

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 943

(SENATE AUTHORS: FISCHBACH and Clausen)

DATE	D-PG	OFFICIAL STATUS
02/13/2017	590	Introduction and first reading Referred to Higher Education Finance and Policy
02/15/2017	613	Author added Clausen
02/20/2017	655	Comm report: To pass and re-referred to Finance
05/04/2017	3371a	Comm report: To pass as amended
	3377	Second reading
05/10/2017	4496a	Special Order: Amended
	4497	Third reading Passed
05/17/2017	5352	Returned from House with amendment
	5352	Senate not concur, conference committee of 5 requested
	5356	Senate conferees Fischbach; Draheim; Anderson, P.; Jensen; Clausen
05/18/2017	5390	House conferees Nornes; Christensen; Whelan; Daniels; Omar
05/21/2017	5450c	Conference committee report, delete everything Senate adopted CC report and repassed bill
	5504	Third reading
	5702	House adopted SCC report and repassed bill Presentment date 05/26/17
	6105	Governor's action Approval 05/30/17
	6106	Secretary of State Chapter 89 05/30/17 Effective date Various Dates

1.1 A bill for an act

1.2 relating to higher education; providing funding and policy changes for the Office

1.3 of Higher Education, the Minnesota State Colleges and Universities, the University

1.4 of Minnesota, and other related programs; modifying state grant program calculation

1.5 parameters; requiring reports; authorizing rulemaking; appropriating money;

1.6 amending Minnesota Statutes 2016, sections 43A.06, subdivision 1; 135A.031,

1.7 subdivision 7; 135A.15, subdivision 1a; 136A.101, subdivision 5a; 136A.103;

1.8 136A.121, subdivision 6; 136A.125, subdivisions 2, 4; 136A.1275; 136A.1795,

1.9 subdivision 4; 136A.62, by adding a subdivision; 136A.646; 136A.65, subdivisions

1.10 1a, 4, 7; 136A.653; 136A.657, by adding a subdivision; 136A.67; 136A.68;

1.11 136A.685; 136A.821, by adding subdivisions; 136A.822, subdivisions 4, 6, 12,

1.12 13; 136A.826, subdivision 2; 136A.827, subdivisions 2, 3; 136A.828, subdivision

1.13 3; 136A.83; 136A.833; 136A.834, by adding a subdivision; 136A.902, subdivision

1.14 1; 148.89, subdivision 5; Laws 2014, chapter 312, article 1, section 15; Laws 2015,

1.15 chapter 69, article 3, section 20, subdivision 10; proposing coding for new law in

1.16 Minnesota Statutes, chapters 135A; 136A; 136F; 137; 148; 298.

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

1.18 **ARTICLE 1**

1.19 **HIGHER EDUCATION APPROPRIATIONS**

1.20 Section 1. **APPROPRIATIONS.**

1.21 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.22 and for the purposes specified in this article. The appropriations are from the general fund,

1.23 or another named fund, and are available for the fiscal years indicated for each purpose.

1.24 The figures "2018" and "2019" used in this article mean that the appropriations listed under

1.25 them are available for the fiscal year ending June 30, 2018, or June 30, 2019, respectively.

1.26 "The first year" is fiscal year 2018. "The second year" is fiscal year 2019. "The biennium"

1.27 is fiscal years 2018 and 2019.

2.1		<u>APPROPRIATIONS</u>	
2.2		<u>Available for the Year</u>	
2.3		<u>Ending June 30</u>	
2.4		<u>2018</u>	<u>2019</u>
2.5	<u>Sec. 2. MINNESOTA OFFICE OF HIGHER</u>		
2.6	<u>EDUCATION</u>		
2.7	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 260,036,000</u>	<u>\$ 256,495,000</u>
2.8	<u>The amounts that may be spent for each</u>		
2.9	<u>purpose are specified in the following</u>		
2.10	<u>subdivisions.</u>		
2.11	<u>Subd. 2. State Grants</u>	<u>198,206,000</u>	<u>198,356,000</u>
2.12	<u>If the appropriation in this subdivision for</u>		
2.13	<u>either year is insufficient, the appropriation</u>		
2.14	<u>for the other year is available for it.</u>		
2.15	<u>Subd. 3. Child Care Grants</u>	<u>6,694,000</u>	<u>6,694,000</u>
2.16	<u>Subd. 4. State Work-Study</u>	<u>14,502,000</u>	<u>14,502,000</u>
2.17	<u>Subd. 5. Interstate Tuition Reciprocity</u>	<u>11,018,000</u>	<u>11,018,000</u>
2.18	<u>If the appropriation in this subdivision for</u>		
2.19	<u>either year is insufficient, the appropriation</u>		
2.20	<u>for the other year is available to meet</u>		
2.21	<u>reciprocity contract obligations.</u>		
2.22	<u>Subd. 6. Safety Officer's Survivors</u>	<u>100,000</u>	<u>100,000</u>
2.23	<u>This appropriation is to provide educational</u>		
2.24	<u>benefits under Minnesota Statutes, section</u>		
2.25	<u>299A.45, to eligible dependent children and</u>		
2.26	<u>to the spouses of public safety officers killed</u>		
2.27	<u>in the line of duty.</u>		
2.28	<u>If the appropriation in this subdivision for</u>		
2.29	<u>either year is insufficient, the appropriation</u>		
2.30	<u>for the other year is available for it.</u>		
2.31	<u>Subd. 7. Indian Scholarships</u>	<u>3,500,000</u>	<u>3,500,000</u>
2.32	<u>The commissioner must contract with or</u>		
2.33	<u>employ at least one person with demonstrated</u>		
2.34	<u>competence in American Indian culture and</u>		

3.1	<u>residing in or near the city of Bemidji to assist</u>		
3.2	<u>students with the scholarships under</u>		
3.3	<u>Minnesota Statutes, section 136A.126, and</u>		
3.4	<u>with other information about financial aid for</u>		
3.5	<u>which the students may be eligible. Bemidji</u>		
3.6	<u>State University must provide office space at</u>		
3.7	<u>no cost to the Office of Higher Education for</u>		
3.8	<u>purposes of administering the American Indian</u>		
3.9	<u>scholarship program under Minnesota Statutes,</u>		
3.10	<u>section 136A.126. This appropriation includes</u>		
3.11	<u>funding to administer the American Indian</u>		
3.12	<u>scholarship program.</u>		
3.13	<u>Subd. 8. Tribal College Grants</u>	<u>150,000</u>	<u>150,000</u>
3.14	<u>For tribal college assistance grants under</u>		
3.15	<u>Minnesota Statutes, section 136A.1796.</u>		
3.16	<u>Subd. 9. Intervention for College Attendance</u>		
3.17	<u>Program Grants</u>	<u>671,000</u>	<u>671,000</u>
3.18	<u>For the intervention for college attendance</u>		
3.19	<u>program under Minnesota Statutes, section</u>		
3.20	<u>136A.861.</u>		
3.21	<u>The commissioner may use no more than three</u>		
3.22	<u>percent of this appropriation to administer the</u>		
3.23	<u>intervention for college attendance program</u>		
3.24	<u>grants.</u>		
3.25	<u>Subd. 10. Student-Parent Information</u>	<u>122,000</u>	<u>122,000</u>
3.26	<u>Subd. 11. Get Ready!</u>	<u>180,000</u>	<u>180,000</u>
3.27	<u>Subd. 12. Minnesota Education Equity</u>		
3.28	<u>Partnership</u>	<u>45,000</u>	<u>45,000</u>
3.29	<u>Subd. 13. Midwest Higher Education Compact</u>	<u>115,000</u>	<u>115,000</u>
3.30	<u>Subd. 14. United Family Medicine Residency</u>		
3.31	<u>Program</u>	<u>501,000</u>	<u>501,000</u>
3.32	<u>For a grant to United Family Medicine</u>		
3.33	<u>residency program. This appropriation shall</u>		
3.34	<u>be used to support up to 21 resident physicians</u>		
3.35	<u>each year in family practice at United Family</u>		

4.1	<u>Medicine residency programs and shall</u>		
4.2	<u>prepare doctors to practice family care</u>		
4.3	<u>medicine in underserved rural and urban areas</u>		
4.4	<u>of the state. It is intended that this program</u>		
4.5	<u>will improve health care in underserved</u>		
4.6	<u>communities, provide affordable access to</u>		
4.7	<u>appropriate medical care, and manage the</u>		
4.8	<u>treatment of patients in a cost-effective</u>		
4.9	<u>manner.</u>		
4.10	<u>Subd. 15. MnLINK Gateway and Minitex</u>	<u>5,905,000</u>	<u>5,905,000</u>
4.11	<u>Subd. 16. Statewide Longitudinal Education</u>		
4.12	<u>Data System</u>	<u>882,000</u>	<u>882,000</u>
4.13	<u>Subd. 17. Hennepin County Medical Center</u>	<u>645,000</u>	<u>645,000</u>
4.14	<u>For transfer to Hennepin County Medical</u>		
4.15	<u>Center for graduate family medical education</u>		
4.16	<u>programs at Hennepin County Medical Center.</u>		
4.17	<u>Subd. 18. MNSCU Two-Year Public College</u>		
4.18	<u>Program</u>	<u>3,481,000</u>	<u>-0-</u>
4.19	<u>(a) \$2,780,000 in fiscal year 2018 is for</u>		
4.20	<u>two-year public college program grants under</u>		
4.21	<u>Laws 2015, chapter 69, article 3, section 20.</u>		
4.22	<u>(b) \$545,000 in fiscal year 2018 is to provide</u>		
4.23	<u>mentoring and outreach as specified under</u>		
4.24	<u>Laws 2015, chapter 69, article 3, section 20.</u>		
4.25	<u>(c) \$156,000 in fiscal year 2018 is for</u>		
4.26	<u>information technology and administrative</u>		
4.27	<u>costs associated with implementation of the</u>		
4.28	<u>grant program.</u>		
4.29	<u>Subd. 19. College Possible</u>	<u>250,000</u>	<u>250,000</u>
4.30	<u>(a) This appropriation is for immediate transfer</u>		
4.31	<u>to College Possible to support programs of</u>		
4.32	<u>college admission and college graduation for</u>		
4.33	<u>low-income students through an intensive</u>		

5.1 curriculum of coaching and support at both
 5.2 the high school and postsecondary level.

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

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

5.11 (d) By February 1 of each year, College
 5.12 Possible must report to the chairs and ranking
 5.13 minority members of the legislative
 5.14 committees and divisions with jurisdiction
 5.15 over higher education and E-12 education on
 5.16 activities funded by this appropriation. The
 5.17 report must include, but is not limited to,
 5.18 information about the expansion of College
 5.19 Possible in Minnesota, the number of College
 5.20 Possible coaches hired, the expansion within
 5.21 existing partner high schools, the expansion
 5.22 of high school partnerships, the number of
 5.23 high school and college students served, the
 5.24 total hours of community service by high
 5.25 school and college students, and a list of
 5.26 communities and organizations benefiting
 5.27 from student service hours.

