

CHAPTER 116--H.F.No. 4252

An act relating to higher education; modifying student aid reporting requirements; limiting use of student fees for maintaining certain athletic facilities; permitting lease of land for Rochester Community and Technical College; modifying American Indian Scholars program eligibility; modifying provisions related to private career schools; modifying provisions related to private and out-of-state public postsecondary institutions; expanding eligibility for paid blood donation leave to include employees of the Minnesota State Colleges and Universities; requiring postsecondary institutions to provide priority registration for pregnant and parenting students; requiring reports; appropriating money; amending Minnesota Statutes 2024, sections 43A.187; 135A.121, subdivision 2; 136A.053; 136A.091, subdivisions 2, 9; 136A.121, subdivision 2; 136A.1215, subdivision 5; 136A.1241, subdivision 8; 136A.125, subdivision 2; 136A.1274, subdivision 4; 136A.1275, subdivision 4; 136A.1465, subdivision 10; 136A.233, subdivision 3; 136A.62, by adding a subdivision; 136A.64, subdivisions 1, 5; 136A.65, subdivision 8; 136A.653, subdivisions 1b, 3a; 136A.672, subdivision 5; 136A.675, subdivision 1, by adding a subdivision; 136A.821, subdivisions 13, 16, 17; 136A.822, subdivisions 4, 10, 12, by adding a subdivision; 136A.823, subdivisions 1, 3; 136A.826, subdivision 1; 136A.827, subdivisions 1, 4; 136A.828, subdivision 6; 136A.829, subdivisions 1, 3, as amended; 136A.8295, subdivision 5; 136A.83; 136G.03, subdivisions 30, 31, by adding a subdivision; 136G.05, subdivision 10; 136G.13, by adding a subdivision; 137.39, by adding a subdivision; 268.193, subdivision 2; Minnesota Statutes 2025 Supplement, sections 135A.1582, subdivisions 1, 2, 3; 136A.246, subdivision 1a; 136A.69, subdivision 1; 136A.82, subdivision 1; 136A.821, subdivisions 5, 21; 136A.822, subdivisions 6, 8, 13; 136A.824, subdivisions 1, 2; 136A.833, subdivisions 1, 2; Laws 2025, First Special Session chapter 5, article 1, section 3, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; repealing Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827, subdivisions 1b, 2; 136A.834, subdivisions 2, 3, 4; 136G.03, subdivision 11; 136G.09, subdivision 10; Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1, 5.

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

Section 1. Minnesota Statutes 2024, section 43A.187, is amended to read:

43A.187 BLOOD DONATION LEAVE.

A state employee must be granted leave from work with 100 percent of pay to donate blood at a location away from the place of work. The total amount of leave used under this section may not exceed three hours in a 12-month period, and must be determined by the employee. A state employee seeking leave from work under this section must provide 14 days' notice to the appointing authority. This leave must not affect the employee's vacation leave, pension, compensatory time, personal vacation days, sick leave, earned overtime accumulation, or cause a loss of seniority. ~~For the purposes of this section, "state employee" does not include an employee of the Minnesota State Colleges and Universities.~~

Sec. 2. [135A.0435] ATHLETIC FEES.

The Board of Trustees of the Minnesota State Colleges and Universities must not impose or maintain any mandatory student fee or increase tuition for the purpose of maintaining competitive athletic facilities. The Board of Regents of the University of Minnesota is requested to consider adoption of a policy consistent

with this section. Nothing in this section prohibits the imposition of a mandatory fee or tuition increase for the purpose of maintaining athletic facilities used solely or primarily for recreation by the general student body.

Sec. 3. **[135A.082] DEVELOPMENTAL COURSES.**

(a) For purposes of this section, "developmental course" means a postsecondary course taken to prepare a student for college-level work that the postsecondary institution does not grant credit for and that cannot be used to meet degree, diploma, or certificate requirements.

(b) A public postsecondary institution that receives financial aid on behalf of students under section 136A.121 must, before a student enrolls in a developmental course: (1) provide the student with a clear, written explanation regarding the difference between a developmental course and a course that provides credits that count toward graduation; and (2) require the student to sign a written acknowledgment that the student understands the difference.

Sec. 4. Minnesota Statutes 2024, section 135A.121, subdivision 2, is amended to read:

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 student eligible for a resident for resident tuition purposes tuition rate 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;

(3) have not (i) obtained a baccalaureate degree, or (ii) been enrolled for 12 semesters or the equivalent, excluding courses taken that qualify as developmental education or below college-level; and

(4) meet satisfactory academic progress as defined under section 136A.101, subdivision 10.

Sec. 5. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 1, is amended to read:

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

(b) "Parenting student" means a student enrolled at a public college or university postsecondary institution who is the parent or legal guardian of or can claim as a dependent a child under the age of 18.

(c) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.

~~(e)~~ (d) "Pregnancy or related conditions" has the meaning given in Code of Federal Regulations, title 34, section 106.2.

~~(d) "Postsecondary institution" means an institution governed by the Board of Trustees of the Minnesota State Colleges and Universities or a private postsecondary institution that offers in-person courses on a campus located in Minnesota and is an eligible institution as defined in section 136A.103. Institutions governed by the Board of Regents of the University of Minnesota are requested to comply with this section.~~

(e) "Priority registration" means an opportunity to register for courses before the opening of general registration for the majority of undergraduate students.

Sec. 6. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 2, is amended to read:

Subd. 2. **Rights and protections.** (a) A postsecondary institution may not require and the University of Minnesota is requested not to require a pregnant or parenting student, solely because of the student's status as a pregnant or parenting student or due to issues related to the student's pregnancy or parenting, to:

- (1) take a leave of absence or withdraw from the student's degree or certificate program;
- (2) limit the student's studies;
- (3) participate in an alternative program;
- (4) change the student's major, degree, or certificate program; or

(5) refrain from joining or cease participating in any course, activity, or program at the ~~college or university~~ postsecondary institution.

(b) A postsecondary institution shall provide and the University of Minnesota is requested to provide reasonable modifications to a pregnant student, including modifications that:

- (1) would be provided to a student with a temporary medical condition; or
- (2) are related to the health and safety of the student and the student's unborn child, such as allowing the student to maintain a safe distance from substances, areas, and activities known to be hazardous to pregnant women or unborn children.

(c) A postsecondary institution must and the University of Minnesota is requested to, for reasons related to a student's pregnancy, childbirth, or any resulting medical status or condition:

(1) excuse the student's absence for a reasonable period of time as determined to be medically necessary by a student's treating health care provider insofar as to not compromise the fundamental outcomes of the academic course, program, or activity. If the postsecondary institution has a student medical leave or student temporary disability policy that provides a longer period of leave, the policy must be made available to students affected by pregnancy and related conditions;

(2) allow the student to make up missed assignments or assessments;

(3) allow the student additional time to complete assignments in the same manner as the institution allows for a student with a temporary medical condition; ~~and~~

(4) provide the student with access to instructional materials and video recordings of lectures for classes for which the student has an excused absence under this section to the same extent that instructional materials and video recordings of lectures are made available to any other student with an excused absence; ~~and~~

(5) ensure the benefits and services provided to students affected by pregnancy are no less than those provided to students with temporary medical conditions.

(d) A postsecondary institution must and the University of Minnesota is requested to allow a pregnant or parenting student to:

(1) take a leave of absence for a reasonable period of time as determined to be medically necessary by a student's treating health care provider or the health care provider of the parenting student's child insofar as to not compromise the fundamental outcomes of the academic course, program, or activity. If the postsecondary institution has a student medical leave or student temporary disability policy that provides a longer period of leave, the policy must be made available to students affected by pregnancy and related conditions and to parenting students; and

(2) if in good academic standing at the time the student takes a leave of absence, return to the student's degree or certificate program in good academic standing without being required to reapply for admission; and

(3) obtain reasonable modifications, including an excused absence for parenting students to attend to their child's health care needs, unless the modification would compromise the fundamental outcomes of the academic course, program, or activity.

