

CHAPTER 41--H.F.No. 2073

An act relating to higher education; providing funding and policy related changes for the Office of Higher Education, Minnesota State Colleges and Universities, the University of Minnesota, and the Mayo Clinic; creating and modifying certain scholarships and student aid programs; creating and modifying grant programs to higher education institutions; establishing the North Star Promise tuition free program; establishing the Inclusive Higher Education Technical Assistance Center; creating a direct admissions program; providing aid to postsecondary institutions for unemployment insurance; establishing a student basic needs working group; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 135A.137, subdivisions 2, 3; 136A.031, subdivision 3; 136A.101, subdivisions 5a, 7; 136A.121, subdivisions 6, 9, 13, 19; 136A.1241, subdivision 5; 136A.125, subdivision 4; 136A.126, subdivision 4; 136A.1312; 136A.1791, subdivision 3a; 136A.246, subdivisions 4, 5, 6, 8; 136F.04, subdivision 1; 136F.38, subdivision 3; 175.45, subdivision 1; 354B.23, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 268; repealing Minnesota Statutes 2022, section 136F.03.

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 "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

APPROPRIATIONS
Available for the Year
Ending June 30
2024 **2025**

Sec. 2. MINNESOTA OFFICE OF HIGHER EDUCATION

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>340,411,000</u>	<u>\$</u>	<u>435,963,000</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>234,744,000</u>	<u>224,167,000</u>
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(a) If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

(b) The base for this appropriation is \$225,066,000 for fiscal year 2026 and later.

<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. 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. This appropriation includes funding to administer the American Indian scholarship program.

<u>Subd. 8. Tribal College Supplemental Assistance Grants</u>	<u>3,150,000</u>	<u>3,150,000</u>
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(a) For Tribal college assistance grants under Minnesota Statutes, section 136A.1796.

(b) In addition to grants made pursuant to Minnesota Statutes, section 136A.1796, the commissioner shall use this appropriation to make grants of \$1,000,000 each to Leech Lake Tribal College, White Earth Tribal

College, and Red Lake Nation Tribal College, to be used for the Tribal colleges' general operations and maintenance expenses. A Tribal college must use grant funds received under this section to supplement, not supplant, any existing funding. By September 30, 2024, each Tribal college receiving a grant under this paragraph must submit a report to the commissioner of the Office of Higher Education and to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy. The report must include an accurate and detailed account of how the funds were spent, and a copy of the college's most recent audit report.

(c) The commissioner may use no more than three percent of this appropriation to administer the program grants.

Subd. 9. Intervention for College Attendance Program Grants

1,942,000

1,142,000

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

\$300,000 in fiscal year 2024 is for providing onetime catalyst funding on a competitive basis to postsecondary institutions, nonprofit organizations, and local government organizations to create or enhance supports, navigation, and precollege services for students who were formerly incarcerated.

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

122,000

122,000

Subd. 11. Get Ready!

180,000

180,000

Subd. 12. Minnesota Education Equity Partnership

45,000

45,000

Subd. 13. Midwest Higher Education Compact

115,000

115,000

Subd. 14. United Family Medicine Residency Program

501,000

501,000

For 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.

<u>Subd. 15. MnLINK Gateway and Minitex</u>	<u>6,555,000</u>	<u>6,605,000</u>
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The base for this appropriation for fiscal year 2026 is \$6,655,000 and for fiscal year 2027 is \$6,708,000.

<u>Subd. 16. Statewide Longitudinal Education Data System</u>	<u>2,550,000</u>	<u>2,550,000</u>
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<u>Subd. 17. Hennepin Healthcare</u>	<u>645,000</u>	<u>645,000</u>
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For transfer to Hennepin Healthcare for graduate family medical education programs at Hennepin Healthcare.

<u>Subd. 18. College Possible</u>	<u>550,000</u>	<u>550,000</u>
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(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 be used by College Possible only for programs supporting students who are residents of Minnesota and attending colleges or universities within Minnesota.

(c) 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.

(d) The base for this appropriation is \$0 for fiscal year 2026 and thereafter.

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

8,020,000

4,632,000

For transfer to the Dual Training Competency Grants account in the special revenue fund under Minnesota Statutes, section 136A.246, subdivision 10. The base for this transfer is \$3,132,000 for fiscal year 2026 and thereafter. \$132,000 each year is for transfer to the Department of Labor and Industry.

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 Coordinator150,000150,000

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 Students3,579,0003,579,000

(a) \$3,579,000 the first year and \$3,579,000 the second year are for emergency assistance for postsecondary students. Of this appropriation:

(1) \$2,250,000 the first year and \$2,250,000 the second year are for the Minnesota State Colleges and Universities for direct emergency grants to students;

(2) \$779,000 the first year and \$779,000 the second year are for the University of Minnesota for direct emergency grants to students;

(3) \$500,000 the first year and \$500,000 the second year are for the Office of Higher Education to allocate emergency grant funds to Minnesota Tribal Colleges and eligible nonprofit institutions as defined under Minnesota Statutes, section 136A.103, located in Minnesota with a demonstrable homeless student population. The Office of Higher Education shall develop a plan to distribute funds to institutions and provide guidance as to how grants are disbursed to students. The commissioner shall determine the application process and the grant amounts; and

(4) \$50,000 per year may be used by the commissioner for the administrative costs associated with this section.

(b) The funds must be used for emergency grants to students 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 must not distribute the funds under this section until the Office of Higher Education has worked with the institutions and approved their plans for the distribution of the grants to students and the method of their reporting requirements.

(d) At the end of each biennium, institutions must return any unused funds to the Office of Higher Education.

<u>Subd. 25. Grants to Student Teachers in Shortage Areas</u>	<u>1,300,000</u>	<u>1,300,000</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. The base for this appropriation is \$500,000 for fiscal year 2026 and thereafter.

<u>Subd. 26. Grants to Underrepresented Student Teachers</u>	<u>1,925,000</u>	<u>1,925,000</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 for fiscal year 2026 and thereafter.

<u>Subd. 27. Teacher Shortage Loan Repayment</u>	<u>1,000,000</u>	<u>1,000,000</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. The base for this appropriation is \$200,000 for fiscal year 2026 and thereafter.

<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.

<u>Subd. 31. Grants for Students with Intellectual and Developmental Disabilities</u>	<u>200,000</u>	<u>200,000</u>
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For grants for students with intellectual and developmental disabilities under Minnesota Statutes, section 136A.1215.

<u>Subd. 32. Loan Repayment Assistance Program</u>	<u>55,000</u>	<u>55,000</u>
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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.

<u>Subd. 33. Minnesota Independence College and Community</u>	<u>2,000,000</u>	<u>2,000,000</u>
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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. This is a onetime appropriation and is available until June 30, 2027.

<u>Subd. 34. Student Loan Debt Counseling</u>	<u>200,000</u>	<u>200,000</u>
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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.

<u>Subd. 35. Hunger-Free Campus Grants</u>	<u>1,500,000</u>	<u>1,000,000</u>
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For the Hunger-Free Campus program under Minnesota Statutes, section 135A.137. Of this amount, up to \$500,000 the first year is for grants not to exceed \$25,000 to institutions for equipment necessary to operate an on-campus food pantry. The commissioner shall establish an application and process for distributing the grant funds. This appropriation is available until June 30, 2026.