5.28 **Subd. 20. Spinal Cord Injury and Traumatic**
 5.29 **Brain Injury Research Grant Program**

3,000,000

3,000,000

5.30 For spinal cord injury and traumatic brain
 5.31 injury research grants authorized under
 5.32 Minnesota Statutes, section 136A.901.

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

6.1	<u>Subd. 21. Summer Academic Enrichment</u>		
6.2	<u>Program</u>	<u>125,000</u>	<u>125,000</u>
6.3	<u>For summer academic enrichment grants under</u>		
6.4	<u>Minnesota Statutes, section 136A.091.</u>		
6.5	<u>The commissioner may use no more than three</u>		
6.6	<u>percent of this appropriation to administer the</u>		
6.7	<u>grant program under this subdivision.</u>		
6.8	<u>Subd. 22. Dual Training Competency Grants;</u>		
6.9	<u>Office of Higher Education</u>	<u>2,000,000</u>	<u>2,000,000</u>
6.10	<u>For training grants under Minnesota Statutes,</u>		
6.11	<u>section 136A.246.</u>		
6.12	<u>The commissioner may use no more than three</u>		
6.13	<u>percent of this appropriation to administer the</u>		
6.14	<u>grant program under this subdivision.</u>		
6.15	<u>Subd. 23. Dual Training Competency Grants;</u>		
6.16	<u>Department of Labor and Industry</u>	<u>200,000</u>	<u>200,000</u>
6.17	<u>For transfer to the commissioner of labor and</u>		
6.18	<u>industry for identification of competency</u>		
6.19	<u>standards for dual training under Minnesota</u>		
6.20	<u>Statutes, section 175.45.</u>		
6.21	<u>Subd. 24. Concurrent Enrollment Courses</u>	<u>340,000</u>	<u>340,000</u>
6.22	<u>(a) \$225,000 in fiscal year 2018 and \$225,000</u>		
6.23	<u>in fiscal year 2019 are for grants to develop</u>		
6.24	<u>new concurrent enrollment courses under</u>		
6.25	<u>Minnesota Statutes, section 124D.09,</u>		
6.26	<u>subdivision 10, that satisfy the elective</u>		
6.27	<u>standard for career and technical education.</u>		
6.28	<u>Any balance in the first year does not cancel</u>		
6.29	<u>but is available in the second year.</u>		
6.30	<u>(b) \$115,000 in fiscal year 2018 and \$115,000</u>		
6.31	<u>in fiscal year 2019 are for grants to</u>		
6.32	<u>postsecondary institutions currently</u>		
6.33	<u>sponsoring a concurrent enrollment course to</u>		
6.34	<u>expand existing programs. The commissioner</u>		

7.1 shall determine the application process and
 7.2 the grant amounts. The commissioner must
 7.3 give preference to expanding programs that
 7.4 are at capacity. Any balance in the first year
 7.5 does not cancel but is available in the second
 7.6 year.

7.7 (c) By December 1 of each year, the office
 7.8 shall submit a brief report to the chairs and
 7.9 ranking minority members of the legislative
 7.10 committees with jurisdiction over higher
 7.11 education regarding:

7.12 (1) the courses developed by grant recipients
 7.13 and the number of students who enrolled in
 7.14 the courses under paragraph (a); and

7.15 (2) the programs expanded and the number of
 7.16 students who enrolled in programs under
 7.17 paragraph (b).

7.18 **Subd. 25. Campus Sexual Assault Reporting** 25,000 25,000

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

7.21 **Subd. 26. Campus Sexual Violence Prevention**
 7.22 **and Response Coordinator** 150,000 150,000

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

7.32 **Subd. 27. Addiction Medicine Graduate**
 7.33 **Fellowship Program** 210,000 -0-

8.1 For the addiction medicine graduate fellowship
 8.2 program under Laws 2016, chapter 189, article
 8.3 1, section 2, subdivision 4.

8.4 **Subd. 28. Student and Employer Connection**
 8.5 **Information System**

405,000

405,000

8.6 For a grant to the Minnesota Chamber
 8.7 Foundation for the creation of a web-based
 8.8 job and intern-seeking software tool that blind
 8.9 matches the needs of employers located in
 8.10 Minnesota with the individual profiles of high
 8.11 school seniors and postsecondary students
 8.12 attending Minnesota high schools and
 8.13 postsecondary institutions. No more than three
 8.14 percent of this appropriation may be used for
 8.15 administrative expenses of the foundation. The
 8.16 foundation must report by January 15, 2019,
 8.17 on activities under this subdivision to the
 8.18 chairs and ranking minority members of the
 8.19 legislative committees with jurisdiction over
 8.20 higher education finance.

8.21 **Subd. 29. Emergency Assistance for**
 8.22 **Postsecondary Students**

175,000

175,000

8.23 (a) This appropriation is for the Office of
 8.24 Higher Education to allocate grant funds on a
 8.25 matching basis to schools with a demonstrable
 8.26 homeless student population.

8.27 (b) This appropriation shall be used to meet
 8.28 immediate student needs that could result in
 8.29 a student not completing the term or their
 8.30 program including, but not limited to,
 8.31 emergency housing, food, and transportation.

8.32 Emergency assistance does not impact the
 8.33 amount of state financial aid received.

8.34 (c) The commissioner shall determine the
 8.35 application process and the grant amounts.

9.1	<u>Any balance in the first year does not cancel</u>		
9.2	<u>but shall be available in the second year. The</u>		
9.3	<u>Office of Higher Education shall partner with</u>		
9.4	<u>interested postsecondary institutions, other</u>		
9.5	<u>state agencies, and student groups to establish</u>		
9.6	<u>the programs.</u>		
9.7	<u>Subd. 30. Grants to Teacher Candidates</u>	<u>500,000</u>	<u>500,000</u>
9.8	<u>For grants to teacher candidates under</u>		
9.9	<u>Minnesota Statutes, section 136A.1275. This</u>		
9.10	<u>appropriation is in addition to the money</u>		
9.11	<u>available under Laws 2016, chapter 189,</u>		
9.12	<u>article 25, section 62, subdivision 11.</u>		
9.13	<u>The commissioner may use no more than three</u>		
9.14	<u>percent of the appropriation for administration</u>		
9.15	<u>of the program.</u>		
9.16	<u>Subd. 31. Teacher Shortage Loan Forgiveness</u>	<u>200,000</u>	<u>200,000</u>
9.17	<u>For the loan forgiveness program under</u>		
9.18	<u>Minnesota Statutes, section 136A.1791.</u>		
9.19	<u>The commissioner may use no more than three</u>		
9.20	<u>percent of this appropriation to administer the</u>		
9.21	<u>program under this subdivision.</u>		
9.22	<u>Subd. 32. Large Animal Veterinarian Loan</u>		
9.23	<u>Forgiveness Program</u>	<u>375,000</u>	<u>375,000</u>
9.24	<u>For the large animal veterinarian loan</u>		
9.25	<u>forgiveness program under Minnesota Statutes,</u>		
9.26	<u>section 136A.1795.</u>		
9.27	<u>Subd. 33. Agricultural Educators Loan</u>		
9.28	<u>Forgiveness</u>	<u>50,000</u>	<u>50,000</u>
9.29	<u>For deposit in the agricultural education loan</u>		
9.30	<u>forgiveness account.</u>		
9.31	<u>Subd. 34. Aviation Degree Loan Forgiveness</u>		
9.32	<u>Program</u>	<u>25,000</u>	<u>25,000</u>

10.1	<u>For the aviation degree loan forgiveness</u>		
10.2	<u>program under Minnesota Statutes, section</u>		
10.3	<u>136A.1789.</u>		
10.4	<u>Subd. 35. Grants for Students with Intellectual</u>		
10.5	<u>and Developmental Disabilities</u>	<u>200,000</u>	<u>200,000</u>
10.6	<u>For grants for students with intellectual and</u>		
10.7	<u>developmental disabilities under Minnesota</u>		
10.8	<u>Statutes, section 136A.1215.</u>		
10.9	<u>Subd. 36. Loan Repayment Assistance Program</u>	<u>25,000</u>	<u>25,000</u>
10.10	<u>For a grant to the Loan Repayment Assistance</u>		
10.11	<u>Program of Minnesota to provide education</u>		
10.12	<u>debt relief to attorneys with full-time</u>		
10.13	<u>employment providing legal advice or</u>		
10.14	<u>representation to low-income clients or support</u>		
10.15	<u>services for this work.</u>		
10.16	<u>Subd. 37. Minnesota Life College</u>	<u>1,000,000</u>	<u>1,000,000</u>
10.17	<u>For a grant to Minnesota Life College for</u>		
10.18	<u>need-based scholarships and tuition reduction.</u>		
10.19	<u>Subd. 38. Agency Administration</u>	<u>4,064,000</u>	<u>4,064,000</u>
10.20	<u>Subd. 39. Balances Forward</u>		
10.21	<u>A balance in the first year under this section</u>		
10.22	<u>does not cancel, but is available for the second</u>		
10.23	<u>year.</u>		
10.24	<u>Subd. 40. Transfers</u>		
10.25	<u>The commissioner of the Office of Higher</u>		
10.26	<u>Education may transfer unencumbered</u>		
10.27	<u>balances from the appropriations in this</u>		
10.28	<u>section to the state grant appropriation, the</u>		
10.29	<u>interstate tuition reciprocity appropriation, the</u>		
10.30	<u>child care grant appropriation, the Indian</u>		
10.31	<u>scholarship appropriation, the state work-study</u>		
10.32	<u>appropriation, the get ready appropriation, and</u>		
10.33	<u>the public safety officers' survivors</u>		
10.34	<u>appropriation. Transfers from the child care</u>		

- 12.1 and 2019 where costs for course or program
12.2 delivery have increased due to extraordinary
12.3 circumstances beyond the control of the
12.4 college or university. Rates and rationale must
12.5 be approved by the Board of Trustees.
- 12.6 (b) \$3,000,000 in fiscal year 2018 and
12.7 \$3,000,000 in fiscal year 2019 are to provide
12.8 the supplemental aid under article 2, section
12.9 24.
- 12.10 (c) The Board of Trustees is requested to help
12.11 Minnesota close the attainment gap by funding
12.12 activities which improve retention and
12.13 completion for students of color.
- 12.14 (d) This appropriation includes \$1,000,000 in
12.15 fiscal year 2019 for workforce development
12.16 scholarships under Minnesota Statutes, section
12.17 136F.38. The base for this appropriation in
12.18 fiscal year 2020 is \$500,000.
- 12.19 (e) \$200,000 each year is for transfer to the
12.20 Cook County Higher Education Board to
12.21 provide educational programming and
12.22 academic support services to remote regions
12.23 in northeastern Minnesota. The Cook County
12.24 Higher Education Board shall continue to
12.25 provide information to the Board of Trustees
12.26 on the number of students served, credit hours
12.27 delivered, and services provided to students.
- 12.28 (f) \$50,000 in fiscal year 2018 and \$50,000 in
12.29 fiscal year 2019 are for developing and
12.30 teaching online agricultural courses by farm
12.31 business management faculty at colleges that
12.32 offer farm business management.
- 12.33 (g) \$175,000 in fiscal year 2018 and \$175,000
12.34 in fiscal year 2019 are for the