(e) If a postsecondary institution provides early registration for courses or programs at the institution for any group of students, the institution must provide and the University of Minnesota is requested to provide early registration for those courses or programs for pregnant or parenting students in the same manner. Priority registration for parenting students shall include the following considerations:

(1) automatically assign eligible pregnant and parenting students a registration window time that occurs no later than the earliest undergraduate registration period offered;

(2) ensure that priority registration is granted without a separate petition, discretionary approval, or case-by-case determination beyond verification of parenting status;

(3) annual notification provided to all enrolled students describing the rights and protections afforded to pregnant and parenting students;

(4) provide notification of the priority registration process to each student who self-identifies as a pregnant or parenting student; and

(5) publish information regarding programs, services, and student rights specific to parenting students on the postsecondary institution's website.

(f) Postsecondary institutions must adopt policies and procedures to implement this subdivision. The Board of Regents of the University of Minnesota is requested to comply with this subdivision.

Sec. 7. Minnesota Statutes 2025 Supplement, section 135A.1582, subdivision 3, is amended to read:

Subd. 3. **Policy on discrimination.** Each postsecondary institution must adopt and the University of Minnesota is requested to adopt a policy for students on pregnancy and parenting discrimination. The policy must:

(1) include the contact information of the Title IX coordinator who is the designated point of contact for a student requesting each protection or modification under this section. Contact information must include the Title IX coordinator's name, phone number, email, and office;

(2) be posted in an easily accessible, straightforward format on the ~~college or university's~~ postsecondary institution's website; and

(3) be made available annually to faculty, staff, and employees of the ~~college or university~~ postsecondary institution.

Sec. 8. Minnesota Statutes 2024, section 136A.053, is amended to read:

136A.053 CONSOLIDATED STUDENT AID REPORTING.

(a) The commissioner of the Office of Higher Education shall report annually beginning February 15, 2026, to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education, on the details of programs administered under sections 136A.091 to 136A.1276, 136A.121, 136A.1215, 136A.1241, 136A.125, 136A.126, 136A.1274, 136A.1275, 136A.1465, and 136A.231 to 136A.246 136A.233, including the:

- (1) total funds appropriated and expended;
- (2) total number of students applying for funds;
- (3) total number of students receiving funds;
- (4) average and total award amounts;
- (5) summary demographic data on award recipients;
- (6) retention rates of award recipients;
- (7) completion rates of award recipients;
- (8) average cumulative debt at exit or graduation; and
- (9) average time to completion.

(b) Data must be disaggregated by aid program, institution, aid year, race and ethnicity, gender, income, socioeconomic status, family type, dependency status, and any other factors determined to be relevant by the commissioner, as available. The commissioner must report any additional data and outcomes relevant to the evaluation of programs administered under sections 136A.091 to 136A.1276, 136A.121, 136A.1215, 136A.1241, 136A.125, 136A.126, 136A.1274, 136A.1275, 136A.1465, and 136A.231 to 136A.246 136A.233 as evidenced by activities funded under each program.

Sec. 9. Minnesota Statutes 2024, section 136A.091, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible for a program stipend, a student shall:

- (1) be a resident of Minnesota student under section 136A.101, subdivision 8;
- (2) attend an eligible office-approved program;
- (3) be in grades 3 through 12, but not have completed high school;
- (4) meet income requirements for free or reduced-price school meals; and
- (5) be 19 years of age or younger.

Sec. 10. Minnesota Statutes 2024, section 136A.091, subdivision 9, is amended to read:

Subd. 9. **Report.** Annually, the office shall submit a report to the legislative committees with jurisdiction over higher education finance regarding the program providers, stipend recipients, and program activities. The report shall include information about the students served, the organizations providing services, program goals and outcomes, and student outcomes in accordance with section 136A.053.

Sec. 11. Minnesota Statutes 2024, section 136A.121, subdivision 2, is amended to read:

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

(1) is a resident ~~of the state of Minnesota~~ student under section 136A.101, subdivision 8;

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

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

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

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

(6) has not been convicted of or pled nolo contendere or guilty to a crime involving fraud in obtaining federal Title IV funds within the meaning of Code of Federal Regulations, subtitle B, chapter VI, part 668, subpart C.

(b) A student is entitled to an additional semester or the equivalent of grant eligibility if the student withdraws from enrollment:

(1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;

(2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or

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

Sec. 12. **[136A.1212] FRAUD; DENIAL OF FUNDING.**

Applicants or recipients of any student aid or grant program administered under chapter 136A may be denied funding if the applicant or recipient:

(1) presents information concerning the financial aid or grant application that is false, fraudulent, misleading, deceptive, or inaccurate in a material respect;

(2) refuses to allow reasonable inspection or to supply reasonable information after a written request by the office or school has been received; or

(3) has been determined by the commissioner or judicially determined to have committed fraud or a material violation of law involving federal, state, or local government funding.

Sec. 13. Minnesota Statutes 2024, section 136A.1215, subdivision 5, is amended to read:

Subd. 5. **Reporting.** ~~By February 15 of each year, the commissioner of higher education must submit a report on the details of the program under this section to the legislative committees with jurisdiction over higher education finance and policy. The report must include the following information, broken out by postsecondary institution: Annually, the office must submit a report in accordance with section 135A.053.~~

- ~~(1) the number of students receiving an award;~~
- ~~(2) the average and total award amounts; and~~
- ~~(3) summary demographic data on award recipients.~~

Sec. 14. Minnesota Statutes 2024, section 136A.1241, subdivision 8, is amended to read:

Subd. 8. **Report.** ~~(a) Annually, the office shall prepare an anonymized report to be submitted annually to the chairperson and minority chairperson of the legislative committees with jurisdiction over higher education that contains: must submit a report in accordance with section 136A.053.~~

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

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

Sec. 15. Minnesota Statutes 2024, section 136A.125, subdivision 2, is amended to read:

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

(1) is a resident ~~of the state of Minnesota~~ student under section 136A.101, subdivision 8, or the applicant's spouse is a resident of the state of Minnesota;

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

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

(4) has not received child care grant funds for a period of ten semesters or the equivalent;

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

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

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

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

(1) for active military service after December 31, 2002, because the student was ordered to active military service as defined in section 190.05, subdivision 5b or 5c;

(2) for a serious health condition, while under the care of a medical professional, that substantially limits the student's ability to complete the term; or

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

Sec. 16. Minnesota Statutes 2024, section 136A.1274, subdivision 4, is amended to read:

Subd. 4. **Reporting.** ~~By February 15 of each year, the commissioner must submit a report on the details of the program under this section to the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information: Annually, the office must submit a report in accordance with section 136A.053. Additionally, the report must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 finance and policy.~~

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

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

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

Sec. 17. Minnesota Statutes 2024, section 136A.1275, subdivision 4, is amended to read:

Subd. 4. **Reporting.** ~~(a) By February 1 of each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 and higher education finance and policy. The report must include the following information: Annually, the office must submit a report in accordance with section 136A.053. Additionally, the report must include~~

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

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

~~(3) the licensure areas and school districts in which the student teachers taught; and must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over E-12 finance and policy.~~

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

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

Sec. 18. Minnesota Statutes 2024, section 136A.1465, subdivision 10, is amended to read:

Subd. 10. **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: Annually, the office must submit a report in accordance with section 136A.053.~~

~~(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.~~

Sec. 19. Minnesota Statutes 2024, section 136A.233, subdivision 3, is amended to read:

Subd. 3. **Payments.** Work-study payments shall be made to eligible students by postsecondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the postsecondary institution on the basis of student financial need.

~~(b) In selecting students for participation, priority must be given to students enrolled for at least 12 credits.~~ In each academic year, a student may be awarded work-study payments for one period of nonenrollment or less than half-time enrollment if the student will enroll on at least a half-time basis during the following academic term.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) The office shall annually establish a minimum percentage rate of student compensation to be paid by an eligible employer.