Subd. 36. Fostering Independence Higher Education Grants

4,247,000

4,416,000

\$4,247,000 the first year and \$4,416,000 the second year are for grants to eligible students under Minnesota Statutes, section 136A.1241. The Office of Higher Education may use no more than three percent of the appropriation to administer grants.

Subd. 37. Concurrent Enrollment Grants

340,000

340,000

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

Subd. 38. Student Parent Support Initiative

3,000,000

3,000,000

For grants to support student parents under Minnesota Statutes, section 136A.1251. Of this amount, up to \$338,000 each year is for administrative and promotional costs.

Subd. 39. Director of Tribal Relations

134,000

143,000

Subd. 40. Direct Admissions Program

650,000

650,000

For the direct admissions program under Minnesota Statutes, section 136A.84.

Subd. 41. American Indian Scholars

8,500,000

8,500,000

To support implementation of Minnesota Statutes, section 135A.121.

\$4,032,000 in fiscal year 2024 and \$4,032,000 in fiscal year 2025 are for transfer to the Board of Regents of the University of Minnesota.

\$4,468,000 in fiscal year 2024 and \$4,468,000 in fiscal year 2025 are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities.

Subd. 42. Next Generation Nursing Initiative**3,000,000****-0-**

For transfer to the Board of Trustees of the Minnesota State Colleges and Universities for HealthForce Minnesota to coordinate and implement the Next Generation Nursing Assistant Training Program for the recruitment and training of students to become certified nursing assistants. The program must use a "free up-front" model for covering the student costs. This appropriation may also be used for marketing and outreach across the state and covering the cost for retraining, retesting, and refresher courses. This appropriation is available until June 30, 2025.

Subd. 43. Higher Education Public Service Feasibility Study**75,000****-0-**

For the commissioner of the Office of Higher Education to conduct a feasibility study on creating and implementing a Minnesota service initiative. By October 31, 2023, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on the feasibility of creating and implementing a Minnesota service initiative to increase student civic engagement. The report must include but is not limited to information about the program design, implementation challenges and recommendations, outcomes, and the feasibility of scaling the program over time.

Subd. 44. Inclusive Higher Education**1,000,000****1,000,000**

(a) \$250,000 the first year and \$250,000 the second year are to enter into a contract establishing the Inclusive Higher Education Technical Assistance Center under Minnesota Statutes, section 135A.161.

(b) \$750,000 the first year and \$750,000 the second year are transferred from the general fund to the inclusive higher education grant account under Minnesota Statutes, section 135A.162, subdivision 4. Up to five percent of the transfer can be used for administrative expenses.

Subd. 45. Paramedic Scholarship Program**3,200,000****-0-**

For the paramedic scholarship program under article 2, section 31. Of this amount:

(1) \$3,000,000 is for awarding 600 student scholarships;

(2) \$100,000 is for promotion of the program and student recruitment efforts; and

(3) \$100,000 is for administering the program.

This appropriation is available until expended or until June 30, 2026, whichever occurs first.

Subd. 46. Addiction Medicine Graduate Medical Education Fellowship

270,000

270,000

(a) For a grant to Hennepin County Medical Center to support up to six physicians enrolled in an addiction medicine fellowship program. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(b) Each year, in order to receive funds under this subdivision, Hennepin County Medical Center must certify to the commissioner the number of physicians actually enrolled in an addiction medicine fellowship for that year. The commissioner shall transfer to Hennepin County Medical Center \$90,000 for each physician enrolled in an addiction medicine fellowship subject to the total funds appropriated by this subdivision.

(c) This appropriation shall be used to prepare fellows to practice addiction medicine in rural and underserved areas of the state, and to train fellows in: diagnostic interviewing; motivational interviewing; addiction counseling; recognition and care of common acute withdrawal syndromes and complications; pharmacotherapies of addictive disorders; epidemiology and pathophysiology of addiction; identification and treatment of addictive disorders in special populations; secondary interventions; the use of screening and diagnostic instruments; inpatient care; and working within a multidisciplinary team.

Subd. 47. Unemployment Insurance Aid

158,000

158,000

For unemployment insurance aid to Tribal colleges under Minnesota Statutes, section 268.193. Of the

amount appropriated, \$24,000 each year is for administration of the unemployment insurance aid.

Subd. 48. Foster Care Grant

500,000

500,000

\$500,000 the first year and \$500,000 the second year are for a grant to the Foster Advocates Nonprofit Organization for an education support and wraparound service program that provides assistance and support to individuals who were in foster care at the age of 13 or later, and for individuals who are transitioning from foster care to adulthood, up to age 27, to improve the likelihood of completing a degree and securing a stable career. The program shall provide one-on-one mentoring, leadership development, and additional resources to support each student's education journey through high school graduation and institutions of higher education. This is a onetime appropriation.

Subd. 49. North Star Promise

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117,226,000

\$117,226,000 the second year is transferred from the general fund to the account in the special revenue fund under Minnesota Statutes, section 136A.1465, subdivision 6. The base for the transfer is \$49,500,000 in fiscal year 2026 and thereafter.

Subd. 50. North Star Promise; Administrative Costs

496,000

202,000

For administrative and promotion expenses to implement and direct the scholarship awards under Minnesota Statutes, section 136A.1465.

Subd. 51. Postsecondary Student Basic Needs Working Group

44,000

-0-

\$44,000 the first year is to administer the postsecondary student basic needs working group under article 2, section 33, and provide stipends to participants of the working group who are students. A student participant must receive a stipend, as determined by the commissioner, for each meeting the student attends. This is a onetime appropriation.

Subd. 52. Report on Minnesota State Colleges and Universities Course Placement Practices

250,000

-0-

\$250,000 the first year is for the purposes of creating a report on Minnesota State Colleges and Universities placement practice under article 2, section 34. This is a onetime appropriation.

Subd. 53. Agency Administration

6,498,000

6,724,000

The base for this appropriation is \$6,096,000 in fiscal year 2026 and each year thereafter.

Subd. 54. Balances Forward

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

Subd. 55. 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>948,896,000</u>	<u>\$</u>	<u>923,232,000</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>35,401,000</u>		<u>36,401,000</u>
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For the Office of the Chancellor and the Shared Services Division.

<u>Subd. 3. Operations and Maintenance</u>		<u>909,380,000</u>		<u>882,716,000</u>
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(a) This appropriation includes \$25,000,000 in fiscal year 2024 and \$50,000,000 in fiscal year 2025 for student tuition relief. The Board of Trustees may not set the tuition rates in any undergraduate degree-granting program for the 2023-2024 and 2024-2025 academic years at a rate greater than the 2022-2023 academic year rates. 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 2024 and 2025 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. The base for this appropriation in fiscal year 2026 and later is \$37,500,000, which must be used for student tuition relief.

(b) This appropriation includes \$50,000,000 in fiscal year 2024 for onetime campus support. The Board of Trustees must allocate this amount to all colleges and universities based upon each institution's estimated tuition revenue loss due to declines in enrollment from fiscal year 2019 to fiscal year 2023, except that no institution shall receive an allocation less than \$300,000. This is a onetime appropriation. The base for this appropriation in fiscal year 2026 and later is \$0.