- 13.1 veterans-to-agriculture pilot program
13.2 established by Laws 2015, chapter 69, article
13.3 1, section 4, subdivision 3. The program shall
13.4 continue to conform to the requirements of
13.5 that subdivision. The appropriation shall be
13.6 used to support, in equal amounts, up to six
13.7 program sites statewide. No more than two
13.8 percent of the total appropriation provided by
13.9 this section may be used for administrative
13.10 purposes at the system level.
- 13.11 No later than December 15, 2018, the program
13.12 shall report to the committees of the house of
13.13 representatives and the senate with jurisdiction
13.14 over issues related to agriculture, veterans
13.15 affairs, and higher education on program
13.16 operations, including information on
13.17 participation rates, new job placements, and
13.18 any unmet needs.
- 13.19 (h) This appropriation includes \$40,000 in
13.20 fiscal year 2018 and \$40,000 in fiscal year
13.21 2019 to implement the sexual assault policies
13.22 required under Minnesota Statutes, section
13.23 135A.15.
- 13.24 (i) This appropriation includes \$4,000,000 in
13.25 fiscal year 2018 and \$4,000,000 in fiscal year
13.26 2019 for upgrading the Integrated Statewide
13.27 Record System.
- 13.28 (j) \$100,000 in fiscal year 2018 is for use by
13.29 Winona State University for HealthForce
13.30 Minnesota to develop educational materials
13.31 that increase awareness of career opportunities
13.32 available in the field of senior care. The
13.33 educational materials developed under this
13.34 provision must be appropriate for students in
13.35 K-12 education settings, dislocated workers,

15.1 funding; (3) ensure the medical school's
15.2 national prominence by attracting and
15.3 retaining world-class faculty, staff, and
15.4 students; (4) invest in physician training
15.5 programs in rural and underserved
15.6 communities; and (5) translate the medical
15.7 school's research discoveries into new
15.8 treatments and cures to improve the health of
15.9 Minnesotans.

15.10 (c) \$7,800,000 in fiscal year 2018 and
15.11 \$7,800,000 in fiscal year 2019 are for health
15.12 training restoration. This appropriation must
15.13 be used to support all of the following: (1)
15.14 faculty physicians who teach at eight residency
15.15 program sites, including medical resident and
15.16 student training programs in the Department
15.17 of Family Medicine; (2) the Mobile Dental
15.18 Clinic; and (3) expansion of geriatric
15.19 education and family programs.

15.20 (d) \$4,000,000 in fiscal year 2018 and
15.21 \$4,000,000 in fiscal year 2019 are for the
15.22 Minnesota Discovery, Research, and
15.23 InnoVation Economy funding program for
15.24 cancer care research.

15.25 (e) \$50,000 in fiscal year 2018 is to develop
15.26 and implement a plan to offer the academic
15.27 program for students with intellectual and
15.28 developmental disabilities required in article
15.29 2, section 18. The Board of Regents must
15.30 submit a report on the plan to the chairs and
15.31 ranking minority members of the committees
15.32 of the legislature with jurisdiction over higher
15.33 education finance and policy no later than
15.34 January 15, 2018. The report must describe
15.35 program plans, including strategies for

16.1 recruitment of applicants, and strategies to
 16.2 address anticipated program needs that cannot
 16.3 be filled using existing campus or system
 16.4 resources. This is a onetime appropriation.

16.5 (f) \$500,000 in fiscal year 2018 and \$500,000
 16.6 in fiscal year 2019 are for the University of
 16.7 Minnesota, Morris branch, to cover the costs
 16.8 of tuition waivers under Minnesota Statutes,
 16.9 section 137.16.

16.10 **Subd. 3. Primary Care Education Initiatives** 2,157,000 2,157,000

16.11 This appropriation is from the health care
 16.12 access fund.

16.13 **Subd. 4. Special Appropriations**

16.14 **(a) Agriculture and Extension Service** 42,922,000 42,922,000

16.15 For the Agricultural Experiment Station and
 16.16 the Minnesota Extension Service:

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

16.25 (2) this appropriation includes funding for
 16.26 research and outreach on the production of
 16.27 renewable energy from Minnesota biomass
 16.28 resources, including agronomic crops, plant
 16.29 and animal wastes, and native plants or trees.

16.30 The following areas should be prioritized and
 16.31 carried out in consultation with Minnesota
 16.32 producers, renewable energy, and bioenergy
 16.33 organizations:

- 17.1 (i) biofuel and other energy production from
17.2 perennial crops, small grains, row crops, and
17.3 forestry products in conjunction with the
17.4 Natural Resources Research Institute (NRRI);
17.5 (ii) alternative bioenergy crops and cropping
17.6 systems; and
17.7 (iii) biofuel coproducts used for livestock feed;
17.8 (3) this appropriation includes funding for the
17.9 College of Food, Agricultural, and Natural
17.10 Resources Sciences to establish and provide
17.11 leadership for organic agronomic,
17.12 horticultural, livestock, and food systems
17.13 research, education, and outreach and for the
17.14 purchase of state-of-the-art laboratory,
17.15 planting, tilling, harvesting, and processing
17.16 equipment necessary for this project;
17.17 (4) this appropriation includes funding for
17.18 research efforts that demonstrate a renewed
17.19 emphasis on the needs of the state's agriculture
17.20 community. The following areas should be
17.21 prioritized and carried out in consultation with
17.22 Minnesota farm organizations:
17.23 (i) vegetable crop research with priority for
17.24 extending the Minnesota vegetable growing
17.25 season;
17.26 (ii) fertilizer and soil fertility research and
17.27 development;
17.28 (iii) soil, groundwater, and surface water
17.29 conservation practices and contaminant
17.30 reduction research;
17.31 (iv) discovering and developing plant varieties
17.32 that use nutrients more efficiently;

- 18.1 (v) breeding and development of turf seed and
 18.2 other biomass resources in all three Minnesota
 18.3 biomes;
- 18.4 (vi) development of new disease-resistant and
 18.5 pest-resistant varieties of turf and agronomic
 18.6 crops;
- 18.7 (vii) utilizing plant and livestock cells to treat
 18.8 and cure human diseases;
- 18.9 (viii) the development of dairy coproducts;
- 18.10 (ix) a rapid agricultural response fund for
 18.11 current or emerging animal, plant, and insect
 18.12 problems affecting production or food safety;
- 18.13 (x) crop pest and animal disease research;
- 18.14 (xi) developing animal agriculture that is
 18.15 capable of sustainably feeding the world;
- 18.16 (xii) consumer food safety education and
 18.17 outreach;
- 18.18 (xiii) programs to meet the research and
 18.19 outreach needs of organic livestock and crop
 18.20 farmers; and
- 18.21 (xiv) alternative bioenergy crops and cropping
 18.22 systems; and growing, harvesting, and
 18.23 transporting biomass plant material; and
- 18.24 (5) by February 1, 2019, the Board of Regents
 18.25 must submit a report to the legislative
 18.26 committees and divisions with jurisdiction
 18.27 over agriculture and higher education finance
 18.28 on the status and outcomes of research and
 18.29 initiatives funded in this paragraph.
- 18.30 **(b) Health Sciences**
- 18.31 \$346,000 each year is to support up to 12
 18.32 resident physicians in the St. Cloud Hospital

9,204,0009,204,000

19.1	<u>family practice residency program. The</u>		
19.2	<u>program must prepare doctors to practice</u>		
19.3	<u>primary care medicine in rural areas of the</u>		
19.4	<u>state. The legislature intends this program to</u>		
19.5	<u>improve health care in rural communities,</u>		
19.6	<u>provide affordable access to appropriate</u>		
19.7	<u>medical care, and manage the treatment of</u>		
19.8	<u>patients in a more cost-effective manner. The</u>		
19.9	<u>remainder of this appropriation is for the rural</u>		
19.10	<u>physicians associates program; the Veterinary</u>		
19.11	<u>Diagnostic Laboratory; health sciences</u>		
19.12	<u>research; dental care; the Biomedical</u>		
19.13	<u>Engineering Center; and the collaborative</u>		
19.14	<u>partnership between the University of</u>		
19.15	<u>Minnesota and Mayo Clinic for regenerative</u>		
19.16	<u>medicine, research, clinical translation, and</u>		
19.17	<u>commercialization.</u>		
19.18	<u>(c) Institute of Technology</u>	<u>1,140,000</u>	<u>1,140,000</u>
19.19	<u>For the geological survey and the talented</u>		
19.20	<u>youth mathematics program.</u>		
19.21	<u>(d) System Special</u>	<u>7,181,000</u>	<u>7,181,000</u>
19.22	<u>For general research, the Labor Education</u>		
19.23	<u>Service, Natural Resources Research Institute,</u>		
19.24	<u>Center for Urban and Regional Affairs, Bell</u>		
19.25	<u>Museum of Natural History, and the</u>		
19.26	<u>Humphrey exhibit.</u>		
19.27	<u>\$2,000,000 in fiscal year 2018 and \$2,000,000</u>		
19.28	<u>in fiscal year 2019 are for the Natural</u>		
19.29	<u>Resources Research Institute to invest in</u>		
19.30	<u>applied research for economic development.</u>		
19.31	<u>(e) University of Minnesota and Mayo</u>		
19.32	<u>Foundation Partnership</u>	<u>7,991,000</u>	<u>7,991,000</u>
19.33	<u>This appropriation is for the following</u>		
19.34	<u>activities:</u>		

21.1 doctors practicing in rural areas in need of

21.2 doctors.

21.3 **Subd. 3. Family Practice and Graduate**

21.4 **Residency Program**

686,000

686,000

21.5 The state must pay stipend support for up to

21.6 27 residents each year.

21.7 **ARTICLE 2**

21.8 **HIGHER EDUCATION POLICY**

21.9 Section 1. Minnesota Statutes 2016, section 43A.06, subdivision 1, is amended to read:

21.10 Subdivision 1. **General.** (a) The commissioner shall perform the duties assigned to the
21.11 commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

21.12 (b) The commissioner shall be the state labor negotiator for purposes of negotiating and
21.13 administering agreements with exclusive representatives of employees and shall perform
21.14 any other duties delegated by the commissioner subject to the limitations in paragraph (c).

21.15 (c) The Board of Trustees of the Minnesota State Colleges and Universities may exercise
21.16 the powers under this section for employees included in the units provided in clauses (9),
21.17 (10), and (11) of section 179A.10, subdivision 2, except with respect to sections 43A.22 to
21.18 43A.31, which shall continue to be the responsibility of the commissioner. The commissioner
21.19 shall have the right to review and comment to the Minnesota State Colleges and Universities
21.20 on the board's final proposals prior to exchange of final positions with the designated
21.21 bargaining units as well as any requests for interest arbitration. The legislature encourages
21.22 the Board of Trustees, in coordination with the commissioner of management and budget
21.23 and the Board of Regents of the University of Minnesota, to endeavor in collective bargaining
21.24 negotiations to seek fiscal balance recognizing the ability of the employer to fund the
21.25 agreements or awards. When submitting a proposed collective bargaining agreement to the
21.26 Legislative Coordinating Commission and the legislature under section 3.855, subdivision
21.27 2, the Board of Trustees must use procedures and assumptions consistent with those used
21.28 by the commissioner in calculating the costs of the proposed contract. The Legislative
21.29 Coordinating Commission must, when considering a collective bargaining agreement or
21.30 arbitration award submitted by the Board of Trustees, evaluate market conditions affecting
21.31 the employees in the bargaining unit, equity with other bargaining units in the executive
21.32 branch, and the ability of the trustees and the state to fund the agreement or award.