~~(f) Each postsecondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public employer other than the institution may not terminate, lay off, or reduce the working hours of a permanent employee for the purpose of hiring a work-study student, or replace a permanent employee who is on layoff from the same or substantially the same job by hiring a work-study student.~~

~~(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.~~

~~(h) An institution may use up to 30 percent of its allocation for student internships with private, for-profit employers.~~

Sec. 20. Minnesota Statutes 2025 Supplement, section 136A.246, subdivision 1a, is amended to read:

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

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

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

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

(2) is instructor-led for a majority of the training or leads to an accredited certificate, diploma, or degree issued by a postsecondary institution; and

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

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

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

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

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

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

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

(2) registered apprenticeship certifications or certificates;

(3) occupational licenses or registrations;

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

(5) other certifications as approved by the commissioner.

Sec. 21. Minnesota Statutes 2024, section 136A.62, is amended by adding a subdivision to read:

Subd. 3b. **Institution.** "Institution" means school, as defined in this section.

Sec. 22. Minnesota Statutes 2024, section 136A.64, subdivision 1, is amended to read:

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

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

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

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

(4) compliance audits and audited financial statements that meet the requirements of Code of Federal Regulations, title 34, section 668.23; United States Code, title 20, chapter 28, section 1094; Code of Federal

Regulations, title 2, subpart A, part 200, subpart F, under 200.501 and 200.503; and United States Code, title 31, chapter 75, which shall be submitted to the office on the same schedule stated under section 136A.675, subdivision 1a, paragraph (a);

- (5) all current promotional and recruitment materials and advertisements; ~~and~~
- (6) the current school catalog and, if not contained in the catalog:
 - (i) the members of the board of trustees or directors, if any;
 - (ii) the current institutional officers;
 - (iii) current full-time and part-time faculty with degrees held or applicable experience;
 - (iv) a description of all school facilities;
 - (v) a description of all current course offerings;
 - (vi) all requirements for satisfactory completion of courses, programs, and degrees;
 - (vii) the school's policy about freedom or limitation of expression and inquiry;
 - (viii) a current schedule of fees, charges for tuition, required supplies, student activities, housing, and all other standard charges;
 - (ix) the school's policy about refunds and adjustments;
 - (x) the school's policy about granting credit for prior education, training, and experience;
 - (xi) the school's policies about student admission, evaluation, suspension, and dismissal; and
 - (xii) the school's disclosure to students on the student complaint process under section 136A.672; and
- (7) enrollment data by academic term or calendar period following the submission schedules in section 136A.675, subdivision 1a, paragraph (b).

Sec. 23. Minnesota Statutes 2024, section 136A.64, subdivision 5, is amended to read:

Subd. 5. **Public information.** All information submitted to the office is public information except financial records, student complaint data, and accreditation records and reports. ~~Except for accreditation reports,~~ The office may disclose any records or information submitted to the office:

- (1) to law enforcement officials; or
- (2) in connection with a legal or administrative proceeding to:
 - (i) defend its decision to approve or disapprove granting of degrees or the use of a name;
 - (ii) defend its decision to revoke the institution's approval; or
 - (iii) enforce a requirement of law.

Sec. 24. Minnesota Statutes 2024, section 136A.65, subdivision 8, is amended to read:

Subd. 8. **Disapproval of registration; appeal.** (a) By giving written notice and reasons to the school, the office may:

- (1) revoke, suspend, or refuse to renew registration;
- (2) refuse approval of a school's degree; and
- (3) refuse approval of the use of a regulated term in its name.

(b) Reasons for revocation or suspension of registration or approval may be for one or more of the following reasons:

- (1) violating the provisions of sections 136A.61 to 136A.71;
- (2) providing false, misleading, or incomplete information to the office;
- (3) presenting information about the school which is false, fraudulent, misleading, deceptive, or inaccurate in a material respect to students or prospective students;
- (4) refusing to allow reasonable inspection or to supply reasonable information after a written request by the office has been received;
- (5) failing to have enrollment within the last two years at the school;
- (6) failing to have any enrollment within two years of a program's approval, except for programs that require extensive approval processes by the United States Department of Education, or the program's institutional or programmatic accreditor; or
- (7) having been ~~administratively~~ determined by the commissioner or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds.

(c) Any order refusing, revoking, or suspending a school's registration, approval of a school's degree, or use of a regulated term in the school's name is appealable in accordance with chapter 14. The request must be in writing and made to the office within 30 days of the date the school is notified of the action of the office. If a school has been operating and its registration has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

Sec. 25. Minnesota Statutes 2024, section 136A.653, subdivision 1b, is amended to read:

Subd. 1b. **Tribal colleges.** A Tribal college is exempted from the provisions of sections 136A.61 to 136A.71. A Tribal college that is exempt may voluntarily waive its ~~exception~~ exemption by registering under section 136A.63. Upon registration, the Tribal college is subject to all applicable requirements of sections 136A.61 to 136A.71.

Sec. 26. Minnesota Statutes 2024, section 136A.653, subdivision 3a, is amended to read:

Subd. 3a. **Tuition-free educational courses.** A ~~school course or program~~, including a ~~school course or program~~ using an online platform service, offering training, courses, or programs is exempt from sections 136A.61 to 136A.71, to the extent tuition, fees, and any other charges for a student to participate do not exceed two percent of the most recent average undergraduate tuition and required fees as of January 1 of the current year charged for full-time students at all degree-granting institutions as published annually by the United States Department of Education as of January 1 of each year. To qualify for an exemption, a school or online platform service must prominently display a notice comparable to the following:

"IMPORTANT: Each educational institution makes its own decision regarding whether to accept completed coursework for credit. Check with your university or college."

Sec. 27. Minnesota Statutes 2024, section 136A.672, subdivision 5, is amended to read:

Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a penalty under section 136A.705 is appealable in accordance with chapter 14. The request for an appeal must be made in writing to the office within 30 days of the date the school is notified of the action of the office. The court shall award costs and reasonable attorney fees in a contested chapter 14 hearing to the office if: ~~(1) the office substantially prevails on the merits in an action brought under this section; and (2) the school has a net income from student tuition, fees, and other required institutional charges collected from the last fiscal year of \$1,000,000 or greater.~~

Sec. 28. Minnesota Statutes 2024, section 136A.675, subdivision 1, is amended to read:

Subdivision 1. **Standard development and usage.** (a) To screen and detect whether an institution may not be financially or administratively responsible, the office shall ~~develop~~ use financial and nonfinancial indicators. The ~~development of~~ financial and nonfinancial indicators shall use industry standards as guidance.

(b) Annually, the office must provide a copy of the financial and nonfinancial indicators to each registered institution and post a list of reviewed indicators on the office website.

(c) The office shall use regularly reported data submitted to the federal government or other regulatory or accreditation agencies wherever possible.

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

Sec. 29. Minnesota Statutes 2024, section 136A.675, is amended by adding a subdivision to read:

Subd. 1a. **Institutional reporting schedules for audits and enrollment data.** (a) An institution must submit to the office the required audit reports under section 136A.64, subdivision 1, clause (4), by the earlier of 30 days after the issuance date of an audit or nine months after the last day of the institution's fiscal year.

(b) An institution must submit to the office the enrollment data required under section 136A.64, subdivision 1, clause (7), using one of the two following schedules:

(1) a school with limited program start dates within its academic year shall provide the office with a copy of the school's internal enrollment report for each academic term as soon as it is released internally. The school may provide the report with no additional data or required calculations; or

(2) a school with multiple or rolling program start dates must provide enrollment data to the office at least four times per year. Each school must determine four reporting dates per year that would result in the most useful data being provided to the office and must provide the office with the school's proposed enrollment reporting schedule.

Sec. 30. Minnesota Statutes 2025 Supplement, section 136A.69, subdivision 1, is amended to read:

Subdivision 1. **Registration fees.** (a) The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge the fees listed in paragraphs (b) ~~to (d)~~ and (c) for new registrations.