(c) \$5,700,000 in fiscal year 2024 and \$5,700,000 in fiscal year 2025 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 2024 and \$4,500,000 in fiscal year 2025 are for workforce development scholarships under Minnesota Statutes, section 136F.38. The base for this appropriation is \$4,500,000 in fiscal year 2026 and each year thereafter.

(f) \$300,000 in fiscal year 2024 and \$300,000 in fiscal year 2025 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) \$40,000 in fiscal year 2024 and \$40,000 in fiscal year 2025 to implement the sexual assault policies required under Minnesota Statutes, section 135A.15.

(h) \$9,500,000 in fiscal year 2024 and \$9,500,000 in fiscal year 2025 are for enterprise-wide technology, including upgrading the Integrated Statewide Record System and maintaining enterprise-wide technology services.

(i) \$1,050,000 in fiscal year 2024 and \$1,050,000 in fiscal year 2025 are to reduce students' out-of-pocket costs by expanding free offerings in course materials and resources, including through open educational resources, open textbooks, and implementation of Z-Degrees under Minnesota Statutes, section 136F.305. The base for this appropriation in fiscal year 2026 and later is \$50,000.

(j) \$3,158,000 in fiscal year 2024 and \$3,158,000 in fiscal year 2025 are to expand student support services.

This appropriation provides funding to campuses to address basic needs insecurity, mental health, and other high-need student support services by increasing the amount of available resources to students. In addition, this funding provides systemwide resources and coordination, including electronic connections for peer support and professional clinical support for mental health. These systemwide resources must be available online 24 hours a day, seven days a week.

(k) \$6,750,000 in fiscal year 2024 and \$6,750,000 in fiscal year 2025 are for upgrades to college and university equipment and learning environments. The amount appropriated in fiscal year 2025 must be matched with cash or in-kind contributions from nonstate sources. Up to 1.5 percent of the appropriation may be used for administration of the program. This is a onetime appropriation. The base for this appropriation in fiscal year 2026 and later is \$0.

(l) \$6,750,000 in fiscal year 2024 and \$6,750,000 in fiscal year 2025 are to develop and expand industry sector programming to build capacity and support new and redesigned curricular options with an emphasis on offering students work-based learning experiences. The amount appropriated in fiscal year 2025 must be matched with cash or in-kind contributions from nonstate sources. Up to 1.5 percent of the appropriation may be used for administration of the program. This is a onetime appropriation. The base for this appropriation in fiscal year 2026 and later is \$0.

(m) \$861,000 in fiscal year 2024 and \$872,000 in fiscal year 2025 are for costs associated with the increased employer contribution rates for the higher education individual retirement account plan under Minnesota Statutes, section 354B.23, subdivision 3. The base for fiscal year 2026 is \$883,000 and for fiscal year 2027 is \$894,000.

(n) \$482,000 the first year and \$282,000 the second year are to pay the cost of supplies and equipment necessary to provide access to menstrual products for purposes of Minnesota Statutes, section 135A.1365.

(o) \$809,000 in fiscal year 2024 and \$809,000 in fiscal year 2025 are for unemployment insurance aid under Minnesota Statutes, section 268.193, to institutions within the system.

(p) \$475,000 in fiscal year 2024 is to develop a transparent pathway for current child development associate credential holders to be awarded academic credit that aligns with related academic certificate, diploma, and degree programs. Money must be used to develop curriculum at eight colleges and universities, develop training and advising tools for those institutions, and form a statewide advisory committee to advise the project development.

(q) The total operations and maintenance base for fiscal year 2026 is \$833,227,000 and for fiscal year 2027 and later is \$833,238,000.

<u>Subd. 4. 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

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>759,153,000</u>	<u>\$</u>	<u>748,889,000</u>
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Appropriations by Fund

	<u>2024</u>	<u>2025</u>
<u>General</u>	<u>756,996,000</u>	<u>746,732,000</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.

<u>Subd. 2. Operations and Maintenance</u>	<u>686,558,000</u>	<u>676,294,000</u>
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(a) \$15,000,000 in fiscal year 2024 and \$15,000,000 in fiscal year 2025 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 2024 and \$7,800,000 in fiscal year 2025 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 2024 and \$4,000,000 in fiscal year 2025 are for the Minnesota Discovery, Research, and InnoVation Economy funding program for cancer care research.

(d) \$500,000 in fiscal year 2024 and \$500,000 in fiscal year 2025 are for the University of Minnesota, Morris branch, to cover the costs of tuition waivers under Minnesota Statutes, section 137.16.

(e) \$5,000,000 in fiscal year 2024 and \$5,000,000 in fiscal year 2025 are for systemwide safety and security measures on University of Minnesota campuses. The base amount for this appropriation is \$1,000,000 in fiscal year 2026 and later.

(f) \$366,000 in fiscal year 2024 and \$366,000 in fiscal year 2025 are for unemployment insurance aid under Minnesota Statutes, section 268.193.

(g) \$10,000,000 the first year is for programs at the University of Minnesota Medical School Campus on the CentraCare Health System Campus in St. Cloud. This appropriation may be used for tuition support, a residency program, a rural health research program, a program to target scholarships to students from diverse backgrounds, and a scholarship program targeted at students who will practice in rural areas. This appropriation is available until June 30, 2027, and must be spent on the CentraCare Health System Campus in the greater St. Cloud area. This is a onetime appropriation.

(h) \$374,000 the first year and \$110,000 the second year are to pay the cost of supplies and equipment necessary to provide access to menstrual products for purposes of article 2, section 2.

(i) The total operations and maintenance base for fiscal year 2026 and later is \$672,294,000.

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, 2025, 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 Special

9,181,000

9,181,000

(1) 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. The base for this appropriation is \$7,181,000 for fiscal year 2026 and each year thereafter.

(2) \$4,000,000 in fiscal year 2024 and \$4,000,000 in fiscal year 2025 are for the Natural Resources Research Institute to invest in applied research in natural resource stewardship and economic development to attract and retain top talent; provide matching funds for federal grants; upgrade facilities, equipment, and training; and expand entrepreneurial support and outreach efforts. The base for this appropriation for fiscal year 2026 and each year thereafter is \$2,000,000. This appropriation is available until June 30, 2027.

(e) University of Minnesota and Mayo Foundation Partnership

7,991,000

7,991,000

This appropriation is for the following activities:

(1) \$7,491,000 in fiscal year 2024 and \$7,491,000 in fiscal year 2025 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 2024 and \$500,000 in fiscal year 2025 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

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>1,799,000</u>	<u>\$</u>	<u>1,799,000</u>
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The amounts that may be spent are specified in the following subdivisions.

<u>Subd. 2. 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.

<u>Subd. 3. Family Practice and Graduate Residency Program</u>	<u>1,134,000</u>	<u>1,134,000</u>
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The state must pay stipend support for up to 42 residents each year.

ARTICLE 2

HIGHER EDUCATION PROVISIONS

Section 1. [135A.121] AMERICAN INDIAN SCHOLARS.

Subdivision 1. Establishment. The American Indian Scholars program is established to provide a first-dollar tuition and fee free pathway for eligible Minnesota American Indian students to complete an undergraduate education.

