the statement of an individual's academic record, including an official transcript or the certified statement of an individual's academic record provided by a school and an unofficial transcript or the uncertified statement of an individual's academic record provided by a school.

Subd. 2. **Prohibited practices.** A school must not:

(1) refuse to provide a transcript for a current or former student because the student owes a debt to the school if:

(i) the debt owed is less than \$250;

(ii) the student has entered into and, as determined by the institution, is in compliance with a payment plan with the school;

(iii) the transcript request is made by a prospective employer for the student; or

(iv) the school has sent the debt for repayment to the Department of Revenue or to a collection agency, as defined in section 332.31, subdivision 3, external to the institution; or

(2) charge an additional or a higher fee for obtaining a transcript or provide less favorable treatment of a transcript request because a student owes a debt to the originating school.

Subd. 3. **Institutional policy.** (a) Institutions that use transcript issuance as a tool for debt collection must have a policy accessible to students that outlines how the institution collects on debts owed to the institution.

(b) Institutions shall seek to use transcript issuance as a tool for debt collection for the fewest number of cases possible.

Subd. 4. **Report required.** (a) By April 15, 2022, and April 15, 2023, a school subject to this section must provide the Office of Higher Education a report that includes the following information for the most recently completed academic year:

(1) the school's current policy on transcript holds due to debt owed to the school and the school's same policy prior to the enactment of this section;

(2) the number of students who owe a debt of less than \$250 to the school;

(3) the number of students who owe a debt of more than \$250 to the school;

(4) the number of students who have had their transcripts withheld for nonpayment of a debt;

(5) the number of students who entered a payment plan after the hold is placed;

(6) what percentage of funds owed by students are collected; and

(7) the number of students with debt who were able to obtain transcripts due to this provision, whether the debt was paid, and whether the students whose transcript hold was waived reenrolled. The information under this clause is required only to the extent the office is able to obtain the information.

Reports submitted for the first year should include the most recently completed academic year and the two prior years. The report must also include information on any state, institutional, or federal COVID funds used to pay for transcript holds.

(b) By October 15, 2022, and October 15, 2023, the commissioner shall compile the data submitted under paragraph (a) and report to the legislature as provided in Minnesota Statutes, section 3.195, and to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on the impact of this section.

Subd. 5. **Expiration.** This section expires June 30, 2024.

Sec. 45. ASPIRING MINNESOTA TEACHERS OF COLOR SCHOLARSHIP PILOT PROGRAM.

Subdivision 1. **Scholarship pilot program established.** The commissioner must establish a scholarship pilot program to support undergraduate and graduate students who are preparing to become teachers, have demonstrated financial need, and belong to racial or ethnic groups underrepresented in the state's teacher workforce.

Subd. 2. **Eligibility.** (a) To be eligible for a scholarship under this section, an applicant must:

(1) be admitted and enrolled in a teacher preparation program approved by the Professional Educator Licensing and Standards Board and be seeking initial licensure, or be enrolled in an eligible institution under section 136A.103 and be completing a two-year program specifically designed to prepare early childhood educators;

(2) affirm to the teacher preparation program or the Office of Higher Education that the applicant is a person of color or American Indian;

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

(4) demonstrate financial need based on criteria developed by the commissioner.

(b) An eligible applicant may receive a scholarship award more than once, but may receive a total of no more than \$25,000 in scholarship awards from the program.

Subd. 3. **Scholarship award amount.** (a) The commissioner must establish a priority application deadline and must give equal consideration to all eligible applicants regardless of the order the application was received before the priority application deadline. If the funds available for the program are insufficient to make full awards to all eligible applicants who apply on or before the deadline, the commissioner must make awards based on the expected family contribution of an applicant, prioritizing applicants with the lowest expected family contributions. If there are multiple complete applications with identical expected family contributions, those applications may be prioritized by application completion date.

(b) The maximum award amount is \$10,000 per year for full-time study. For undergraduate students, full-time study means enrollment in a minimum of 15 or more credits per term. For graduate students, full-time study means enrollment in a minimum of six graduate credits or the equivalent.

(c) If an eligible applicant is enrolled in a program for one term during the academic year, the maximum award amount is \$5,000. If an eligible applicant is enrolled part time, the award amount must be prorated on a per-credit basis.

(d) Subject to the funds available for the program, and subject to the limitation in paragraph (e), the minimum award amount established under this section for full-time study must be no less than \$1,000 per year.

(e) An eligible applicant's individual award amount must not exceed the applicant's cost of attendance after deducting: (1) the student's expected family contribution; (2) the sum of all state or federal grants and gift aid received, including a Pell Grant and state grant; (3) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts; and (4) the amount of any private grants or scholarships.

(f) Awards are made until available funds are expended. Eligible applicants who completed their applications on or before the priority application deadline but who did not receive an award due to insufficient funds, and eligible applicants who completed their applications after the priority application deadline, shall be placed on an award waiting list by order of application completion date.

Subd. 4. **Administration.** (a) The commissioner must establish an application process for individual students and institutions on behalf of all eligible students at the institution and other guidelines for implementing the scholarship program.

(b) A scholarship award must be paid to the eligible applicant's teacher preparation institution on behalf of the eligible applicant. Awards may be paid only when the institution has confirmed to the commissioner the applicant's name, racial or ethnic identity, gender, licensure area sought, and enrollment status.

Subd. 5. **Service expectation.** An applicant who receives a scholarship under this section is expected to serve as a full-time teacher in Minnesota after completing the program for which the scholarship was awarded.

Subd. 6. **Report.** By December 15 of each year, the commissioner must submit a full report on the details of the scholarship program for the previous fiscal year to the legislative committees with jurisdiction over E-12 and higher education finance and policy. The reports must also be made available on the Office of Higher Education's website. The reports must include the following information:

(1) the number of applicants and the number of award recipients, each broken down by postsecondary institution with ten or more recipients;

(2) the total number of awards, the total dollar amount of all awards, and the average award amount;

(3) summary data on the racial or ethnic identity, gender, licensure area sought, and enrollment status of all applicants and award recipients; and

(4) other summary data identified by the commissioner as outcome indicators.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 46. **REVISOR INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall renumber section 136F.245, as amended by this act, as 135A.137.

Sec. 47. **REPEALER.**

(a) Minnesota Statutes 2020, sections 136A.1703; 136A.823, subdivision 2; and 136F.245, subdivision 3, are repealed.

(b) Minnesota Rules, parts 4830.9050; 4830.9060; 4830.9070; 4830.9080; and 4830.9090, are repealed.

Presented to the governor June 24, 2021