(b) A new school must pay registration fees based on the institution's total full-time equivalent enrollment in the following amounts:

- (1) \$5,000 for institutions with 2,500 or fewer full-time equivalent enrollment;
- (2) \$7,500 for institutions with 2,501 to 5,000 full-time equivalent enrollment;
- (3) \$10,000 for institutions with 5,001 to 7,500 full-time equivalent enrollment;
- (4) \$15,000 for institutions with 7,501 to 10,000 full-time equivalent enrollment; and

(5) \$20,000 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System. If enrollment cannot be established using the United States Department of Education Integrated Postsecondary Education Data System, the office may establish an institution's full-time equivalent enrollment through verification of its enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

(c) A new school must pay registration fees in an amount equal to the fee under paragraph (b), plus fees for each nondegree program or degree as follows:

nondegree program	\$250
degree program	\$750

~~(d) In addition to the fees under paragraphs (b) and (c), a fee of \$600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

~~(e)~~ (d) The annual renewal registration fee is based on an institution's total full-time equivalent enrollment in the following amounts:

- (1) \$1,500 for institutions with 2,500 or fewer full-time equivalent enrollment;
- (2) \$3,000 for institutions with 2,501 to 5,000 full-time equivalent enrollment;
- (3) \$5,000 for institutions with 5,001 to 10,000 full-time equivalent enrollment; and

(4) \$7,500 for institutions with 10,001 or greater full-time equivalent enrollment, and for institutions with no data on the previous year's full-time equivalent enrollment.

Full-time equivalent enrollment is established using the previous year's full-time equivalent enrollment as established in the United States Department of Education Integrated Postsecondary Education Data System. If enrollment cannot be established using the United States Department of Education Integrated Postsecondary Education Data System, the office may establish an institution's full-time equivalent enrollment through verification of its enrollment data submitted in accordance with section 136A.64, subdivision 1, clause (7).

~~(f) In addition to the fee under paragraph (c), a fee of \$600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or registration requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the school seeks to continue with the application process with additional application submissions. If this fee is paid, the school may submit two final application submissions for review prior to application denial under section 136A.65, subdivision 8. This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 31. Minnesota Statutes 2025 Supplement, section 136A.82, subdivision 1, is amended to read:

Subdivision 1. **Policy.** The legislature has found and hereby declares that the availability of legitimate ~~vocational~~ programs offered by responsible nonprofit and for-profit private career schools are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing ~~vocational~~ programs by establishing policies and procedures to ensure the authenticity and legitimacy of ~~vocational~~ programs offered by nonprofit and for-profit private career schools. The legislature has found and declares that this same policy applies to any nonprofit and for-profit private career schools located in another state or country that offers or makes available to a Minnesota resident any ~~vocational~~ program which does not require leaving the state for its completion.

Sec. 32. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 5, is amended to read:

Subd. 5. **Private career school.** "Private career school" means a person who maintains a physical presence for any program at less than an associate degree level. Except for those required to obtain a license exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, private career school does not extend to:

- (1) public postsecondary institutions with a physical presence in Minnesota;
- (2) postsecondary institutions registered under sections 136A.61 to 136A.71;
- (3) postsecondary institutions exempt from registration under section 136A.653, subdivisions 1b, 2, 3, and 3a; ~~136A.657₂~~; or 136A.658 due to the nature of the institution's programs;
- (4) ~~schools~~ persons, programs, or courses exclusively engaged in training physically or mentally disabled persons;
- (5) persons, programs, or courses taught to students in an apprenticeship program registered by the United States Department of Labor or Minnesota Department of Labor and taught by or required by a trade union in which students are not responsible for tuition, fees, or any other charges, regardless of payment or reimbursement method;

(6) ~~persons, programs, or courses~~ contracted by persons or government agencies for the training of their own employees for which no fee is charged to the employee, regardless of whether that fee is reimbursed by the employer or a third party after the employee successfully completes the training, ~~except for institutions or programs required to obtain a limited license exclusively to receive the dual training grant;~~

(7) ~~schools~~ persons, programs, or courses with no physical presence in Minnesota engaged exclusively in offering distance programs that are located in and approved by other states or jurisdictions if the distance education program does not include internships, externships, field placements, or clinical placements for residents of Minnesota;

(8) ~~schools~~ persons, programs, or courses licensed or approved by other state boards or agencies authorized under Minnesota law to issue licenses for institutions or programs, ~~except for institutions or programs required to be licensed exclusively to participate in state financial aid or be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant;~~

(9) ~~review classes, courses, or persons, programs, or courses~~ intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing, certification, or entrance examinations;

(10) ~~classes, courses, or persons, programs, or courses~~ conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership and not available to the public. In making the determination that the organization is bona fide, the office may request the school provide three certified letters from persons that qualify as evaluators under section 136A.828, subdivision 3, paragraph (l), that the organization is recognized in Minnesota;

(11) ~~persons, programs in the fine arts provided by organizations, or courses that are~~ exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. ~~For purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale, vocational or career advancement, or employment; or~~

(12) ~~classes, courses, or persons, programs, or courses~~ intended to fulfill the continuing education requirements for a bona fide licensure or certification in a profession that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession or by an industry-specific certification entity and that are offered exclusively to individuals with the professional licensure or certification.

Sec. 33. Minnesota Statutes 2024, section 136A.821, subdivision 13, is amended to read:

Subd. 13. **Compliance audit.** "Compliance audit" means an audit of a private career school's ~~compliance with federal requirements related to its participation in federal Title IV student aid programs or other federal grant programs performed under either Uniform Grant Guidance, including predecessor Federal Circular A-133, or the United States Department of Education's audit guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions and Institution Servicers~~ administration of federal money conducted by a certified public accountant or federal auditor to determine if the school is adhering to applicable laws, regulations, and other grant conditions as required by Code of Federal Regulations, title 2, subtitle A, chapter II, part 200.

Sec. 34. Minnesota Statutes 2024, section 136A.821, subdivision 16, is amended to read:

Subd. 16. **Audited Financial statements audit report.** ~~"Audited Financial statements audit report"~~ means the ~~financial statements of an entity or higher-level entity that have been examined by a certified~~

~~public accountant or an equivalent government agency for public entities that include (1) an auditor's report, a statement of financial position, an income statement, a statement of cash flows, and notes to the financial statements or (2) the required equivalents for public entities as determined by the Financial Accounting Standards Board, the Governmental Accounting Standards Board, or the Securities and Exchange Commission~~ result of a service provided by a certified public accountant or federal auditor that conducts a comprehensive and independent examination of the entity's financial statements as defined in Code of Federal Regulations, title 34, section 668.23(d). If an entity's own financial statements audit report is subsequently consolidated into a higher-level entity's financial statements audit report, financial statements audit report can refer to both the entity's own report and the higher-level entity's consolidated report in accordance with Code of Federal Regulations, section 668.23(d)(2).

Sec. 35. Minnesota Statutes 2024, section 136A.821, subdivision 17, is amended to read:

Subd. 17. **~~Review-level engagement~~ Compilation report.** ~~"Review-level engagement" means a service performed by a certified public accountant that provides limited assurance that there are no material modifications that need to be made to an entity's financial statements in order for them to conform to generally accepted accounting principles. Review-level engagement provides fewer assurances than those reported under audited financial statements~~ "Compilation report" means the result of an accounting service provided by a certified public accountant to organize financial information provided by a client into professionally formatted financial statements. A compilation report provides no assurances about the financial statements, unlike those provided in a financial statements audit report.

Sec. 36. Minnesota Statutes 2025 Supplement, section 136A.821, subdivision 21, is amended to read:

Subd. 21. **~~Vocational Institution or school.~~** ~~"Vocational" means education or training for skills used in the labor market~~ "Institution" or "school" means a private career school or distance education private career school, as defined in this section.