22.1 Sec. 2. Minnesota Statutes 2016, section 135A.031, subdivision 7, is amended to read:

22.2 Subd. 7. **Reports.** (a) The University of Minnesota and the Minnesota State Colleges
22.3 and Universities systems shall include in their biennial budget proposals to the legislature:

22.4 (1) a five-year history of systemwide expenditures, reported by:

22.5 (i) functional areas, including instruction, research, public service, student financial aid,
22.6 and auxiliary services, and including direct costs and indirect costs, such as institutional
22.7 support, academic support, student services, and facilities management, associated with
22.8 each functional area; and

22.9 (ii) objects of expenditure, such as salaries, benefits, supplies, and equipment, including
22.10 a full explanation of all material changes to the expenditure categories when compared to
22.11 the prior fiscal year;

22.12 (2) a five-year history of the system's total instructional expenditures per full-year
22.13 equivalent student, by level of instruction, including upper-division undergraduate,
22.14 lower-division undergraduate, graduate, professional, and other categories of instructional
22.15 programs offered by the system;

22.16 (3) a five-year history of the system's total revenues by funding source, including tuition,
22.17 state operations and maintenance appropriations, state special appropriations, other restricted
22.18 state funds, federal appropriations, sponsored research funds, gifts, auxiliary revenue, indirect
22.19 cost recovery, and any other revenue sources;

22.20 (4) an explanation describing how state appropriations made to the system in the previous
22.21 biennium were allocated and the methodology used to determine the allocation;

22.22 (5) data describing how the institution reallocated resources to advance the priorities set
22.23 forth in the budget submitted under section 135A.034 and the statewide objectives under
22.24 section 135A.011. The information must indicate whether instruction and support programs
22.25 received a reduction in or additional resources. The total amount reallocated must be clearly
22.26 explained;

22.27 (6) the tuition rates and fees established by the governing board in each of the past ten
22.28 years and comparison data for peer institutions and national averages;

22.29 (7) data on the number and proportion of students graduating within four, five, and six
22.30 years from universities and within three years from colleges as reported in the integrated
22.31 postsecondary education data system. These data must be provided for each institution by
22.32 race, ethnicity, and gender. Data and information must be submitted that describe the system's
22.33 plan and progress toward attaining the goals set forth in the plan to increase the number and

23.1 proportion of students that graduate within four, five, or six years from a university or within
23.2 three years from a college;

23.3 (8) data on, and the methodology used to measure, the number of students traditionally
23.4 underrepresented in higher education enrolled at the system's institutions. Data and
23.5 information must be submitted that describe the system's plan and progress toward attaining
23.6 the goals set forth in the plan to increase the recruitment, retention, and timely graduation
23.7 of students traditionally underrepresented in higher education; ~~and~~

23.8 (9) data on the revenue received from all sources to support research or workforce
23.9 development activities or the system's efforts to license, sell, or otherwise market products,
23.10 ideas, technology, and related inventions created in whole or in part by the system. Data
23.11 and information must be submitted that describe the system's plan and progress toward
23.12 attaining the goals set forth in the plan to increase the revenue received to support research
23.13 or workforce development activities or revenue received from the licensing, sale, or other
23.14 marketing and technology transfer activities by the system;

23.15 (10) data on consulting contracts from the last two completed fiscal years for which the
23.16 work is performed by a consultant who is not an employee of the system, for which the
23.17 system paid in excess of \$500,000. Data must include the name of the consultant, the total
23.18 value of the contract, a description of the work completed, and a description of the reasons
23.19 for using an outside consultant and not internal staff. Consulting contracts are defined as
23.20 contracts from management, investment and financial advisory services, project management,
23.21 computer/technology advisory services, and construction project management; and

23.22 (11) aggregate data on the following:

23.23 (i) student demographics;

23.24 (ii) a five-year history of student enrollment, including student enrollment by legislative
23.25 district;

23.26 (iii) a five-year history of student debt;

23.27 (iv) a five-year history of mandatory student fees by campus;

23.28 (v) employee head count and employee demographics;

23.29 (vi) facilities, including physical space overview, condition, square footage, distribution
23.30 by region, any deferred maintenance, and capital bonding requested and received;

23.31 (vii) administrative costs, including the definition of "administrators" used by the system,
23.32 the total number of "administrators" as percent of total employee head count, and system

24.1 office budget for Minnesota State Colleges and Universities as percent of total system
 24.2 general fund revenue; and
 24.3 (viii) college and university operating budgets.

24.4 (b) Data required by this subdivision shall be submitted by the public postsecondary
 24.5 systems to the Minnesota Office of Higher Education and the Department of Management
 24.6 and Budget and included in the biennial budget document. Representatives from each system,
 24.7 in consultation with the commissioner of management and budget and the commissioner
 24.8 of the Office of Higher Education, shall develop consistent reporting practices for this
 24.9 purpose.

24.10 (c) To the extent practicable, each system shall develop the ability to respond to legislative
 24.11 requests for financial analyses that are more detailed than those required by this subdivision,
 24.12 including but not limited to analyses that show expenditures or revenues by institution or
 24.13 program, or in multiple categories of expenditures or revenues, and analyses that show
 24.14 revenue sources for particular types of expenditures.

24.15 Sec. 3. **[135A.0434] MANDATORY STUDENT ACTIVITY FEES REFERENDUM.**

24.16 Subdivision 1. **Referendum.** The governing body of a public postsecondary institution
 24.17 must not increase mandatory student activity fees by greater than two percent relative to
 24.18 the previous academic year unless the increase is approved by a majority of students voting
 24.19 in a campus referendum. This section does not apply to fees paid by students that are directly
 24.20 related to academic, administrative, health services, or debt obligations, including bonds
 24.21 issued under sections 136F.90 to 136F.98. The Board of Regents of the University of
 24.22 Minnesota is requested to adopt a policy implementing this section.

24.23 Subd. 2. **Penalty.** If the Board of Regents of the University of Minnesota increases
 24.24 mandatory student activity fees by more than two percent without approval by a vote of the
 24.25 student body as described in subdivision 1, the commissioner of management and budget
 24.26 shall deduct from the university's appropriation base an amount equal to one percent of the
 24.27 university's appropriation base in the first year of the next biennium.

24.28 **EFFECTIVE DATE.** This section is effective beginning September 1, 2017, and applies
 24.29 to actions taken by a governing body of a public postsecondary institution.

25.1 Sec. 4. [135A.158] INFORMATION PROVIDED TO STUDENT PARENTS AND
 25.2 PREGNANT STUDENTS.

25.3 A public or regionally accredited private postsecondary educational institution must
 25.4 provide information according to this section to students who are parents of one or more
 25.5 children age 12 or younger, and to students who notify the institution that they are pregnant.
 25.6 The information must include a fact sheet on the legal rights of student parents and pregnant
 25.7 students and a list of resources to support student parents and pregnant students. The list of
 25.8 resources may include resources for prenatal care, child care, transportation, and housing.
 25.9 This information must be available in languages that reflect the primary languages of the
 25.10 institution's student body. The Board of Regents of the University of Minnesota is requested
 25.11 to comply with this section.

25.12 Sec. 5. [136A.055] DEVELOPMENTAL EDUCATION REPORTING.

25.13 (a) The commissioner must report on the department's Web site the following summary
 25.14 data on students who graduated from a Minnesota high school and are attending a public
 25.15 postsecondary institution in Minnesota, limited to the most recent academic school year:

25.16 (1) the number of students placed in supplemental or developmental education;

25.17 (2) the number of students who complete supplemental or developmental education
 25.18 within one academic year;

25.19 (3) the number of students that complete gateway courses in one academic year; and

25.20 (4) time to complete a degree or certificate at a postsecondary institution.

25.21 (b) Summary data must be aggregated by school district, high school, and postsecondary
 25.22 institution. Summary data must be disaggregated by race, ethnicity, free or reduced-price
 25.23 lunch eligibility, and age.

25.24 (c) The commissioner must post the initial data on the department's Web site on or before
 25.25 February 15, 2018, and must update the data at least annually thereafter.

25.26 Sec. 6. Minnesota Statutes 2016, section 136A.101, subdivision 5a, is amended to read:

25.27 Subd. 5a. **Assigned family responsibility.** "Assigned family responsibility" means the
 25.28 amount of a family's contribution to a student's cost of attendance, as determined by a federal
 25.29 need analysis. For dependent students, the assigned family responsibility is ~~94~~ 84 percent
 25.30 of the parental contribution. For independent students with dependents other than a spouse,
 25.31 the assigned family responsibility is ~~86~~ 76 percent of the student contribution. For

26.1 independent students without dependents other than a spouse, the assigned family
26.2 responsibility is ~~50~~ 40 percent of the student contribution.

26.3 Sec. 7. Minnesota Statutes 2016, section 136A.121, subdivision 6, is amended to read:

26.4 Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of: (1) an
26.5 allowance specified in law for living and miscellaneous expenses, and (2) an allowance for
26.6 tuition and fees equal to the lesser of the average tuition and fees charged by the institution,
26.7 or a tuition and fee maximum if one is established in law. If no living and miscellaneous
26.8 expense allowance is established in law, the allowance is equal to 101 percent of the federal
26.9 poverty guidelines for a one person household in Minnesota for nine months. If no tuition
26.10 and fee maximum is established in law, the allowance for tuition and fees is equal to the
26.11 lesser of: (1) the average tuition and fees charged by the institution, and (2) for two-year
26.12 programs, an amount equal to the highest tuition and fees charged at a public two-year
26.13 institution, or for four-year programs, an amount equal to the highest tuition and fees charged
26.14 at a public university.

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

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

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

26.25 Sec. 8. **[136A.1215] GRANTS FOR STUDENTS WITH INTELLECTUAL AND**
26.26 **DEVELOPMENTAL DISABILITIES.**

26.27 Subdivision 1. Establishment. A program is established to provide financial assistance
26.28 to students with intellectual and developmental disabilities that attend a Minnesota
26.29 postsecondary institution.

26.30 Subd. 2. Eligible students. A postsecondary student is eligible for a grant under this
26.31 section if the student:

26.32 (1) meets the eligibility requirements in section 136A.121, subdivision 2;

27.1 (2) is a student with an intellectual disability, as defined in Code of Federal Regulations,
 27.2 title 34, section 668.231, and is enrolled in a comprehensive transition and postsecondary
 27.3 program under that section; and

27.4 (3) attends an eligible institution, as defined in section 136A.101, subdivision 4.

27.5 Subd. 3. **Application.** To receive a grant under this section, a student must apply in the
 27.6 form and manner specified by the commissioner.