Subd. 2. Eligibility. To be eligible each year for the program a student must:

(1) be enrolled in an undergraduate certificate, diploma, or degree program at the University of Minnesota or a Minnesota state college or university;

(2) be either (i) a Minnesota resident for resident tuition purposes who is an enrolled member or citizen of a federally recognized American Indian Tribe or Canadian First Nation, or (ii) an enrolled member or citizen of a Minnesota Tribal Nation, regardless of resident tuition status; and

(3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for 180 credits or the equivalent, excluding courses taken that qualify as developmental education or below college-level.

Subd. 3. **Administration.** Minnesota State Colleges and Universities must and the University of Minnesota is requested to provide a full tuition and fee waiver to a student eligible under subdivision 2. Funds appropriated with reference to this section may be used to offset the institutional costs of the waivers; fund existing waivers, scholarships, or grant programs for students eligible under subdivision 2; provide student supports for eligible students; and administer these programs.

Subd. 4. **Reports.** (a) Each institution receiving funds under this section must annually report to the commissioner of the Office of Higher Education the following:

(1) how the systems or institutions have administered, distributed, and awarded the funds;

(2) enrollment and graduation data for all eligible students, including applicants and recipients of funds; and

(3) the aggregate awarded financial aid information for all recipients of funds under this program.

(b) Using the data submitted to the office by institutions pursuant to paragraph (a), as well as other data available to the office, the office shall provide the following on its website by placing a prominent link on its website home page:

(1) information made available in a searchable database, including but not limited to persistence and completion, debt of graduates, employment and wage information, and other relevant data for each institution subject to paragraph (a); and

(2) other information and links that are useful to students and parents who are in the process of selecting a college or university.

Sec. 2. **[135A.1365] ACCESS TO MENSTRUAL PRODUCTS.**

The Board of Trustees of the Minnesota State Colleges and Universities shall, and the Board of Regents of the University of Minnesota is requested to, provide students with access to menstrual products at no charge. The products must be available in restrooms used by students. For purposes of this section, "menstrual products" means pads, tampons, or other similar products used in connection with the menstrual cycle.

Sec. 3. Minnesota Statutes 2022, section 135A.137, subdivision 2, is amended to read:

Subd. 2. **Designation approval.** ~~(a) The statewide student associations representing the state community and technical colleges and the state universities~~ student advisory council under section 136A.031 shall create an application process ~~and an award~~ for institutions applying for grant funds. The student advisory council shall review applications and ~~provide~~ make recommendations to the commissioner. The commissioner shall have final approval for the designation ~~at each state college and university, respectively~~ and the award amount.

~~(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.~~

Sec. 4. Minnesota Statutes 2022, section 135A.137, subdivision 3, is amended to read:

Subd. 3. **Competitive grant.** (a) Institutions eligible for a grant under this subdivision include public postsecondary institutions, nonprofit private 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~~ \$25,000. The maximum grant award for sustaining an institution designation is ~~\$5,000~~ \$15,000.

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

(e) No more than 20 percent of the total grant awards each fiscal year shall be for grants to nonprofit private postsecondary institutions.

Sec. 5. **[135A.161] INCLUSIVE HIGHER EDUCATION TECHNICAL ASSISTANCE CENTER.**

Subdivision 1. **Definitions.** (a) For purposes of this section and section 135A.162, the following terms have the meanings given.

(b) "Center" means the Inclusive Higher Education Technical Assistance Center.

(c) "Commissioner" means the commissioner of the Office of Higher Education.

(d) "Comprehensive transition and postsecondary program for students with intellectual disabilities" means a degree, certificate, or nondegree program that is offered by an institution of higher education for students with intellectual disabilities and approved by the United States Department of Education.

(e) "Director" means the director of the Inclusive Higher Education Technical Assistance Center.

(f) "Inclusive higher education" means institution-approved access to higher education for students with an intellectual disability that allows for the same rights, privileges, experiences, benefits, and outcomes that result from a college experience the same as a matriculating student, resulting in a meaningful credential conferred by the institution of higher education. Inclusive higher education includes:

- (1) academic access and inclusive instruction;
- (2) person-centered planning;
- (3) career development;
- (4) campus engagement;
- (5) self-determination;
- (6) paid internships and employment;
- (7) on- or off-campus living, when available to other students;
- (8) campus community clubs, events, and activity participation;
- (9) peer mentors and support; and
- (10) a degree, certificate, or nondegree credential.

(g) "National Coordinating Center" means the federally funded National Coordinating Center, as identified in United States Code, title 20, section 1140q, that provides training and technical assistance supporting evidence-based and student-centered research and practice for inclusive higher education initiatives for students with intellectual disabilities.

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

(i) "Student with an intellectual disability" means a student with an intellectual disability as defined in Code of Federal Regulations, title 34, section 668.231.

Subd. 2. **Establishment.** The commissioner must contract with the Institute on Community Integration at the University of Minnesota to establish the Inclusive Higher Education Technical Assistance Center. The purpose of the center is to increase access to self-sustaining postsecondary education options across Minnesota for students with an intellectual disability to earn meaningful credentials through degree, certificate, and nondegree initiatives leading to competitive integrated employment, genuine community membership, and more independent living. The center must:

- (1) coordinate and facilitate the statewide initiative to expand and enhance inclusive higher education opportunities;
- (2) provide expertise in inclusive higher education for students with an intellectual disability;
- (3) provide technical assistance:
 - (i) to Minnesota institutions of higher education;
 - (ii) to local education agencies; and
 - (iii) as requested by the commissioner; and
- (4) provide information to students with intellectual disabilities and their families.

Subd. 3. **Director; advisory committee.** (a) The center must name a director.

(b) The center must make hiring decisions based on the Institute on Community Integration's values of diversity and inclusion of staff with disabilities.

(c) The director must appoint an advisory committee and seek the committee's review and recommendations on broad programmatic direction. The advisory committee must be composed of 50 percent students with an intellectual disability. The remaining positions must be filled by family members, key stakeholders, and allies. The director must convene the advisory committee at least quarterly. The advisory committee shall:

(1) review and recommend inclusive higher education offerings;

(2) review and recommend updates to state policy and practice;

(3) document existing and potential funding sources; and

(4) identify obstacles and barriers to students with an intellectual disability to access inclusive higher education opportunities.

Subd. 4. **Responsibilities.** (a) The center must advise and offer technical assistance to all Minnesota institutions of higher education planning or offering an inclusive higher education initiative to operate in accordance with federal requirements, the model Program Accreditation Standards for Postsecondary Education Programs for Students with Intellectual Disabilities, and guiding principles for inclusive higher education as developed by the National Coordinating Center.

(b) The center must monitor federal and state law related to inclusive higher education and notify the governor, the legislature, and the Office of Higher Education of any change in law which may impact inclusive higher education.

(c) The center must provide technical assistance to institutions of higher education, administrators, faculty, and staff by:

(1) offering institution faculty and staff training and professional development to start, operate, or enhance their inclusive higher education initiative;

(2) providing faculty and staff with information, training, and consultation on the comprehensive transition and postsecondary program requirements, model Program Accreditation Standards for Postsecondary Education Programs for Students with Intellectual Disabilities, and guiding principles;

(3) organizing and offering learning community events, an annual inclusive higher education conference and community of practice events to share best practices, provide access to national experts, and address challenges and concerns;

(4) assisting institutions of higher education with identifying existing or potential funding sources for the institution of higher education, student financial aid, and funding for students with an intellectual disability; and

(5) advising faculty and staff with an inclusive higher education option of specific grant applications and funding opportunities.