Sec. 37. Minnesota Statutes 2024, section 136A.822, subdivision 4, is amended to read:

Subd. 4. **Application.** Application for a license shall be on forms prepared and furnished by the office, and shall include the following and other information as the office may require:

(1) the title or name of the private career school, ownership and controlling officers, members, managing employees, and director;

(2) the specific programs which will be offered ~~and the specific purposes of the instruction;~~

(3) the place or places where the instruction will be given;

(4) a listing of the equipment available for instruction in each program;

(5) the maximum enrollment to be accommodated with equipment available in each specified program;

(6) the qualifications of instructors and supervisors in each specified program;

(7) financial documents related to the entity's and higher-level entity's most recently completed fiscal year, including a federal income tax return and, in accordance with the table below, one or more of the following: a financial statements audit report, compliance audit report, or compilation report. An applicant with financial statements that are consolidated into a higher-level entity's financial statements must include the consolidated financials of the higher-level entity with the documents listed in each row of the table except

for the final row. If not stated in the financial statements audit report, compliance audit report, or compilation report, the entity must include a statement providing the total gross tuition and fee revenues associated with the programs and the total amount of institutional discounts and aid provided to students in the programs.

~~(i) annual gross revenues from all sources;~~

~~(ii) financial statements subjected to a review level engagement or, if requested by the office, audited financial statements;~~

~~(iii) a school's most recent compliance audit, if applicable; and~~

~~(iv) a current balance sheet, income statement, and adequate supporting documentation, prepared and certified by an independent public accountant or CPA;~~

An entity or higher-level entity subject to fluctuating levels of total gross revenues must continue to submit the required financial documents according to the requirements under items (i) to (vi) even if the most current fiscal year's total gross revenues move the entity or higher-level entity into a different category. If an entity or higher-level entity continues to experience a change in total gross revenues for two consecutive fiscal years, the office must notify the entity that the entity will be subject to the documentation requirements under items (i) to (vi) for the next annual licensing application cycle. If, for the most recently completed fiscal year, the applicant or renewal applicant:

(i) is required by federal or other external entities to have both a financial statements audit and a compliance audit, the applicant must submit the financial statements audit report and the compliance audit report, which may be combined in one document;

(ii) is required by federal or other external entities to have a financial statements audit, but not a compliance audit, the applicant must submit the financial statements audit report;

(iii) is not required to have a financial statements audit, but elects to have one, the applicant must submit the financial statements audit report;

(iv) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of \$5,000,000 or more and the office requires the applicant to have a financial statements audit, the applicant must submit the financial statement audit report. If the applicant is a nonprofit entity, the applicant must also include the completed Federal Form 990 tax return for the most recently completed fiscal year;

(v) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of \$250,000 or more but less than \$5,000,000 and the office requires the applicant to have a compilation engagement, the applicant must submit the compilation report, including footnotes for a debt repayment schedule and other material items. If the applicant is a nonprofit entity, the applicant must also include the completed Federal Form 990 tax return for the most recently completed fiscal year; or

(vi) does not fall into a prior category but had gross annual revenues from all sources in the most recently completed fiscal year of less than \$250,000, the applicant must submit (A) depending on the ownership or corporate organization, the applicant's federal income tax return; and (B) if the net income flows through to the owners' personal federal tax returns, a copy of each owner's personal federal tax return. In addition to the tax return information, an applicant must provide a balance sheet dated as of the last day of the most recently ended fiscal year;

(8) copies of all media advertising and promotional literature and brochures or electronic display currently used or reasonably expected to be used by the private career school; and

(9) copies of all Minnesota enrollment agreement forms and contract forms and all enrollment agreement forms and contract forms used in Minnesota; and.

~~(10) gross income earned in the preceding year from student tuition, fees, and other required institutional charges.~~

Sec. 38. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 6, is amended to read:

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

(b) The amount of the surety bond shall be ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected, ~~but in no event less than \$10,000,~~ except that a private career school ~~may~~ must deposit a greater amount at ~~its own~~ the office's discretion. A private career school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision. A private career school that operates at two or more locations may combine net revenue from student tuition, fees, and other required institutional charges collected for all locations for the purpose of determining the annual surety bond requirement. The net revenue from tuition and fees used to determine the amount of the surety bond required for a private career school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the private career school by the students recruited from Minnesota. In the case of an entity applying for an initial license where the entity has no history of revenues from student tuition, fees, or other required institutional charges, the amount of the bond must be ten percent of the total amount of tuition, fees, and other required institutional charges anticipated in the entity's first year of operation, based on a calculation of total student tuition, fees, and other required institutional charges multiplied by the maximum student enrollment in one academic year.

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

(d) In lieu of bond, the applicant may deposit with the commissioner of management and budget a sum equal to the amount of the required surety bond in cash, an irrevocable letter of credit issued by a financial institution equal to the amount of the required surety bond, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

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

Sec. 39. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 8, is amended to read:

Subd. 8. **Minimum standards.** A license shall be issued if the office first determines:

(1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the private career school's financial obligations;

(ii) refund all tuition and other charges, within 60 days, in the event of dissolution of the private career school or in the event of any justifiable claims for refund against the private career school by the student body;

(iii) provide adequate service to its students and prospective students; and

(iv) maintain and support the private career school;

(2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;

(3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;

(4) that the private career school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the quality ~~and content~~ of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared, based on minimum standards for employment in the field, learning outcomes, assessment mechanisms, and clear structure of the curriculum;

(6) that the premises and conditions where the students work and study and the student living quarters which are owned, maintained, recommended, or approved by the applicant are sanitary, healthful, and safe; ~~as evidenced by certificate of occupancy issued by the municipality or county where the private career school is physically situated, a fire inspection by the local or state fire marshal, or another verification deemed acceptable by the office;~~

(7) that the contract or enrollment agreement used by the private career school complies with the provisions in section 136A.826;

(8) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause;

(9) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the private career school or its owner, officers, agents, or sponsoring organization;

(10) that the private career school or its owners, officers, agents, or sponsoring organization has not had a license revoked under section 136A.829 or its equivalent in other states or has closed the institution prior to all students, enrolled at the time of the closure, completing their program within two years of the effective date of the revocation; and

(11) that the school includes a joint and several liability provision for torts and compliance with the requirements of sections 136A.82 to 136A.834 in any contract effective after July 1, 2026, with any individual,

entity, or postsecondary school located in another state for the purpose of providing educational or training programs or awarding postsecondary credits to Minnesota residents that may be applied to a program.

Sec. 40. Minnesota Statutes 2024, section 136A.822, subdivision 10, is amended to read:

Subd. 10. **Catalog, brochure, or electronic display.** Before a license is issued to a private career school, the private career school shall furnish to the office a catalog, brochure, or electronic display including: all required information to students under section 136A.826.

- ~~(1) identifying data, such as volume number and date of publication;~~
- ~~(2) name and address of the private career school and its governing body and officials;~~
- ~~(3) a calendar of the private career school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;~~
- ~~(4) the private career school policy and regulations on enrollment including dates and specific entrance requirements for each program;~~
- ~~(5) the private career school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;~~
- ~~(6) the private career school policy and regulations about standards of progress for the student including the grading system of the private career school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the private career school, and conditions of reentrance for those dismissed for unsatisfactory progress;~~
- ~~(7) the private career school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;~~
- ~~(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;~~
- ~~(9) the private career school policy and regulations, including an explanation of section 136A.827, about refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;~~
- ~~(10) a description of the available facilities and equipment;~~
- ~~(11) a course outline syllabus for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;~~
- ~~(12) the private career school policy and regulations about granting credit for previous education and preparation;~~
- ~~(13) a notice to students relating to the transferability of any credits earned at the private career school to other institutions;~~
- ~~(14) a procedure for investigating and resolving student complaints;~~
- ~~(15) the name and address of the office; and~~
- ~~(16) the student complaint process and rights under section 136A.8295.~~

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

Sec. 41. Minnesota Statutes 2024, section 136A.822, subdivision 12, is amended to read:

Subd. 12. **Permanent student records.** (a) A private career school or a distance education private career school licensed under sections 136A.82 to 136A.834 and located in Minnesota shall maintain a permanent student record for each student for 50 years from the last date of the student's attendance. A private career school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance The private career school or distance education private career school may choose to reduce the amount of time the school maintains a student record to no less than 20 years if the entity sends the permanent student record to the office to hold for the remainder of the duration the student records are required to be maintained. Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance.