27.7 Subd. 4. **Grant amounts.** (a) The amount of a grant under this section equals the tuition
 27.8 and fees at the student's postsecondary institution, minus:

27.9 (1) any Pell or state grants the student receives; and

27.10 (2) any institutional aid the student receives.

27.11 (b) If appropriations are insufficient to provide the full amount calculated under paragraph
 27.12 (a) to all eligible applicants, the commissioner must reduce the grants of all recipients
 27.13 proportionally.

27.14 Subd. 5. **Reporting.** By February 15 of each year, the commissioner of higher education
 27.15 must submit a report on the details of the program under this section to the legislative
 27.16 committees with jurisdiction over higher education finance and policy. The report must
 27.17 include the following information, broken out by postsecondary institution:

27.18 (1) the number of students receiving an award;

27.19 (2) the average and total award amounts; and

27.20 (3) summary demographic data on award recipients.

27.21 Sec. 9. Minnesota Statutes 2016, section 136A.125, subdivision 2, is amended to read:

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

27.24 (1) is a resident of the state of Minnesota or the applicant's spouse is a resident of the
 27.25 state of Minnesota;

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

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

28.1 (4) either has not earned a baccalaureate degree and has been enrolled full time less than
28.2 ~~eight~~ ten semesters or the equivalent, or has earned a baccalaureate degree and has been
28.3 enrolled full time less than ~~eight~~ ten semesters or the equivalent in a graduate or professional
28.4 degree program;

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

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

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

28.10 (b) A student who withdraws from enrollment for active military service after December
28.11 31, 2002, because the student was ordered to active military service as defined in section
28.12 190.05, subdivision 5b or 5c, or for a major illness, while under the care of a medical
28.13 professional, that substantially limits the student's ability to complete the term is entitled to
28.14 an additional semester or the equivalent of grant eligibility and will be considered to be in
28.15 continuing enrollment status upon return.

28.16 Sec. 10. Minnesota Statutes 2016, section 136A.125, subdivision 4, is amended to read:

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

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

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

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

28.22 (b) The maximum award to the applicant shall be ~~\$2,800~~ \$3,000 for each eligible child
28.23 per academic year, except that the campus financial aid officer may apply to the office for
28.24 approval to increase grants by up to ten percent to compensate for higher market charges
28.25 for infant care in a community. The office shall develop policies to determine community
28.26 market costs and review institutional requests for compensatory grant increases to ensure
28.27 need and equal treatment. The office shall prepare a chart to show the amount of a grant
28.28 that will be awarded per child based on the factors in this subdivision. The chart shall include
28.29 a range of income and family size.

28.30 (c) Applicants with family incomes at or below a percentage of the federal poverty level,
28.31 as determined by the commissioner, will qualify for the maximum award. The commissioner
28.32 shall attempt to set the percentage at a level estimated to fully expend the available

29.1 appropriation for child care grants. Applicants with family incomes exceeding that threshold
 29.2 will receive the maximum award minus ten percent of their income exceeding that threshold.
 29.3 If the result is less than zero, the grant is zero.

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

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

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

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

29.10 (4) multiplied by the number of credits for which the student is enrolled that academic
 29.11 term, up to 15 credits for undergraduate students and six for graduate and professional
 29.12 students.

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

29.16 Sec. 11. Minnesota Statutes 2016, section 136A.1275, is amended to read:

29.17 **~~136A.1275 GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS~~**
 29.18 **TEACHER CANDIDATE GRANTS.**

29.19 Subdivision 1. **Establishment.** (a) The commissioner of the Office of Higher Education
 29.20 must establish a grant program for student teaching stipends for low-income students enrolled
 29.21 in a Board of Teaching-approved teacher preparation program who ~~are interested in teaching~~
 29.22 ~~in a high needs subject area or region~~ intend to teach in a shortage area after graduating and
 29.23 receiving their teaching license or belong to an underrepresented racial or ethnic group. ~~For~~
 29.24 ~~purposes of this section, "high needs subject area or region" means a shortage of teachers~~
 29.25 ~~teaching in particular subject areas or a shortage of teachers teaching in particular regions~~
 29.26 ~~of the state identified in the commissioner of education's biennial survey of districts under~~
 29.27 ~~section 127A.05, subdivision 6, or in another Department of Education survey on teacher~~
 29.28 ~~shortages.~~

29.29 (b) "Shortage area" means a license field or economic development region within
 29.30 Minnesota defined as a shortage area by the Department of Education using data collected
 29.31 for the teacher supply and demand report under section 127A.05, subdivision 6, or other

30.1 surveys conducted by the Department of Education that provide indicators for teacher supply
 30.2 and demand.

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

30.5 (1) be enrolled in a Board of Teaching-approved teacher preparation program that requires
 30.6 at least 12 weeks of student teaching ~~and results in the teacher candidate receiving in order~~
 30.7 to be recommended for a full professional teaching license enabling the licensee to teach
 30.8 ~~in a high needs subject area or region; and~~

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

30.11 (3) intend to teach in a shortage area or belong to an underrepresented racial or ethnic
 30.12 group; and

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

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

30.19 (b) The commissioner must determine each academic year the stipend amount up to
 30.20 \$7,500 based on the amount of available funding ~~and~~, the number of eligible applicants,
 30.21 and the financial need of the applicants.

30.22 (c) The percentage of the total award reserved for teacher candidates who identify as
 30.23 belonging to an underrepresented racial or ethnic group must be equal to or greater than the
 30.24 total percentage of students of underrepresented racial or ethnic groups as measured under
 30.25 section 120B.35, subdivision 3. If this percentage cannot be met because of a lack of
 30.26 qualifying candidates, the remaining amount may be awarded to teacher candidates who
 30.27 intend to teach in a shortage area.

30.28 Sec. 12. [136A.1789] AVIATION DEGREE LOAN FORGIVENESS PROGRAM.

30.29 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision
 30.30 have the meanings given them.

31.1 (b) "Qualified aircraft technician" means an individual who (1) has earned an associate's
 31.2 or bachelor's degree from a postsecondary institution located in Minnesota, and (2) has
 31.3 obtained an aviation mechanic's certificate from the Federal Aviation Administration.

31.4 (c) "Qualified education loan" means a government, commercial, or foundation loan
 31.5 used by an individual for actual costs paid for tuition to a postsecondary institution located
 31.6 in Minnesota for a professional flight training degree.

31.7 (d) "Qualified pilot" means an individual who (1) has earned an associate's or bachelor's
 31.8 degree in professional flight training from a postsecondary institution located in Minnesota,
 31.9 and (2) is in the process of obtaining or has obtained an airline transport pilot certificate.

31.10 Subd. 2. **Creation of account.** (a) An aviation degree loan forgiveness program account
 31.11 is established to provide qualified pilots and qualified aircraft technicians with financial
 31.12 assistance in repaying qualified education loans. The commissioner must use money from
 31.13 the account to establish and administer the aviation degree loan forgiveness program.

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

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

31.18 (1) be a qualified pilot or qualified aircraft technician;

31.19 (2) have qualified education loans;

31.20 (3) reside in Minnesota; and

31.21 (4) submit an application to the commissioner in the form and manner prescribed by the
 31.22 commissioner.

31.23 (b) An applicant selected to participate must sign a contract to agree to serve a minimum
 31.24 one-year full-time service obligation according to subdivision 4. To complete the service
 31.25 obligation, the applicant must work full time in Minnesota as a qualified pilot or qualified
 31.26 aircraft technician. A participant must complete one year of service under this paragraph
 31.27 for each year the participant receives an award under this section.

31.28 Subd. 4. **Service obligation.** (a) Before receiving loan repayment disbursements and as
 31.29 requested, a participant must verify to the commissioner that the participant is employed in
 31.30 a position that fulfills the service obligation as required under subdivision 3, paragraph (b).

31.31 (b) If a participant does not fulfill the required service obligation, the commissioner
 31.32 must collect from the participant the total amount paid to the participant under the loan

32.1 forgiveness program plus interest at a rate established according to section 270C.40. The
32.2 commissioner must deposit the money collected in the aviation degree loan forgiveness
32.3 account. The commissioner must allow waivers of all or part of the money owed the
32.4 commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented
32.5 fulfillment of the minimum service commitment.

32.6 Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each
32.7 year for participation in the aviation degree loan forgiveness program, within the limits of
32.8 available funding. Applicants are responsible for securing their own qualified education
32.9 loans.

32.10 (b) For each year that the participant meets the eligibility requirements under subdivision
32.11 3, the commissioner must make annual disbursements directly to:

32.12 (1) a selected qualified pilot of \$5,000 or the balance of the participant's qualified
32.13 education loans, whichever is less; and

32.14 (2) a selected qualified aircraft technician of \$3,000 or the balance of the participant's
32.15 qualified education loans, whichever is less.

32.16 (c) An individual may receive disbursements under this section for a maximum of five
32.17 years.

32.18 (d) The participant must provide the commissioner with verification that the full amount
32.19 of the loan repayment disbursement received by the participant has been applied toward the
32.20 designated qualified education loan. After each disbursement, verification must be received
32.21 by the commissioner and approved before the next repayment disbursement is made.

32.22 (e) If the participant receives a disbursement in the participant's fifth year of eligibility,
32.23 the participant must provide the commissioner with verification that the full amount of the
32.24 participant's final loan repayment disbursement was applied toward the designated qualified
32.25 education loan. If a participant does not provide the verification as required under this
32.26 paragraph within six months of receipt of the final disbursement, the commissioner must
32.27 collect from the participant the amount of the final disbursement. The commissioner must
32.28 deposit the money collected in the aviation degree loan forgiveness program account.

32.29 Subd. 6. **Rules.** The commissioner may adopt rules to implement this section.

33.1 Sec. 13. [136A.1794] AGRICULTURAL EDUCATION LOAN FORGIVENESS
 33.2 PROGRAM.

33.3 Subdivision 1. Definitions. (a) For purposes of this section, the terms in this subdivision
 33.4 have the meanings given.

33.5 (b) "Qualified education loan" means a government, commercial, or foundation loan for
 33.6 actual costs paid for tuition, reasonable education expenses, and reasonable living expenses
 33.7 related to the graduate or undergraduate education of a qualified teacher.

33.8 (c) "Qualified teacher" means a teacher licensed under chapter 122A who:

33.9 (1) is employed in a nonadministrative position teaching agricultural education in any
 33.10 grade from grades 5 through 12 at a Minnesota school during the current year; and

33.11 (2) has completed an undergraduate or graduate program in agricultural education at a
 33.12 college or university approved by the state of Minnesota to prepare persons for teacher
 33.13 licensure.

33.14 (d) "School" means the following:

33.15 (1) a school or program operated by a school district or a group of school districts;

33.16 (2) a tribal contract school eligible to receive aid according to section 124D.83;

33.17 (3) a charter school; or

33.18 (4) a private school.

33.19 Subd. 2. Account; appropriation. An agricultural education loan forgiveness account
 33.20 is established in the special revenue fund to provide qualified teachers with financial
 33.21 assistance to repay qualified education loans. Money in the account, including interest, is
 33.22 appropriated to the commissioner for purposes of this section.