(d) The center must disseminate information to students with an intellectual disability, their parents, and local education agencies, including but not limited to information about:

(1) postsecondary education options, services, and resources that are available at inclusive institutions of higher education;

(2) technical assistance and training provided by the center, the National Coordinating Center, and key stakeholder organizations and agencies; and

(3) mentoring, networking, and employment opportunities.

Sec. 6. [135A.162] INCLUSIVE HIGHER EDUCATION GRANTS.

Subdivision 1. Establishment. (a) The commissioner of the Office of Higher Education in collaboration with the director of the Inclusive Higher Education Technical Assistance Center must establish a competitive grant program for Minnesota institutions of higher education to develop new or enhance existing inclusive higher education initiatives to enroll or increase enrollment of students with an intellectual disability. The commissioner and director must collaborate to establish the grant program framework, including:

(1) minimum grant requirements;

(2) application format;

(3) criteria for evaluating applications;

(4) grant selection process;

(5) milestones and accountability; and

(6) reporting.

(b) The commissioner must send a description of the competitive grants, including materials describing the grant purpose and goals, an application, compliance requirements, and available funding to each institution of higher education that meets the requirements of subdivision 2, clauses (1) and (2).

Subd. 2. Eligible grantees. A public or nonprofit postsecondary two-year or four-year institution is eligible to apply for a grant under this section if the institution:

(1) is accredited by the Higher Learning Commission; and

(2) meets the eligibility requirements under section 136A.103.

Subd. 3. Application. (a) Applications must be made to the commissioner on a form developed and provided by the commissioner. The commissioner must, to the greatest extent possible, make the application form as short and simple to complete as is reasonably possible. The commissioner must establish a schedule for applications and grants. The application must include without limitation a written plan to develop or enhance a sustainable inclusive higher education initiative that:

(1) offers the necessary supports to students with an intellectual disability to access the same rights, privileges, experiences, benefits, and outcomes of a typically matriculating student;

(2) includes the development of a meaningful credential for students with an intellectual disability to attain upon successful completion of the student's postsecondary education;

(3) adopts admission standards that do not require a student with an intellectual disability to complete a curriculum-based, achievement college entrance exam that is administered nationwide;

(4) ensures that students with an intellectual disability:

(i) have access and choice in a wide array of academic courses to enroll in for credit or audit that align with the student's interest areas and are attended by students without disabilities;

(ii) have the option to live on or off campus in housing that is available to typically matriculating students;

(iii) have access and support for genuine membership in campus life, including events, social activities and organizations, institution facilities, and technology; and

(iv) are able to access and utilize campus resources available to typical matriculating students;

(5) provides students with an intellectual disability with the supports and experiences necessary to seek and sustain competitive integrated employment;

(6) develops and promotes the self-determination skills of students with an intellectual disability;

(7) utilizes peer mentors who support enrolled students with an intellectual disability in academic, campus engagement, residence life, employment, and campus clubs and organizations;

(8) provides professional development and resources for university professors and instructors to utilize universal design for learning and differentiated instruction that supports and benefits all students; and

(9) presents a ten-year plan including student enrollment projections for sustainability of an initiative that is financially accessible and equitable for all interested students with an intellectual disability.

(b) Eligible institutions of higher education may apply for funding in subsequent years for up to a total of ten years of funding.

(c) Receipt of grant funds does not preclude nor replace the provision of accommodation for enrolled students with disabilities.

Subd. 4. **Grant account.** An inclusive higher education grant 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 grants under this section. The commissioner may use up to five percent of the amount deposited into the account for the administration of this section.

Subd. 5. **Grant awards.** (a) The commissioner must award grants to eligible institutions of higher education on a competitive basis using criteria established in collaboration with the center. The commissioner must consider and prioritize applicants that have submitted for or received a comprehensive transition and postsecondary program designation, or applicants with documented progress or intent toward submitting for federal approval. An eligible institution of higher education may apply annually for and receive up to \$200,000 per year for four years and \$100,000 in subsequent years pending performance and the funding limitation in subdivision 3, paragraph (b).

(b) A grant recipient must:

(1) adopt the model Program Accreditation Standards for Postsecondary Education Programs for Students with Intellectual Disabilities and the inclusive higher education guiding principles as developed by the National Coordinating Center;

(2) provide a 25 percent match for the grant funds, either monetary or in-kind; and

(3) collaborate with the Office of Higher Education, the center, and key stakeholders in the development of the inclusive higher education initiative.

Subd. 6. **Grantee reporting.** By August 1 and January 1 following a fiscal year in which a grant was received and for five years thereafter, the grantee must submit a report to the director that includes the status and outcomes of the initiative funded. The report must include performance indicators and information deemed relevant by the director and commissioner. The report must include the following performance indicators:

- (1) student recruitment and number of students enrolled;
- (2) student retainment effort and retention rate;
- (3) initiative goals and outcomes;
- (4) student attainment rate;
- (5) graduated student employment rates and salary levels at year one and year five after completion;
and
- (6) additional performance indicators or information established under subdivision 1, paragraph (a), clauses (5) and (6).

Subd. 7. **Reporting.** The director must evaluate the development and implementation of the Minnesota inclusive higher education initiatives receiving a grant under this section. The director must submit an annual report by October 1 on the progress to expand Minnesota inclusive higher education options for students with intellectual disabilities to the commissioner and chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance. The report must include statutory and budget recommendations.

EFFECTIVE DATE. This section is effective July 1, 2023, except that the reporting requirements under subdivision 7 are effective July 1, 2024.

Sec. 7. Minnesota Statutes 2022, section 136A.031, subdivision 3, is amended to read:

Subd. 3. **Student Advisory Council.** (a) A Student Advisory Council (SAC) to the office is established. The members of SAC shall include: the chair of the University of Minnesota student senate; the state chair of the Minnesota State University Student Association; the president of the Minnesota State College Student Association and an officer of the Minnesota State College Student Association, one in a community college course of study and one in a technical college course of study; a student who is enrolled in a private nonprofit postsecondary institution, to be elected by students enrolled in Minnesota Private College Council institutions; a student who is enrolled in a private career school, to be elected by students enrolled in Minnesota private career schools; and a student who is enrolled in a Minnesota tribal college to be elected by students enrolled in Minnesota tribal colleges. If students from the private career schools or tribal colleges do not elect a representative, the commissioner must appoint a student representative. If students from the Minnesota Private College Council institutions do not elect a representative, the Minnesota Private College Council must appoint the private nonprofit representative. A member may be represented by a student designee who attends an institution from the same system that the absent member represents. The SAC shall select one of its members to serve as chair.

(b) The office shall inform the SAC of all matters related to student issues under consideration. The SAC shall report to the office quarterly and at other times that the SAC considers desirable. The SAC shall determine its meeting times, but it shall also meet with the office within 30 days after the commissioner's request for a meeting.

(c) The SAC shall:

- (1) bring to the attention of the office any matter that the SAC believes needs the attention of the office;
- (2) fulfill the requirements under section 135A.137, subdivision 2;
- (3) make recommendations to the office as it finds appropriate; and
- ~~(3)~~ (4) approve student appointments by the office for each advisory group as provided in subdivision 4.