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

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

(1) ~~at least one copy of the records must be held in a secure, fireproof depository;~~

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

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

(4) (2) a continuous surety bond or irrevocable letter of credit issued by a financial institution must be filed with the office in an amount not to exceed \$20,000 if the private career school has no binding agreement approved by the office, for preserving student records. The bond or irrevocable letter of credit shall run to the state of Minnesota. In the event of a school closure, the surety bond or irrevocable letter of credit must be used by the office to retrieve, recover, maintain, digitize, and destroy academic records.

Sec. 42. Minnesota Statutes 2025 Supplement, section 136A.822, subdivision 13, is amended to read:

Subd. 13. **Limited license.** (a) Unless otherwise exempt under sections 136A.82 to 136A.834:

(1) a private career school licensed by another state agency or board must be required to obtain a limited license to participate in state financial aid; and

(2) a private career school exclusively seeking to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant shall be required to obtain a limited license.

(b) A private career school seeking a limited license under this subdivision shall be required to satisfy ~~only~~ the requirements of subdivisions 4, clauses (1), (2), and (3), (7), (8), (9), and (10); 5; 8, clauses (1), (4), (7), (8), (9), and (10); ~~9; 10; 11;~~ and 12. If requested by the office, a private career school seeking a limited license under this subdivision must satisfy the requirements of subdivisions 4, clauses (7), (8), (9), and (10); 8, clauses (4), (7), and (8); 9; 10; and 11. If a private career school is licensed to participate in state financial aid under this chapter, the private career school must follow the refund policy in section 136A.827, even if that section conflicts with the refund policy of the licensing agency or board. A distance education private career school located in another state, or a distance education private career school licensed to recruit Minnesota residents for attendance at a distance education private career school outside of this state, or a distance education private career school licensed by another state agency as its primary licensing body, may continue to use the distance education private career school's name as permitted by its home state or its primary licensing body.

Sec. 43. Minnesota Statutes 2024, section 136A.822, is amended by adding a subdivision to read:

Subd. 14. **Data privacy.** (a) Financial records submitted by private career schools are nonpublic data, as defined in section 13.02, subdivision 9.

(b) Accreditation records and reports submitted by private career schools are nonpublic data, as defined in section 13.02, subdivision 9.

(c) The office may disclose data that is classified as not public data under this subdivision for the purpose of defending the office's decision to approve or not approve a program or institution, or take any other action under sections 136A.82 to 136A.833, in connection with a legal or administrative proceeding, or pursuant to a subpoena or judicial warrant.

Sec. 44. Minnesota Statutes 2024, section 136A.823, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) Application for renewal of a license must be made at least 60 days, other than the exception in paragraph (b), before expiration of the current license on a form provided by the office. A renewal application shall be accompanied by a nonrefundable fee as provided in section 136A.824 that is sufficient to recover, but does not exceed, the administrative costs of the office.

(b) The financial documents listed in section 136A.822, subdivision 4, clause (7), required to be submitted to the office as part of a renewal application, shall be submitted according to the following schedule:

(1) the financial statements audit reports, compliance audit reports, and compilation reports, by the earlier of 30 days after the issuance date of each report or nine months after the last day of the entity's or higher-level entity's fiscal year; or

(2) for federal tax returns and stand-alone balance sheets, by the earlier of 30 days after the federal tax return is completed or one week following the last day of a federal filing extension period that is usually six months in length.

Sec. 45. Minnesota Statutes 2024, section 136A.823, subdivision 3, is amended to read:

Subd. 3. **Change of ownership.** Within 30 days of a change of ownership, a school must submit a registration renewal application, the information and materials for an initial registration under section

136A.822, subdivision 4, and the applicable registration fees for a new institution under section 136A.824, subdivision 1. For purposes of this subdivision, "change of ownership" means: a merger or consolidation with a ~~corporation~~ separate entity or higher-level entity; a sale, lease, exchange, or other disposition of all or substantially all of the assets of a school; the transfer of a controlling interest of at least 51 percent of the school's stock; entering into receivership; or a change in the nonprofit or for-profit status of a school.

Sec. 46. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 1, is amended to read:

Subdivision 1. **Initial licensure fee.** ~~(a)~~ The office processing fee for an initial licensure application is:

(1) \$3,730 for a private career school that will offer no more than one program during its first year of operation;

(2) \$1,500 for a private career school licensed by another state agency and seeking a limited license exclusively in order to participate in state financial aid; and

(3) \$3,730, plus \$500 for each additional program offered by the private career school, for a private career school during its first year of licensed operation.

~~(b) In addition to the fee under paragraph (a), a fee of \$600 must be paid for an initial application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 47. Minnesota Statutes 2025 Supplement, section 136A.824, subdivision 2, is amended to read:

Subd. 2. **Renewal licensure fee; late fee.** (a) The office processing fee for a renewal licensure application is:

(1) for a private career school, the license renewal fee is \$3,160; and

(2) for a private career school licensed by another state agency and that also has a limited license with the office exclusively in order to participate in state financial aid, the license renewal fee is \$1,500.

(b) If a license renewal application is not received by the office by the expiration of the current license, a late fee of \$100 per business day, not to exceed \$3,000, shall be assessed.

~~(c) In addition to the fee under paragraph (a), a fee of \$600 must be paid for a renewal application that: (1) has had four revisions, corrections, amendment requests, or application reminders for the same application or licensure requirement; or (2) cumulatively has had six revisions, corrections, amendment requests, or application reminders for the same license application and the private career school seeks to continue with the application process with additional application submissions. If this fee is paid, the private career school may submit two final application submissions for review prior to application denial under section 136A.829, subdivision 1, clause (2). This provision excludes from its scope nonrepetitive questions or clarifications~~

~~initiated by the school before the submission of the application, initial interpretation questions or inquiries from the office regarding a completed application, and initial requests from the office for verification or validation of a completed application.~~

Sec. 48. Minnesota Statutes 2024, section 136A.826, subdivision 1, is amended to read:

Subdivision 1. **Catalog, brochure, or electronic display.** (a) A private career school or its agent must provide the catalog, brochure, or electronic display required in this section 136A.822, subdivision 10, to a prospective student in a time or manner that gives the prospective student at least five days to read the catalog, brochure, or electronic display before signing a contract or enrollment agreement or before being accepted by a private career school that does not use a written contract or enrollment agreement.

(b) A catalog, brochure, or electronic display must include, at a minimum:

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

(2) name, address, governing body, and names of senior officials;

(3) an academic calendar showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;

(4) the policy and regulations on enrollment including dates and specific entrance requirements for each program;

(5) the policy and regulations regarding leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

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

(7) the policy and regulations regarding student conduct and conditions for dismissal for unsatisfactory conduct;

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

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

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

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

(12) the policy and regulations regarding granting credit for previous education and preparation;

(13) a notice to students relating to the transferability of any credits earned; or

(14) a procedure for investigating and resolving student complaints and the rights of the student under section 136A.8295.

Sec. 49. Minnesota Statutes 2024, section 136A.827, subdivision 1, is amended to read:

Subdivision 1. **Student.** For the purposes of this section, "student" means the party to the contract, whether the party is the student, the student's parent or guardian, or other person on behalf of the student. If there is no contract, student means the party who has been accepted into the course or program.

Sec. 50. Minnesota Statutes 2024, section 136A.827, subdivision 4, is amended to read:

Subd. 4. **Proration.** (a) When a student has been accepted by a private career school and gives notice of cancellation after the program of instruction has begun, the student is entitled to a refund if, at the last documented date of attendance, the student has not completed at least 75 percent of the entire program of instruction. For purposes of this subdivision, program of instruction is calculated under paragraph (c) or (d). Program of instruction does not mean one term, a payment period, a module, or any other portion of the entire instructional program.