33.23 Subd. 3. Eligibility. (a) To be eligible to participate in the loan forgiveness program
 33.24 under this section, an individual must:

33.25 (1) be a qualified teacher;

33.26 (2) have qualified education loans; and

33.27 (3) submit an application to the commissioner in the form and manner prescribed by the
 33.28 commissioner.

33.29 (b) An applicant selected to participate must sign a contract to agree to serve a minimum
 33.30 one-year full-time service obligation according to subdivision 4. To complete the service
 33.31 obligation, the applicant must work full time in Minnesota as a qualified teacher. A participant

34.1 must complete one year of service under this paragraph for each year the participant receives
 34.2 an award under this section.

34.3 Subd. 4. **Service obligation.** (a) Before receiving loan repayment disbursements and as
 34.4 requested, a participant must verify to the commissioner that the participant is employed in
 34.5 a position that fulfills the service obligation as required under subdivision 3, paragraph (b).

34.6 (b) If a participant does not fulfill the required service obligation, the commissioner
 34.7 must collect from the participant the total amount paid to the participant under the loan
 34.8 forgiveness program plus interest at a rate established according to section 270C.40. The
 34.9 commissioner must deposit the money collected in the agricultural education loan forgiveness
 34.10 account. The commissioner must allow waivers of all or part of the money owed the
 34.11 commissioner as a result of a nonfulfillment penalty if emergency circumstances prevented
 34.12 fulfillment of the minimum service commitment.

34.13 Subd. 5. **Loan forgiveness.** (a) The commissioner may select eligible applicants each
 34.14 year for participation in the agricultural education loan forgiveness program, within the
 34.15 limits of available funding. Applicants are responsible for securing their own qualified
 34.16 education loans.

34.17 (b) The commissioner must make annual disbursements directly to the eligible participant
 34.18 of \$3,000 or the balance of the participant's qualified education loans, whichever is less,
 34.19 for each year that the participant meets the eligibility requirements under subdivision 3, up
 34.20 to a maximum of five years.

34.21 (c) The participant must provide the commissioner with verification that the full amount
 34.22 of the loan repayment disbursement received by the participant has been applied toward the
 34.23 designated qualified education loan. After each disbursement, verification must be received
 34.24 by the commissioner and approved before the next repayment disbursement is made.

34.25 Sec. 14. Minnesota Statutes 2016, section 136A.653, is amended by adding a subdivision
 34.26 to read:

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

34.31 (1) majors, minors, concentrations, specializations, and areas of emphasis within approved
 34.32 degrees;

34.33 (2) nondegree programs within approved degrees;

35.1 (3) underlying curriculum or courses;

35.2 (4) modes of delivery; and

35.3 (5) locations.

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

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

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

35.10 Sec. 15. Minnesota Statutes 2016, section 136A.685, is amended to read:

35.11 **136A.685 PRIVATE INSTITUTIONS; ADJUDICATION OF FRAUD OR**
 35.12 **MISREPRESENTATION.**

35.13 (a) The office ~~shall not provide~~ may revoke, or deny an application for, registration or
 35.14 degree or name approval to a school if there has been a criminal, civil, or administrative
 35.15 adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction
 35.16 against the school or its owner, officers, agents, or sponsoring organization. If the
 35.17 adjudication was related to a particular academic program, the office may revoke or deny
 35.18 an application for:

35.19 (1) degree approval for the program only;

35.20 (2) registration for the school; or

35.21 (3) name approval for the school.

35.22 (b) The adjudication of fraud or misrepresentation is sufficient cause for the office to
 35.23 determine that a school:

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

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

35.27 Sec. 16. Minnesota Statutes 2016, section 136A.902, subdivision 1, is amended to read:

35.28 Subdivision 1. **Membership.** The commissioner shall appoint a ~~12-member~~ 14-member
 35.29 advisory council consisting of:

- 36.1 (1) one member representing the University of Minnesota Medical School;
- 36.2 (2) one member representing the Mayo Medical School;
- 36.3 (3) one member representing the Courage Kenny Rehabilitation Center;
- 36.4 (4) one member representing Hennepin County Medical Center;
- 36.5 (5) one member who is a neurosurgeon;
- 36.6 (6) one member who has a spinal cord injury;
- 36.7 (7) one member who is a family member of a person with a spinal cord injury;
- 36.8 (8) one member who has a traumatic brain injury;
- 36.9 (9) one member who is a veteran who has a spinal cord injury ~~or a traumatic brain injury~~;
- 36.10 (10) one member who is a veteran who has a traumatic brain injury;
- 36.11 (11) one member who is a family member of a person with a traumatic brain injury;
- 36.12 ~~(11)~~ (12) one member who is a physician specializing in the treatment of spinal cord
- 36.13 injury ~~representing Gillette Children's Specialty Healthcare~~; and
- 36.14 ~~(12)~~ (13) one member who is a physician specializing in the treatment of traumatic brain
- 36.15 injury; and
- 36.16 (14) one member representing Gillette Children's Specialty Healthcare.

36.17 **Sec. 17. [136F.38] WORKFORCE DEVELOPMENT SCHOLARSHIPS.**

36.18 Subdivision 1. **Program established.** The board shall develop a scholarship program

36.19 to incentivize new students to enter high-demand occupations upon graduation.

36.20 Subd. 2. **Scholarship awards.** The program shall award scholarships at the beginning

36.21 of an academic term, in the amount of \$2,500, to be distributed evenly between two terms.

36.22 Subd. 3. **Program eligibility.** (a) Scholarships shall be awarded only to a student eligible

36.23 for resident tuition, as defined in section 135A.043, who is enrolled in any of the following

36.24 programs of study or certification: (1) advanced manufacturing; (2) agriculture; (3) health

36.25 care services; or (4) information technology.

36.26 (b) The student must be enrolled for at least nine credits at a two-year college in the

36.27 Minnesota State Colleges and Universities system.

37.1 Subd. 4. **Renewal; cap.** A student who has received a scholarship may apply again but
 37.2 total lifetime awards are not to exceed \$5,000 per student. Students may only be awarded
 37.3 a second scholarship upon completion of two academic terms.

37.4 Subd. 5. **Administration.** (a) The board shall establish an application process and other
 37.5 guidelines for implementing this program.

37.6 (b) The board shall give preference to students in financial need.

37.7 Subd. 6. **Report required.** The board must submit an annual report by February 1 of
 37.8 each year about the scholarship awards to the chairs and ranking minority members of the
 37.9 senate and house of representatives committees with jurisdiction over higher education
 37.10 finance and policy. The first report is due no later than February 1, 2019. The annual report
 37.11 shall describe the following:

37.12 (1) the number of students receiving a scholarship at each two-year college during the
 37.13 previous fiscal year;

37.14 (2) the number of scholarships awarded for each program of study or certification
 37.15 described in subdivision 3, paragraph (a);

37.16 (3) the number of scholarship recipients who completed a program of study or certification
 37.17 described in subdivision 3, paragraph (a);

37.18 (4) the number of scholarship recipients who secured employment by their graduation
 37.19 date and those who secured employment within three months of their graduation date;

37.20 (5) a list of occupations scholarship recipients are entering; and

37.21 (6) the number of students who were denied a scholarship.

37.22 **EFFECTIVE DATE.** This section is effective July 1, 2018.

37.23 Sec. 18. **[137.45] PROGRAM FOR STUDENTS WITH INTELLECTUAL AND**
 37.24 **DEVELOPMENTAL DISABILITIES.**

37.25 Subdivision 1. **Program required.** The Board of Regents of the University of Minnesota
 37.26 is requested to offer an academic program consistent with the requirements of this section
 37.27 for students with intellectual and developmental disabilities at the University of
 37.28 Minnesota-Morris.

37.29 Subd. 2. **Enrollment and admission.** The program must establish an enrollment goal
 37.30 of at least 15 incoming students per academic year. The board is requested to establish an

38.1 application process for the program. A student who successfully completes the program
 38.2 must be awarded a certificate, diploma, or other appropriate academic credential.

38.3 Subd. 3. **Curriculum and activities.** (a) The program must provide an inclusive,
 38.4 full-time, two-year residential college experience for students with intellectual and
 38.5 developmental disabilities. The curriculum must include:

38.6 (1) core courses that develop life skills, financial literacy, and the ability to live
 38.7 independently;

38.8 (2) rigorous academic work in a student's chosen field of study; and

38.9 (3) an internship, apprenticeship, or other skills-based experience to prepare for
 38.10 meaningful employment upon completion of the program.

38.11 (b) In addition to academic requirements, the program must allow participating students
 38.12 the opportunity to engage fully in campus life. Program activities must include, but are not
 38.13 limited to:

38.14 (1) the establishment of on-campus mentoring and peer support communities; and

38.15 (2) opportunities for personal growth through leadership development and other
 38.16 community engagement activities.

38.17 (c) The program may tailor its curriculum and activities to highlight academic programs,
 38.18 student and community life experiences, and employment opportunities unique to the campus
 38.19 or the region where the campus is located.

38.20 Subd. 4. **Reporting.** By January 15 of each year, the board must submit a report on the
 38.21 program to the chairs and ranking minority members of the committees in the house of
 38.22 representatives and the senate with jurisdiction over higher education finance and policy.
 38.23 The report must include, but need not be limited to, information regarding:

38.24 (1) the number of students participating in the program;

38.25 (2) program goals and outcomes; and

38.26 (3) the success rate of participants.

38.27 **EFFECTIVE DATE.** This section is effective beginning in the 2018-2019 academic
 38.28 year.

38.29 Sec. 19. **[137.47] FETAL TISSUE RESEARCH.**

38.30 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision
 38.31 have the meanings given them.

39.1 (b) "Aborted fetal tissue" means fetal tissue that is available as a result of an elective
 39.2 abortion.

39.3 (c) "Fetal tissue" means any body part, organ, or cell of an unborn human child. Fetal
 39.4 tissue does not include tissue or cells obtained from a placenta, umbilical cord, or amniotic
 39.5 fluid.

39.6 (d) "Institutional Review Board" or "IRB" means the University of Minnesota's
 39.7 Institutional Review Board, the primary unit responsible for oversight of human subjects
 39.8 research protections.

39.9 (e) "Fetal Tissue Research Committee" or "FTR" means an oversight committee at the
 39.10 University of Minnesota with the responsibility to oversee, review, and approve or deny
 39.11 research using fetal tissue.

39.12 (f) "Non-aborted fetal tissue" means fetal tissue that is available as a result of a
 39.13 miscarriage or stillbirth, or fetal tissue from a living unborn child.

39.14 (g) "Research" means systematic investigation, including development, testing, and
 39.15 evaluation, designed to develop or contribute to generalizable knowledge. Research does
 39.16 not include a procedure or test administered to a particular patient by a physician for medical
 39.17 purposes.

39.18 **Subd. 2. Approval by the Fetal Tissue Research Committee.** (a) A researcher at the
 39.19 University of Minnesota must obtain approval from the FTR before conducting research
 39.20 using fetal tissue. The FTR must consider whether alternatives to fetal tissue would be
 39.21 sufficient for the research. If the proposed research involves aborted fetal tissue, the
 39.22 researcher must provide a written narrative justifying the use of aborted fetal tissue and
 39.23 discussing whether alternatives to aborted fetal tissue, including non-aborted fetal tissue,
 39.24 can be used.