Sec. 8. Minnesota Statutes 2022, 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 79 percent of the parental contribution. If the parental contribution is less than \$0, the assigned family responsibility is 100 percent of the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is 71 percent of the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 35 percent of the student contribution. If the student contribution is less than \$0, the assigned family responsibility is 100 percent of the student contribution. For a student registering for less than full time, the office shall prorate the assigned family responsibility using the ratio of the number of credits the student is enrolled in to the number of credits for full-time enrollment.

Sec. 9. Minnesota Statutes 2022, section 136A.101, subdivision 7, is amended to read:

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

Sec. 10. Minnesota Statutes 2022, 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 ~~109~~ 115 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~~ using the ratio of the number of credits the student is enrolled in to the number of credits for full-time enrollment.

(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. 11. Minnesota Statutes 2022, 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~~ previously has received a state grant award for 180 credits 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. 12. Minnesota Statutes 2022, section 136A.121, subdivision 13, is amended to read:

Subd. 13. **Deadline.** The deadline for the office to accept applications for state grants for a term is ~~30 days after the start of that term~~ June 30 of the fiscal year for which the student applies for a grant.

Sec. 13. Minnesota Statutes 2022, section 136A.121, subdivision 19, is amended to read:

Subd. 19. **Reporting.** By November 1 and February 15, the office must provide, to the committees of the legislature with jurisdiction over higher education finance and policy, updated ~~state grant~~ spending projections for the state grant and the North Star Promise, taking into account the most current and projected enrollment and tuition and fee information, economic conditions, and other relevant factors. Before submitting state grant spending projections, the office must meet and consult with representatives of public and private postsecondary institutions, the Department of Management and Budget, the Governor's Office, legislative staff, and financial aid administrators.

Sec. 14. Minnesota Statutes 2022, section 136A.1241, subdivision 5, is amended to read:

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~~ accounting for:

- (1) the ~~student aid index as calculated by~~ results of 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.

Sec. 15. Minnesota Statutes 2022, section 136A.125, subdivision 4, is amended to read:

Subd. 4. **Amount and length of grants.** (a) The maximum award to the applicant shall be \$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.

(b) Applicants with ~~expected family~~ contributions at or below the qualifying ~~expected family~~ contribution as determined by the federal need analysis for the federal Pell Grant, as determined by the commissioner, qualify for the maximum award. Applicants with ~~expected family~~ contributions as determined by the federal need analysis exceeding that threshold but less than 200 percent of the qualifying ~~expected family~~ contribution receive an amount proportional to their ~~expected family~~ contribution as determined by the commissioner.

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

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

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

(3) multiplied by the 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.

(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. 16. [136A.1251] STUDENT-PARENT SUPPORT INITIATIVE.

Subdivision 1. Grants. (a) To address the needs and support the educational goals of expectant and parenting college students across Minnesota, the commissioner shall award grants and provide support services to institutions and partnering entities that assist expectant parents and parents or legal guardians of young children. Grants shall be awarded to postsecondary institutions, professional organizations, community-based organizations, or other applicants deemed appropriate by the commissioner. Grants must be used to offer services to support the academic goals, health, and well-being of student parents. Services and costs eligible for grant funding include but are not limited to:

(1) program development costs;

(2) costs related to the start-up of on-campus child care;

(3) evaluation and data collection; and

(4) direct assistance to student parents including:

(i) scholarships;

(ii) basic needs support; and

(iii) expenses related to child care.

(b) Postsecondary institutions may act as the fiscal agents in partnership with a local nongovernmental agency, child care center, or other organization that serves student parents.

Subd. 2. Application process. The commissioner shall develop a grant application process. The commissioner shall support projects in a manner that attempts to ensure eligible students throughout the state have access to program services.

Subd. 3. Postsecondary institution reporting. Each postsecondary institution shall allow students to identify whether the student is a parent, a legal guardian, acting as a parent, or an expectant parent on an annual basis on a form used to collect demographic data from students. The postsecondary institution shall provide the information to the commissioner annually on a date and in a manner prescribed by the commissioner.

Subd. 4. **Health-related supports.** The commissioner, in partnership with the Department of Health, shall provide health-related supports. Activities for health-related supports include:

(1) ensuring programs, services, and materials are medically accurate, age appropriate, culturally and linguistically appropriate, and inclusive of all populations;

(2) working with community health care providers and other service support organizations that serve the target population for this program; and

(3) providing technical assistance and training for institutional parent support center staff on how to conduct screenings and referrals for the health concerns of student parents, including alcohol misuse, substance use disorders, depression, anxiety, intimate partner violence, tobacco and nicotine, and other health concerns.

Subd. 5. **Report and evaluation.** By August 1 of each odd-numbered year, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance regarding the grant recipients and their activities. The report shall include information about the students served, the organizations providing services, program activities, program goals, and outcomes.

Sec. 17. Minnesota Statutes 2022, 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~~ accounting for:

- (1) the ~~expected family contribution as calculated by~~ results of 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 academic year;
- (2) the maximum award for a graduate student is \$6,000 per academic year; and
- (3) the minimum award for all students is \$100 per 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. 18. Minnesota Statutes 2022, section 136A.1312, is amended to read:

136A.1312 FINANCIAL AID ADMINISTRATOR, PROFESSIONAL JUDGMENT.

Nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of student financial aid administrators, on the basis of adequate documentation, to ~~make necessary adjustments to the cost of attendance and expected family contribution computations~~ adjust a student's dependency status or elements of a student's cost of attendance for federal needs analysis calculation to allow for treatment of individual students with special circumstances, with the exception of the cost of attendance defined under section 136A.121, subdivision 6. In addition, nothing in this chapter or in the office's rules shall be interpreted as limiting the ability of the student financial aid administrator to use supplementary information about the financial status of eligible applicants with special circumstances in selecting recipients of state financial aid and determining the amount of awards. Nothing in this section precludes a financial aid administrator from establishing an appeals process for other extenuating circumstances.

Sec. 19. **[136A.1465] NORTH STAR PROMISE.**

Subdivision 1. **Definitions.** The following terms have the meanings given:

(1) "eligible student" means a resident student under section 136A.101, subdivision 8, who is enrolled in any public postsecondary educational institution or Tribal college;

(2) "gift aid" means all financial aid designated for the student's educational expenses, including a grant, scholarship, tuition waiver, fellowship stipend, or other third-party payment, that is not a loan or pursuant to a work-study program;

(3) "office" means the Office of Higher Education;

(4) "public postsecondary educational institution" means an institution operated by this state, the Board of Regents of the University of Minnesota, or a Tribal college;

(5) "scholarship" means funds to pay 100 percent of tuition and fees remaining after deducting grants and other scholarships;

(6) "Tribal college" means a college defined in section 136A.1796, subdivision 1, paragraph (c); and

(7) "tuition and fees" means the actual tuition and fees charged by an institution.

Subd. 2. **Conditions for eligibility.** A scholarship may be awarded to an eligible student who:

(1) has completed the Free Application for Federal Student Aid (FAFSA) or the state aid application;

(2) has a family adjusted gross income below \$80,000;

(3) has not earned a baccalaureate degree at the time the scholarship is awarded;

(4) is enrolled in at least one credit per fall, spring, or summer semester; and

(5) is meeting satisfactory academic progress as defined in section 136A.101, subdivision 10.