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

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

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

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

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

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

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

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

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

Sec. 51. Minnesota Statutes 2024, section 136A.828, subdivision 6, is amended to read:

Subd. 6. ~~**Financial aid payments**~~ **Transcripts.** ~~(a) All private career schools must collect, assess, and distribute funds received from loans or other financial aid as provided in this subdivision.~~

~~(b) Student loans or other financial aid funds received from federal, state, or local governments or administered in accordance with federal student financial assistance programs under title IV of the Higher Education Act of 1965, as amended, United States Code, title 20, chapter 28, must be collected and applied as provided by applicable federal, state, or local law or regulation.~~

~~(c) Student loans or other financial aid assistance received from a bank, finance or credit card company, or other private lender must be collected or disbursed as provided in paragraphs (d) and (e).~~

~~(d) Loans or other financial aid payments for amounts greater than \$3,000 must be disbursed:~~

~~(1) in two equal disbursements, if the term length is more than four months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class with the remainder to be disbursed halfway through the term; or~~

~~(2) in three equal disbursements, if the term length is more than six months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class, one third of the way through the term, and two thirds of the way through the term.~~

~~(e) Loans or other financial aid payments for amounts less than \$3,000 may be disbursed as a single disbursement on the first day a student attends class, regardless of term length.~~

~~(f) No private career school may enter into a contract or agreement with, or receive any money from, a bank, finance or credit card company, or other private lender, unless the private lender follows the requirements for disbursements provided in paragraphs (d) and (e).~~

~~(g) No private career school may withhold an official transcript for arrears or default on any loan made by the private career school to a student if the loan qualifies as an institutional loan under United States Code, title 11, section 523(a)(8)(b).~~

Sec. 52. Minnesota Statutes 2024, section 136A.829, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The office may, after notice and upon providing an opportunity for a hearing, under chapter 14 if requested by the parties adversely affected, refuse to issue, refuse to renew, revoke, or suspend a license or solicitor's permit for any of the following grounds:

(1) violation of any provisions of sections 136A.821 to 136A.833 or any rule adopted by the office;

(2) furnishing to the office false, misleading, or incomplete information;

(3) presenting to prospective students information relating to the private career school that is false, fraudulent, deceptive, substantially inaccurate, or misleading;

(4) refusal to allow reasonable inspection or supply reasonable information after written request by the office;

(5) having been ~~administratively~~ determined by the commissioner or judicially determined to have committed fraud or any other material violation of law involving federal, state, or local government funds;

(6) the existence of any circumstance that would be grounds for the refusal of an initial or renewal license under section 136A.822; or

(7) using fraudulent or coercive practices, whether in the course of business in this state or elsewhere.

Sec. 53. Minnesota Statutes 2024, section 136A.829, subdivision 3, as amended by Laws 2026, chapter 88, article 1, section 40, is amended to read:

Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties now vested therein by law) the following powers and duties:

(a) To negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the office such agreements are or will be helpful in effectuating the purposes of Laws 1973, chapter 714;

(b) To grant conditional private career school license ~~for periods of less than one year~~ if in the judgment of the office correctable deficiencies exist at the time of application and when ~~refusal to issue private career school license would adversely affect currently enrolled students~~; the risk of harm to students can be minimized through the use of restrictions and requirements as conditions of the license. Conditional licenses may include requirements and restrictions for:

(1) periodic monitoring and submission of reports on the school's deficiencies to ascertain whether compliance improves;

(2) periodic collaborative consultations with the school on noncompliance with sections 136A.82 to 136A.834 or how the institution is managing compliance;

(3) the submission of contingency plans such as teach-out plans or transfer pathways for students;

(4) a prohibition from accepting tuition and fee payments prior to the add-drop period of the current period of instruction or before the funding has been earned by the school according to the refund requirements of section 136A.827;

(5) a prohibition from enrolling new students;

(6) enrollment caps;

(7) the initiation of alternative processes and communications with students enrolled at the school to notify students of deficiencies or probation status;

(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b), that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected; or

(9) submission of closure information under section 136A.8225;

(c) The office may upon its own motion, and shall upon the verified complaint in writing of any person setting forth fact which, if proved, would constitute grounds for refusal or revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any person or persons holding or claiming to hold a license or permit. However, before proceeding to a hearing on the question of whether a license or permit shall be refused, revoked or suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable time to the holder of or applicant for a license or permit to correct the situation. If within such time the situation is corrected and the private career school is in compliance with the provisions of sections 136A.82 to 136A.834, no further action leading to refusal, revocation, or suspension shall be taken.

~~(d) To grant a private career school a probationary license for periods of less than three years if, in the judgment of the office, correctable deficiencies exist at the time of application that need more than one year to correct and when the risk of harm to students can be minimized through the use of restrictions and~~

requirements as conditions of the license. Probationary licenses may include requirements and restrictions for:

- ~~(1) periodic monitoring and submission of reports on the school's deficiencies to ascertain whether compliance improves;~~
- ~~(2) periodic collaborative consultations with the school on noncompliance with sections 136A.82 to 136A.834 or how the institution is managing compliance;~~
- ~~(3) the submission of contingency plans such as teach-out plans or transfer pathways for students;~~
- ~~(4) a prohibition from accepting tuition and fee payments prior to the add/drop period of the current period of instruction or before the funds have been earned by the school according to the refund requirements of section 136A.827;~~
- ~~(5) a prohibition from enrolling new students;~~
- ~~(6) enrollment caps;~~
- ~~(7) the initiation of alternative processes and communications with students enrolled at the school to notify students of deficiencies or probation status;~~
- ~~(8) the submission of a surety under section 136A.822, subdivision 6, paragraph (b), that exceeds ten percent of the preceding year's net revenue from student tuition, fees, and other required institutional charges collected; or~~
- ~~(9) submission of closure information under section 136A.8225.~~

Sec. 54. Minnesota Statutes 2024, section 136A.8295, subdivision 5, is amended to read:

Subd. 5. **Appeals.** Any order requiring remedial action by the school or assigning a penalty under section 136A.832 is appealable in accordance with chapter 14. The request for an appeal must be made in writing to the office within 30 days of the date the school is notified of the action of the office. The court shall award costs and reasonable attorney fees in a contested chapter 14 hearing to the office if: ~~(1) the office substantially prevails on the merits in an action brought under this section; and (2) the school has a net income from student tuition, fees, and other required institutional charges collected from the last fiscal year of \$1,000,000 or greater.~~

Sec. 55. Minnesota Statutes 2024, section 136A.83, is amended to read:

136A.83 INSPECTION.

(a) The office or a delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any private career school or applicant for license at any reasonable time. ~~The office may require the submission of audited financial statements.~~ The office or a delegate may inspect the financial books and records of the private career school. In no event shall such financial information be used by the office to regulate or set the tuition or fees charged by the private career school.

(b) Data obtained from an inspection of the financial records of a private career school or submitted to the office as part of a license application or renewal are nonpublic data as defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed to other members of the office, to law enforcement officials, or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.

Sec. 56. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 1, is amended to read:

Subdivision 1. **Application for exemptions.** (a) A school that seeks an exemption from the provisions of sections 136A.822 to 136A.834 for the school and all of its programs or some of its programs must apply to the office to establish that the school or program meets the requirements of an exemption. An exemption for the school or program expires two years from the date of approval or when a school ~~adds a new program or makes a modification equal to or greater than 25 percent to an existing educational program that brings the school or program outside the scope of the school's or program's exemption.~~ If a school is reapplying for an exemption, the application must be submitted to the office 90 days before the current exemption expires. If a school fails to apply within 90 days of expiration or any change that would bring the school or program outside the scope of the school's or program's exemption, the school is subject to fees and penalties under sections 136A.831 and 136A.832. This exemption shall not extend to any school that uses any publication or advertisement that is not truthful and gives any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school or its personnel, programs, services, or occupational opportunities for its graduates for promotion and student recruitment. Exemptions denied under this section are subject to appeal under section 136A.829. If an appeal is initiated, the denial of the exemption is not effective until the final determination of the appeal, unless immediate effect is ordered by the court.