39.25 (b) The FTR must submit its decision to the IRB. The IRB is requested to review the
 39.26 conclusions of the FTR to ensure that all alternatives have been considered.

39.27 **Subd. 3. Legislative report.** (a) No later than January 15 of each year, the Board of
 39.28 Regents must submit a report to the chairs and ranking minority members of the legislative
 39.29 committees with jurisdiction over higher education policy and finance and health and human
 39.30 services policy and finance. The report must describe:

39.31 (1) all fetal tissue research proposals submitted to the FTR or IRB, including any written
 39.32 narrative required under subdivision 2;

39.33 (2) whether the research proposal involved aborted fetal tissue;

40.1 (3) action by the FTR or IRB on all fetal tissue research proposals, including whether
 40.2 the proposal was approved by the FTR or IRB;

40.3 (4) a list of all new or ongoing fetal tissue research projects at the university, including:

40.4 (i) the date that the project was approved by the FTR or IRB;

40.5 (ii) the source of funding for the project;

40.6 (iii) the goal or purpose of the project;

40.7 (iv) whether the fetal tissue used is aborted fetal tissue or non-aborted fetal tissue;

40.8 (v) the source of the fetal tissue used;

40.9 (vi) references to any publicly available information about the project, such as National
 40.10 Institutes of Health grant award information; and

40.11 (vii) references to any publications resulting from the project.

40.12 (b) The report must not include a researcher's name, other identifying information,
 40.13 contact information, or the location of a laboratory or office.

40.14 Subd. 4. **Education on compliance to applicable laws and policies.** The University
 40.15 of Minnesota is requested to conduct education programs for all students and employees
 40.16 engaged in research on fetal tissue. Programs are requested to include mandatory
 40.17 comprehensive training on applicable federal and state laws, university policies and
 40.18 procedures, and other professional standards related to the respectful, humane, and ethical
 40.19 treatment of fetal tissue in research.

40.20 Sec. 20. Minnesota Statutes 2016, section 148.89, subdivision 5, is amended to read:

40.21 Subd. 5. **Practice of psychology.** "Practice of psychology" means the observation,
 40.22 description, evaluation, interpretation, or modification of human behavior by the application
 40.23 of psychological principles, methods, or procedures for any reason, including to prevent,
 40.24 eliminate, or manage symptomatic, maladaptive, or undesired behavior and to enhance
 40.25 interpersonal relationships, work, life and developmental adjustment, personal and
 40.26 organizational effectiveness, behavioral health, and mental health. The practice of psychology
 40.27 includes, but is not limited to, the following services, regardless of whether the provider
 40.28 receives payment for the services:

40.29 (1) psychological research and teaching of psychology subject to the exemptions in
 40.30 section 148.9075;

41.1 (2) assessment, including psychological testing and other means of evaluating personal
 41.2 characteristics such as intelligence, personality, abilities, interests, aptitudes, and
 41.3 neuropsychological functioning;

41.4 (3) a psychological report, whether written or oral, including testimony of a provider as
 41.5 an expert witness, concerning the characteristics of an individual or entity;

41.6 (4) psychotherapy, including but not limited to, categories such as behavioral, cognitive,
 41.7 emotive, systems, psychophysiological, or insight-oriented therapies; counseling; hypnosis;
 41.8 and diagnosis and treatment of:

41.9 (i) mental and emotional disorder or disability;

41.10 (ii) alcohol and substance dependence or abuse;

41.11 (iii) disorders of habit or conduct;

41.12 (iv) the psychological aspects of physical illness or condition, accident, injury, or
 41.13 disability, including the psychological impact of medications;

41.14 (v) life adjustment issues, including work-related and bereavement issues; and

41.15 (vi) child, family, or relationship issues;

41.16 (5) psychoeducational services and treatment; and

41.17 (6) consultation and supervision.

41.18 **Sec. 21. [148.9075] LICENSURE EXEMPTIONS.**

41.19 Subdivision 1. **Teaching and research.** Nothing in sections 148.88 to 148.98 shall be
 41.20 construed to prevent a person employed in a secondary, postsecondary, or graduate institution
 41.21 from teaching and conducting research in psychology within an educational institution that
 41.22 is recognized by a regional accrediting organization or by a federal, state, county, or local
 41.23 government institution, agency, or research facility, so long as:

41.24 (1) the institution, agency, or facility provides appropriate oversight mechanisms to
 41.25 ensure public protections; and

41.26 (2) the person is not providing direct clinical services to a client or clients as defined in
 41.27 sections 148.88 to 148.98.

41.28 Subd. 2. **Students.** Nothing in sections 148.88 to 148.98 shall prohibit the practice of
 41.29 psychology under qualified supervision by a practicum psychology student, a predoctoral
 41.30 psychology intern, or an individual who has earned a doctoral degree in psychology and is
 41.31 in the process of completing their postdoctoral supervised psychological employment.

42.1 Sec. 22. **[298.2215] COUNTY SCHOLARSHIP PROGRAM.**

42.2 Subdivision 1. Establishment. A county may establish a scholarship fund from any
 42.3 unencumbered revenue received pursuant to section 298.018, 298.28, 298.39, 298.396, or
 42.4 298.405 or any law imposing a tax upon severed mineral values. Scholarships must be used
 42.5 at a two-year Minnesota State Colleges and Universities institution within the county. The
 42.6 county shall establish procedures for applying for and distributing the scholarships.

42.7 Subd. 2. Eligibility. An applicant for a scholarship under this section must be a resident
 42.8 of the county at the time of the applicant's high school graduation. The county may establish
 42.9 additional eligibility criteria.

42.10 Sec. 23. Laws 2014, chapter 312, article 1, section 15, is amended to read:

42.11 Sec. 15. **UNIVERSITY OF MINNESOTA BASE ADJUSTMENT.**

42.12 (a) For fiscal years 2016 to ~~2041~~ 2017, \$3,500,000 is added to the base operations and
 42.13 maintenance appropriation to the Board of Regents of the University of Minnesota in Laws
 42.14 2013, chapter 99, article 1, section 5.

42.15 (b) For fiscal years 2018 to 2040, \$3,312,000 is added to the base operations and
 42.16 maintenance appropriation to the Board of Regents of the University of Minnesota in Laws
 42.17 2013, chapter 99, article 1, section 5.

42.18 Sec. 24. **SUPPLEMENTAL AID FOR TWO-YEAR MNSCU INSTITUTIONS.**

42.19 The Board of Trustees of the Minnesota State Colleges and Universities shall provide
 42.20 supplemental aid for operations and maintenance to the president of each two-year institution
 42.21 in the system with at least one campus that is not located in a metropolitan county, as defined
 42.22 in Minnesota Statutes, section 473.121, subdivision 4. The board shall transfer \$100,000
 42.23 for each campus not located in a metropolitan county in each year to the president of each
 42.24 institution that includes such a campus, provided that no institution may receive more than
 42.25 \$300,000 in total supplemental aid each year.

42.26 Sec. 25. **DEVELOPMENTAL EDUCATION REFORM.**

42.27 (a) The Board of Trustees of the Minnesota State Colleges and Universities shall create
 42.28 a plan to reform developmental education offerings on system campuses aimed at reducing
 42.29 the number of students placed into developmental education. The plan must include, but is
 42.30 not limited to:

43.1 (1) a systemwide multiple measures placement plan to guide campuses in placement of
43.2 students into developmental education courses;

43.3 (2) uniform cut scores for student placement, where appropriate, which will lead to fewer
43.4 students being placed into developmental education courses;

43.5 (3) other identified system policy changes, including an appeals process, that will decrease
43.6 the number of students being placed into developmental education courses;

43.7 (4) accelerated pathways in mathematics, reading, and composition to ensure students
43.8 can complete developmental education work in no more than one year, including allowing
43.9 for students to complete college-level gateway courses in one year whenever possible;

43.10 (5) a comprehensive examination of the cost structure of developmental education,
43.11 including potential financial incentives for students or other mechanisms to lower the cost
43.12 of developmental offerings for students; and

43.13 (6) identified best practices and targeted support strategies such as the use of supplemental
43.14 instruction, that may be used on every system campus around developmental education
43.15 offerings.

43.16 (b) The plan must include deadlines for implementation of proposed changes and must
43.17 be submitted to the chairs and ranking minority members of the legislative committees with
43.18 jurisdiction over higher education finance and policy by February 15, 2018.

43.19 (c) The plan, in its entirety, shall be implemented by the start of the 2020-2021 academic
43.20 term, with individual provisions being implemented earlier as dictated by the plan.

43.21 **Sec. 26. GREATER MINNESOTA OUTREACH AND RECRUITMENT.**

43.22 The Board of Regents of the University of Minnesota is requested to develop a plan to
43.23 conduct outreach and recruitment of students from Minnesota, specifically identifying
43.24 mechanisms to increase the number of students from greater Minnesota who are admitted
43.25 to the university campus located in the metropolitan area. Greater Minnesota is defined as
43.26 any area other than the area described in Minnesota Statutes, section 473.121, subdivision
43.27 4. The plan must be submitted to the chairs and ranking members of the senate and house
43.28 of representatives legislative committees with jurisdiction over higher education finance
43.29 and policy by February 15, 2018.

44.1 Sec. 27. **UNIVERSITY OF MINNESOTA FETAL TISSUE RESEARCH;**
44.2 **LEGISLATIVE AUDITOR REVIEW.**

44.3 (a) The legislative auditor is requested to complete a comprehensive review of the use
44.4 of fetal tissue in research activities at the University of Minnesota. The review must include:

44.5 (1) the total number of research activities in which fetal tissue is currently or has been
44.6 previously used, including those that are in progress and those that have been completed;

44.7 (2) the cost of acquiring fetal tissues for use in research activities, itemized by the source
44.8 of funds used for procurement, including funds from federal, state, and other public sources,
44.9 and funds derived from student tuition and fees;

44.10 (3) the extent to which the conduct of the research activities complies with applicable
44.11 federal and state laws related to acquisition, sale, handling, and disposition of human tissues,
44.12 including fetal tissues;

44.13 (4) the extent to which the conduct of the research activities complies with applicable
44.14 Board of Regents policies and procedures related to acquisition, sale, handling, and
44.15 disposition of human tissues, including fetal tissues; and

44.16 (5) whether applicable Board of Regents policies include provisions to ensure fetal tissue
44.17 is used in research activities only when necessary, and to ensure that the research activities
44.18 are conducted in an ethical manner, including whether procedures and protocols for oversight
44.19 have been implemented to verify compliance with these policies.

44.20 (b) As used in this section, "research activities" include any academic fetal tissue research
44.21 or fetal tissue transplantation research activity or program conducted in a University of
44.22 Minnesota facility, or that is supported, directly or indirectly, by University of Minnesota
44.23 funds.

44.24 **EFFECTIVE DATE.** This section is effective the day following final enactment. The
44.25 legislative auditor is requested to complete the review no later than one year following final
44.26 enactment.