Subd. 3. **Scholarship.** (a) Beginning in the 2024-2025 academic year, scholarships shall be awarded to eligible students in an amount not to exceed 100 percent of tuition and fees after grants and other scholarships are deducted.

(b) For the 2024-2025, 2025-2026, and 2026-2027 academic years, if funds remain after scholarships are awarded under paragraph (a), grants shall be awarded to eligible students in an amount equal to 100 percent of tuition and fees plus, subject to available funds, up to 50 percent of the amount of a Pell grant the student would receive based on household size, family adjusted gross income, and results of the federal needs analysis after other gift aid is deducted. The commissioner may adjust the grant amount based on the availability of funds.

Subd. 3a. **Maintain current levels of institutional assistance.** (a) Commencing with the 2024-2025 academic year, a public postsecondary educational institution shall not reduce the institutional gift aid offered or awarded to a student who is eligible to receive funds under this program unless the student's gift aid exceeds the student's annual cost of attendance.

(b) The public postsecondary educational institution may reduce the institutional gift aid offer of a student who is eligible to receive funds under this program by no more than the amount of the student's gift aid that is in excess of the student's annual cost of attendance.

(c) The public postsecondary educational institution shall not consider receipt or anticipated receipt of funds under this program when considering a student for qualification for institutional gift aid.

(d) To ensure financial aid is maximized, a public postsecondary educational institution is encouraged to implement efforts to avoid scholarship displacement through consultation with the Office of Higher Education and students to avoid situations where institutional gift aid can only be used for specific purposes.

Subd. 4. **Duration of scholarship authorized; scholarship paid to institution.** (a) Each scholarship is for a period of one semester. A scholarship may be renewed provided that the eligible student continues to meet the conditions of eligibility.

(b) Scholarships may be provided to an eligible student for up to 60 credits for the completion of a certificate or an associate degree and up to 120 credits for the completion of a bachelor's degree. The maximum credits for which a student is eligible is a total of 120 credits.

(c) The commissioner shall determine a time frame by which the eligible student must complete the credential.

(d) The scholarship must be paid directly to the eligible institution where the student is enrolled.

Subd. 5. **Termination of scholarship authorized.** A scholarship is terminated upon occurrence of:

(1) failure to meet satisfactory academic progress as defined in section 136A.101, subdivision 10; or

(2) substantial noncompliance by the eligible student with the requirements of the program.

Subd. 5a. **Institutions administering certain financial aid programs.** Public postsecondary institutions and Tribal colleges administering institutional financial aid programs for students with a family adjusted

gross income below \$80,000 that provide student awards for up to or more than 100 percent of tuition, 100 percent of tuition and fees, or 100 percent of the cost of attendance, shall provide the Office of Higher Education with student level data on the recipients of those awards and the program funds awarded per term. The information under this subdivision is necessary for the office to accurately complete reporting requirements under Minnesota Statutes, section 136A.121, subdivision 19.

Subd. 6. **Account established; appropriation.** An account is created in the special revenue fund for receiving money to provide scholarship awards. Money deposited in the account is appropriated to the commissioner of the Office of Higher Education for scholarship awards.

Subd. 7. **Office administration.** The office is authorized to administer the program. If funds are insufficient, the office shall determine the scholarship amount or number of scholarships awarded. If a student withdraws or is no longer enrolled during a semester in which a scholarship was awarded, the office may determine how this will affect the scholarship.

Subd. 8. **Report.** The commissioner of higher education shall submit a preliminary report by September 1, 2025, and an annual report beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of the program, including the:

(1) status of the scholarship fund; and

(2) North Star Promise participation data aggregated for each eligible institution to show the:

(i) number of eligible students who received scholarships in the prior academic year;

(ii) average and total award amounts;

(iii) summary demographic data on award recipients;

(iv) total number of students enrolled in eligible institutions in the prior academic year;

(v) retention rates of participating students; and

(vi) number of eligible students who graduated with a degree and, for each eligible student, the number of consecutive semesters and nonconsecutive semesters attended prior to graduation.

EFFECTIVE DATE. This section is effective July 1, 2024.

Sec. 20. Minnesota Statutes 2022, section 136A.1791, subdivision 3a, is amended to read:

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; To the extent that funds are available, eligibility extends to teachers who teach in a rural school district; or teach in a license shortage area.

Sec. 21. Minnesota Statutes 2022, 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 competency standard for which training will be provided;
- (3) the credential the employee will receive upon completion of training;
- (4) the name and address of the eligible training provider;
- (5) the period of the training; and
- (6) the cost of the training charged by the eligible training provider. The cost of training includes tuition, fees, and required and recommended 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. 22. Minnesota Statutes 2022, section 136A.246, subdivision 5, is amended to read:

Subd. 5. **Grant criteria.** (a) The commissioner shall 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.

(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~~ dual-training pipeline program;
- (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;
- (7) projected increases in compensation for employees receiving the training; ~~and~~
- (8) the amount of employer training cost match, if required, on both a per employee and aggregate basis; and
- (9) the employer's demonstrated ability to recruit, train, and retain employees who are employees of color, American Indian employees, and employees with disabilities.

Sec. 23. Minnesota Statutes 2022, 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 provider's charge for the eligible training to the provider~~ cost of training. 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. 24. Minnesota Statutes 2022, section 136A.246, subdivision 8, is amended to read:

Subd. 8. **Grant amounts.** (a) The maximum grant for an application for the cost of training is \$150,000. The maximum grant for an application for trainee support is ten percent of the grant amount for the cost of training. The maximum total grant per application is \$165,000. A grant may not exceed \$6,000 per year for a maximum of ~~four years~~ \$24,000 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. **[136A.84] DIRECT ADMISSIONS PROGRAM.**

Subdivision 1. **Authorization.** The commissioner shall administer the direct admissions program in consultation with stakeholders, including Minnesota State Colleges and Universities, the University of Minnesota, the Student Advisory Council under section 136A.031, the Minnesota Department of Education, the Minnesota Association of Secondary School Principals, and the Minnesota School Board Association, to automatically offer conditional admission into an eligible public or nonprofit institution as defined under section 136A.103, paragraph (a), located in Minnesota, to Minnesota 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. **Implementation.** The 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 program must 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. The office shall attempt to achieve statewide representation and may prioritize program participants to include high schools with a significant number of students of color, low-income students, or both.

Subd. 3. **Information.** The commissioner shall provide information about the Minnesota state grant program and the North Star Promise and encourage students to determine their eligibility for financial aid based on FAFSA and state financial aid application completion.

Subd. 4. **Report.** Annually, by February 1, the Office of Higher Education shall report to 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 implementation, recommendations, and outcomes.

Sec. 26. Minnesota Statutes 2022, section 136F.04, subdivision 1, is amended to read:

Subdivision 1. **Responsibility.** ~~Notwithstanding section 136F.03,~~ The State University Student Association and the State College Student Association shall each have the responsibility for recruiting, screening, and recommending qualified candidates for their student members of the board.

Sec. 27. Minnesota Statutes 2022, 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; (6) transportation; ~~or~~ (7) construction; (8) education; (9) public safety; or (10) 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. 28. Minnesota Statutes 2022, section 175.45, subdivision 1, is amended to read:

Subdivision 1. **Duties; goal.** The commissioner of labor and industry shall convene industry representatives, identify occupational competency standards, and provide technical assistance to develop dual-training programs. The competency standards shall be identified for employment in occupations in advanced manufacturing, health care services, information technology, ~~and~~ agriculture, transportation, and child care. Competency standards are not rules and are exempt from the rulemaking provisions of chapter 14, and the provisions in section 14.386 concerning exempt rules do not apply.