(b) A school that meets any of the exemptions in this section and exclusively seeks to be listed on the eligible training provider list, access WIOA funding, or receive the dual training grant, is exempt from sections 136A.822 to 136A.834, except the school must satisfy the requirements of section 136A.822, subdivisions 4, clauses (1), (2), and (3); 8, clauses (9) and (10); 10, clause (8); and 12.

Sec. 57. Minnesota Statutes 2025 Supplement, section 136A.833, subdivision 2, is amended to read:

Subd. 2. **Exemption reasons.** Sections 136A.821 to 136A.832 shall not apply to the following:

(1) ~~private career schools engaged exclusively in the teaching of avocational programs that are engaged primarily for personal development, recreation, or remedial education, and are not generally intended for vocational or career advancement, including adult basic education, exercise or fitness teacher programs, modeling, or acting, as determined by the office;~~

(2) classes, courses, or programs providing 40 or fewer clock hours of instruction; and

(3) (2) private career schools providing training, instructional programs, or courses where tuition, fees, and any other charges for a student to participate do not exceed \$500.

Sec. 58. Minnesota Statutes 2024, section 136G.03, subdivision 30, is amended to read:

Subd. 30. **Qualified higher education expenses.** "Qualified higher education expenses" means expenses as defined in ~~section~~ sections 529(c)(7), (8), and (9); 529(e)(3); and 529(f) of the Internal Revenue Code.

Sec. 59. Minnesota Statutes 2024, section 136G.03, subdivision 31, is amended to read:

Subd. 31. **Qualified rollover distribution.** "Qualified rollover distribution" means a distribution that qualifies as a rollover under section 529(c)(3)(C) and (E) of the Internal Revenue Code.

Sec. 60. Minnesota Statutes 2024, section 136G.03, is amended by adding a subdivision to read:

Subd. 35. Uncashed distribution check. "Uncashed distribution check" means any distribution check generated by an account owner's request regardless of the payee that remains uncashed by the payee for at least 180 days.

Sec. 61. Minnesota Statutes 2024, section 136G.05, subdivision 10, is amended to read:

Subd. 10. Data. Account owner data, account data, and data on beneficiaries of accounts are private data on individuals or nonpublic data as defined in section 13.02, except that the names and addresses of the beneficiaries of accounts that receive matching grants are public. The office may use data received under this chapter to share information with account owners about the office's other programs and resources including those that describe the process to pay for postsecondary education.

Sec. 62. Minnesota Statutes 2024, section 136G.13, is amended by adding a subdivision to read:

Subd. 6. Handling of uncashed distribution checks. Unless otherwise directed by the office, the plan administrator must mark an uncashed distribution check as no longer outstanding and must credit back the amount of the check to the account owner's account from which the check was originally disbursed. The amount being credited must be accounted for as a new contribution and be invested by the plan administrator according to the current instructions on file from the account owner.

Sec. 63. Minnesota Statutes 2024, section 137.39, is amended by adding a subdivision to read:

Subd. 2a. Reporting. By February 15 of each odd-numbered year, the Board of Regents of the University of Minnesota is requested to submit a report on medical school curriculum to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education. At a minimum, the report must include information regarding for-profit entity funds used to:

- (1) pay salaries of teaching faculty;
- (2) support new or existing courses offered by the medical school; and
- (3) support initiatives of the medical school.

Sec. 64. Minnesota Statutes 2024, section 268.193, subdivision 2, is amended to read:

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.

Sec. 65. Laws 2025, First Special Session chapter 5, article 1, section 3, subdivision 1, is amended to read:

			878,550,000
Subdivision 1. Total Appropriation	\$	879,039,000	\$
			<u>881,555,000</u>

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

Sec. 66. Laws 2025, First Special Session chapter 5, article 1, section 3, subdivision 3, is amended to read:

		830,384,000
Subd. 3. Operations and Maintenance	830,873,000	<u>833,389,000</u>

(a) \$5,700,000 in fiscal year 2026 and \$5,700,000 in fiscal year 2027 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.

(b) 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.

(c) \$9,500,000 in fiscal year 2026 and \$9,500,000 in fiscal year 2027 are for enterprise-wide technology, including upgrading the Integrated Statewide Record System and maintaining enterprise-wide technology services.

(d) \$50,000 in fiscal year 2026 and \$50,000 in fiscal year 2027 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.

(e) \$3,158,000 in fiscal year 2026 and \$3,158,000 in fiscal year 2027 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.

(f) \$883,000 in fiscal year 2026 and \$894,000 in fiscal year 2027 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.

(g) \$282,000 in fiscal year 2026 and \$282,000 in fiscal year 2027 are to pay the cost of supplies and equipment necessary to provide access to menstrual products under Minnesota Statutes, section 135A.1365.

(h) \$809,000 in fiscal year 2026 and \$809,000 in fiscal year 2027 are for unemployment insurance aid under Minnesota Statutes, section 268.193, to institutions within the system.

(i) \$500,000 in fiscal year 2026 and \$500,000 in fiscal year 2027 are for the Juvenile Detention Alternatives Initiative at Metropolitan State University. Of this amount, \$280,000 each year is to provide juvenile justice services and resources, including the Juvenile Detention Alternatives Initiative, to Minnesota counties and federally recognized Tribes; and \$220,000 each year is for funding to local units of government, federally recognized Tribes, and agencies to support local Juvenile Detention Alternative Initiatives, including but not limited to alternatives to detention. Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

(j) \$500,000 in fiscal year 2026 is to address contamination of PFAS, as defined in Minnesota Statutes, section 116.943, arising from or associated with the use of firefighting foam at the Lake Superior College Emergency Response Training Center (ERTC) prior to January 1, 2015. Money may be used to conduct environmental investigation and response activities, including ERTC program accommodations, and reimburse past expenses incurred for these activities. This is a onetime appropriation.

(k) \$3,000,000 in fiscal year 2027 is for acquisition, implementation, support, and maintenance of automated identity verification systems to combat enrollment fraud. Minnesota Statutes, section 13.05, subdivision 11, applies to any contract entered into by Minnesota State Colleges and Universities regarding the automated identity verification systems. This is a onetime appropriation. This appropriation is available until June 30, 2029.

(l) \$5,000 in fiscal year 2027 is for a transfer to Bemidji State University for campus reforestation. This is a onetime appropriation.

Sec. 67. ROCHESTER COMMUNITY AND TECHNICAL COLLEGE; CITY OF ROCHESTER LEASE AGREEMENT.

(a) The Board of Trustees of the Minnesota State Colleges and Universities may enter into a lease agreement with the city of Rochester, not to exceed 50 years, for the lease of land on the Rochester Community and Technical College for the construction of a sports facility.

(b) Siting and design of the facility must be consistent with the college's master plan and Minnesota State Colleges and Universities' building standards. Rochester Community and Technical College may negotiate for use of the facility for partial benefit of student and nonstudent purposes.

Sec. 68. APPROPRIATION; FOSTERING INDEPENDENCE HIGHER EDUCATION GRANTS.

(a) Notwithstanding Minnesota Statutes, chapter 116L, \$570,000 in fiscal year 2026 is appropriated from the workforce development fund to the commissioner of the Office of Higher Education for grants to eligible students under Minnesota Statutes, section 136A.1241, for the summer 2026 academic term. Any unspent funds from the summer 2026 term may be expended during the 2026-2027 academic year. This is a onetime appropriation. This appropriation is available until June 30, 2027.

(b) \$1,500,000 in fiscal year 2027 is appropriated from the general fund to the commissioner of the Office of Higher Education for grants to eligible students under Minnesota Statutes, section 136A.1241, for the 2026-2027 academic year. This is a onetime appropriation.

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

Sec. 69. REPEALER.

(a) Minnesota Statutes 2024, sections 124D.09, subdivision 10a; 136A.657; 136A.827, subdivisions 1b and 2; 136A.834, subdivisions 2, 3, and 4; 136G.03, subdivision 11; and 136G.09, subdivision 10, are repealed.

(b) Minnesota Statutes 2025 Supplement, section 136A.834, subdivisions 1 and 5, are repealed.

Presented to the governor May 20, 2026

Signed by the governor May 27, 2026, 12:23 p.m.