Sec. 29. **[268.193] POSTSECONDARY UNEMPLOYMENT INSURANCE AID.**

Subdivision 1. **Postsecondary institutions.** For the purposes of this section, "eligible postsecondary institution" means:

(1) the University of Minnesota;

(2) a postsecondary institution governed by the Board of Trustees of the Minnesota State Colleges and Universities; or

(3) a Tribal college, which includes Leech Lake Tribal College, White Earth Tribal College, or Red Lake Nation Tribal College.

Subd. 2. **Unemployment insurance aid.** Eligible postsecondary institutions are eligible to receive unemployment insurance aid under this section. For each fiscal year, an eligible entity's aid is the difference between fiscal year 2022's unemployment insurance costs and the current year's unemployment insurance costs, as reflected in the unemployment insurance employer accounts maintained by the state. If the total eligible unemployment insurance aid for a fiscal year is greater than the annual appropriation for that year, the Board of Trustees of the Minnesota State Colleges and Universities or the commissioner of the Office of Higher Education, as applicable, must proportionately reduce the aid payment to each eligible entity.

EFFECTIVE DATE. This section is effective for aid beginning in fiscal year 2024.

Sec. 30. Minnesota Statutes 2022, section 354B.23, subdivision 3, is amended to read:

Subd. 3. **Employer contribution rate.** The employer contribution rate on behalf of participants in the individual retirement account plan is ~~six~~ 8.75 percent of salary.

EFFECTIVE DATE. This section is effective the day following final enactment and applies at the beginning of the next full pay period.

Sec. 31. **PARAMEDIC SCHOLARSHIP PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education shall establish a program to provide up to 600 scholarships to students entering paramedic programs by 2026.

Subd. 2. **Eligible students.** (a) To be eligible for a scholarship under this section, a student must:

(1) apply in the form and manner specified by the commissioner;

(2) be a resident student, as defined by Minnesota Statutes, section 136A.101, subdivision 8;

(3) attend an eligible institution, as defined by Minnesota Statutes, section 136A.101, subdivision 4;

(4) be enrolled in a nationally accredited, degree- or diploma-awarding paramedic program at that institution; and

(5) submit to the commissioner a completed affidavit, prescribed by the commissioner, affirming the student's intent to work as a paramedic in Minnesota after graduation.

(b) An eligible student may receive a scholarship under this section no more than two times.

Subd. 3. **Administration; award amount.** (a) The commissioner must establish an application process and other guidelines for implementing the paramedic scholarship program. The first set of scholarships must be awarded for the 2024-2025 academic year.

(b) The amount of a scholarship awarded under this section is \$5,000. The scholarship must be paid in a lump sum directly to the institution where the recipient is enrolled.

Subd. 4. **Reporting.** By February 1, 2025, and again by February 1, 2026, the commissioner must submit a report on the program to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education finance and policy. The report must include the following information and any other information the commissioner considers relevant:

(1) information about all postsecondary programs giving rise to eligibility for a scholarship under this section, including the programs' locations, costs, enrollment capacities, acceptance rates, and other relevant information;

(2) available data on the current and forecasted demand for paramedics in Minnesota; and

(3) the total number of scholarships issued, disaggregated by:

(i) year of award;

(ii) postsecondary institution attended; and

(iii) relevant and available demographic data about award recipients.

Subd. 5. **Expiration.** This section expires June 30, 2026.

Sec. 32. UNEMPLOYMENT INSURANCE AID REPORTS.

By January 15 of each year, the Board of Regents of the University of Minnesota, the Board of Trustees of the Minnesota State Colleges and Universities, and the Office of Higher Education, in consultation with the Department of Employment and Economic Development, must each report to the higher education committees of the legislature the balances in unemployment insurance aid accounts and information about the annual changes in reimbursable costs for higher education workers receiving unemployment insurance benefits. To the extent possible, the report must break out the costs by campus and major job classes. The report must be filed according to Minnesota Statutes, section 3.195.

Sec. 33. POSTSECONDARY STUDENT BASIC NEEDS WORKING GROUP; REPORT.

Subdivision 1. **Direction.** By September 1, 2023, the commissioner of the Office of Higher Education shall convene a working group on postsecondary student basic needs. The commissioner shall invite representatives from Minnesota State Colleges and Universities, the University of Minnesota, nonprofit private colleges, Tribal colleges and universities, student organizations, faculty and staff bargaining units, state agencies, and other interested parties as determined by the commissioner to participate in the working group. The working group sunsets on September 1, 2026.

Subd. 2. **Duties.** The working group must review, assess, and make specific recommendations on strategies to meet the basic needs of higher education students. The report must include a comprehensive plan on how to identify, assess, and support students who are experiencing housing and food insecurity. The report may also include proposals for substantive and technical amendments to Minnesota Statutes, chapters 135A to 137, and any other laws that relate to higher education. The working group may also make specific recommendations with regard to policy changes for the Office of Higher Education and postsecondary institutions.

Subd. 3. **Report to legislature.** The commissioner of higher education shall submit a report detailing the working group's findings and recommendations to the chairs and ranking minority members of the legislative committees having jurisdiction over higher education policy and finance by September 1, 2024.

Sec. 34. REPORT ON MINNESOTA STATE COLLEGES AND UNIVERSITIES COURSE PLACEMENT PRACTICES.

Subdivision 1. **Review.** (a) The Office of Higher Education shall document, review, and analyze college admission and course placement policies, practices, and assessments used by the Minnesota State Colleges and Universities system. The review shall seek to determine if policies, practices, and assessments used have:

(1) adverse consequences for a student and their family, including burdensome economic and related costs of delaying their degree plans;

(2) hindered the participation of students;

(3) hindered the placement, retention, or timely college graduation of students; and

(4) excluded students from admission thereby hindering their full participation in higher education.

(b) The review must consider impacts for various student communities, including but not limited to Indigenous students, English as a second language (ESL) students, and students of color.

Subd. 2. **Determination.** Utilizing the review conducted under subdivision 1, the commissioner shall determine whether:

(1) students, including Indigenous students, ESL students, and students of color, are:

(i) denied admission;

(ii) disproportionately assigned to enroll in developmental courses; or

(iii) delayed or deterred in their educational progress; and

(2) policies, practices, and instruments:

(i) are disproportionately reliant on test scores;

(ii) impose barriers for students in terms of enrollment, retention, and completion; and

(iii) may be culturally biased.

Subd. 3. **Recommendation.** The commissioner shall recommend changes based on the information obtained in subdivisions 1 and 2 to existing measures, instruments, and placement practices. By February 1, 2024, the commissioner shall provide a preliminary report and by February 1, 2025, report the recommendations and findings to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education. The commissioner shall seek external advice and expertise to address the above reviews, determinations, findings, and recommendations.

Sec. 35. **REPEALER.**

Minnesota Statutes 2022, section 136F.03, is repealed.

Presented to the governor May 23, 2023

Signed by the governor May 24, 2023, 9:00 a.m.