44.27 Sec. 28. **ONGOING APPROPRIATION.**

44.28 The appropriation under Laws 2016, chapter 189, article 25, section 62, subdivision 11,
44.29 may be used to provide grants for any purpose under Minnesota Statutes, section 136A.1275.

45.1 **ARTICLE 3**45.2 **OFFICE OF HIGHER EDUCATION AGENCY POLICY**

45.3 Section 1. Minnesota Statutes 2016, section 135A.15, subdivision 1a, is amended to read:

45.4 Subd. 1a. **Sexual assault definition.** For the purposes of this section, "sexual assault"
45.5 means ~~foreible sex offenses~~ rape, sex offenses - fondling, sex offenses - incest, or sex
45.6 offenses - statutory rape as defined in Code of Federal Regulations, title 34, part 668, subpart
45.7 D, appendix A, as amended.

45.8 Sec. 2. Minnesota Statutes 2016, section 136A.103, is amended to read:

45.9 **136A.103 INSTITUTION ELIGIBILITY REQUIREMENTS.**

45.10 (a) A postsecondary institution is eligible for state student aid under chapter 136A and
45.11 sections 197.791 and 299A.45, if the institution is located in this state and:

45.12 (1) is operated by this state or the Board of Regents of the University of Minnesota; or

45.13 (2) is operated privately and, as determined by the office, meets the requirements of
45.14 paragraph (b).

45.15 (b) A private institution must:

45.16 (1) maintain academic standards substantially equivalent to those of comparable
45.17 institutions operated in this state;

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

45.19 (3)(i) by July 1, 2010, participate in the federal Pell Grant program under Title IV of
45.20 the Higher Education Act of 1965, Public Law 89-329, as amended; or

45.21 (ii) if an institution was participating in state student aid programs as of June 30, 2010,
45.22 and the institution did not participate in the federal Pell Grant program by June 30, 2010,
45.23 the institution must require every student who enrolls to sign a disclosure form, provided
45.24 by the office, stating that the institution is not participating in the federal Pell Grant program.

45.25 (c) An institution that offers only graduate-level degrees or graduate-level nondegree
45.26 programs, ~~or that offers only degrees or programs that do not meet the required minimum~~
45.27 ~~program length to participate in the federal Pell Grant program,~~ is an eligible institution if
45.28 the institution is licensed or registered as a postsecondary institution by the office.

46.1 (d) An eligible institution under paragraph (b), clause (3), item (ii), that changes
46.2 ownership as defined in section 136A.63, subdivision 2, must participate in the federal Pell
46.3 Grant program within four calendar years of the first ownership change to continue eligibility.

46.4 (e) An institution that loses its eligibility for the federal Pell Grant program is not an
46.5 eligible institution.

46.6 (f) An institution must maintain adequate administrative and financial standards and
46.7 compliance with all state statutes, rules, and administrative policies related to state financial
46.8 aid programs.

46.9 Sec. 3. Minnesota Statutes 2016, section 136A.1795, subdivision 4, is amended to read:

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

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

46.17 (c) The commissioner must make annual disbursements directly to the participant of
46.18 \$15,000 or the balance of the participant's qualifying educational loans, whichever is less,
46.19 for each year that a participant meets the service obligation required under subdivision 3,
46.20 paragraph (b), up to a maximum of five years.

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

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

46.30 Sec. 4. Minnesota Statutes 2016, section 136A.62, is amended by adding a subdivision to
46.31 read:

46.32 Subd. 8. **Entity.** "Entity" means a specific school or campus location.

47.1 Sec. 5. Minnesota Statutes 2016, section 136A.646, is amended to read:

47.2 **136A.646 ADDITIONAL SECURITY.**

47.3 (a) ~~In the event~~ New schools that have been granted conditional approval for degrees or
 47.4 names to allow them the opportunity to apply for and receive accreditation under section
 47.5 136A.65, subdivision 7, or any registered institution that is notified by the United States
 47.6 Department of Education that it has fallen below minimum financial standards and that its
 47.7 continued participation in Title IV will be conditioned upon its satisfying either the Zone
 47.8 Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (f), or a Letter
 47.9 of Credit Alternative, Code of Federal Regulations, title 34, section 668.175, paragraph (c),
 47.10 ~~the institution~~ shall provide a surety bond ~~conditioned upon the faithful performance of all~~
 47.11 ~~contracts and agreements with students~~ in a sum equal to the "letter of credit" required by
 47.12 the United States Department of Education in the Letter of Credit Alternative, but in no
 47.13 event shall such bond be less than \$10,000 nor more than \$250,000.

47.14 (b) In lieu of a bond, the applicant may deposit with the commissioner of management
 47.15 and budget:

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

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

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

47.21 (c) The surety of any bond may cancel it upon giving 60 days' notice in writing to the
 47.22 office and shall be relieved of liability for any breach of condition occurring after the
 47.23 effective date of cancellation.

47.24 (d) In the event of a school closure, the additional security must first be used to destroy
 47.25 any private educational data under section 13.32 left at a physical campus in Minnesota
 47.26 after all other governmental agencies have recovered or retrieved records under their record
 47.27 retention policies. Any remaining funds must then be used to reimburse tuition and fee costs
 47.28 to students that were enrolled at the time of the closure or had withdrawn in the previous
 47.29 120 calendar days but did not graduate. Priority for refunds will be given to students in the
 47.30 following order:

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

47.32 (2) private student loans; and

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

48.5 Sec. 6. Minnesota Statutes 2016, section 136A.65, subdivision 1a, is amended to read:

48.6 Subd. 1a. **Accreditation; requirement.** (a) A school must not be registered or authorized
 48.7 to offer any degree at any level unless the school is accredited has institutional accreditation
 48.8 by an agency recognized by the United States Department of Education for purposes of
 48.9 eligibility to participate in Title IV federal financial aid programs. Any registered school
 48.10 undergoing institutional accreditation shall inform the office of site visits by the accrediting
 48.11 agency and provide office staff the opportunity to attend the visits, including excluding any
 48.12 exit interviews. The institution must provide the office with a copy of the final report upon
 48.13 receipt request of the office.

48.14 (b) A school must not be authorized to offer any degree unless the program has
 48.15 programmatic accreditation or the school has institutional accreditation by an agency
 48.16 recognized by the United States Department of Education for purposes of eligibility to
 48.17 participate in Title IV federal financial aid programs. Any program offered by a registered
 48.18 school that does not have institutional accreditation and is undergoing programmatic
 48.19 accreditation shall inform the office of site visits by the accrediting agency and provide
 48.20 office staff the opportunity to attend the visits, excluding any exit interviews. The school
 48.21 must provide the office with a copy of the final report by the accreditor upon request of the
 48.22 office.

48.23 Sec. 7. Minnesota Statutes 2016, section 136A.65, subdivision 4, is amended to read:

48.24 Subd. 4. **Criteria for approval.** (a) A school applying to be registered and to have its
 48.25 degree or degrees and name approved must substantially meet the following criteria:

48.26 (1) the school has an organizational framework with administrative and teaching personnel
 48.27 to provide the educational programs offered;

48.28 (2) the school has financial resources sufficient to meet the school's financial obligations,
 48.29 including refunding tuition and other charges consistent with its stated policy if the institution
 48.30 is dissolved, or if claims for refunds are made, to provide service to the students as promised,
 48.31 and to provide educational programs leading to degrees as offered;

49.1 (3) the school operates in conformity with generally accepted ~~budgeting and~~ accounting
49.2 principles according to the type of school;

49.3 (4) the school provides an educational program leading to the degree it offers;

49.4 (5) the school provides appropriate and accessible library, laboratory, and other physical
49.5 facilities to support the educational program offered;

49.6 (6) the school has a policy on freedom or limitation of expression and inquiry for faculty
49.7 and students which is published or available on request;

49.8 (7) the school uses only publications and advertisements which are truthful and do not
49.9 give any false, fraudulent, deceptive, inaccurate, or misleading impressions about the school,
49.10 its personnel, programs, services, or occupational opportunities for its graduates for promotion
49.11 and student recruitment;

49.12 (8) the school's compensated recruiting agents who are operating in Minnesota identify
49.13 themselves as agents of the school when talking to or corresponding with students and
49.14 prospective students;

49.15 (9) the school provides information to students and prospective students concerning:

49.16 (i) comprehensive and accurate policies relating to student admission, evaluation,
49.17 suspension, and dismissal;

49.18 (ii) clear and accurate policies relating to granting credit for prior education, training,
49.19 and experience and for courses offered by the school;

49.20 (iii) current schedules of fees, charges for tuition, required supplies, student activities,
49.21 housing, and all other standard charges;

49.22 (iv) policies regarding refunds and adjustments for withdrawal or modification of
49.23 enrollment status; and

49.24 (v) procedures and standards used for selection of recipients and the terms of payment
49.25 and repayment for any financial aid program; and

49.26 (10) the school must not withhold a student's official transcript because the student is
49.27 in arrears or in default on any loan issued by the school to the student if the loan qualifies
49.28 as an institutional loan under United States Code, title 11, section 523(a)(8)(b).

49.29 (b) An application for degree approval must also include:

49.30 (i) title of degree and formal recognition awarded;

49.31 (ii) location where such degree will be offered;

- 50.1 (iii) proposed implementation date of the degree;
- 50.2 (iv) admissions requirements for the degree;
- 50.3 (v) length of the degree;
- 50.4 (vi) projected enrollment for a period of five years;
- 50.5 (vii) the curriculum required for the degree, including course syllabi or outlines;
- 50.6 (viii) statement of academic and administrative mechanisms planned for monitoring the
- 50.7 quality of the proposed degree;
- 50.8 (ix) statement of satisfaction of professional licensure criteria, if applicable;
- 50.9 (x) documentation of the availability of clinical, internship, externship, or practicum
- 50.10 sites, if applicable; and
- 50.11 (xi) statement of how the degree fulfills the institution's mission and goals, complements
- 50.12 existing degrees, and contributes to the school's viability.

50.13 Sec. 8. Minnesota Statutes 2016, section 136A.65, subdivision 7, is amended to read:

50.14 Subd. 7. **Conditional approval.** (a) The office may grant a school a one-year conditional
 50.15 approval for a degree or use of a term in its name for a period of less than one year if doing
 50.16 so would be in the best interests of currently enrolled students or prospective students.
 50.17 Conditional approval of a degree or use of a term under this paragraph must not exceed a
 50.18 period of three years.

50.19 (b) The office may grant new schools ~~may be granted~~ and programs a one-year conditional
 50.20 approval for degrees or ~~names annually for a period not to exceed five years~~ use of a term
 50.21 in its name to allow ~~them~~ the school the opportunity to apply for and receive accreditation
 50.22 as required in subdivision 1a. Conditional approval of a school or program under this
 50.23 paragraph must not exceed a period of five years. A new school or program granted
 50.24 conditional approval may be allowed to continue as a ~~registered institution~~ in order to
 50.25 complete an accreditation process upon terms and conditions the office determines.

50.26 (c) The office may grant a registered school a one-year conditional approval for degrees
 50.27 or use of a term in its name to allow the school the opportunity to apply for and receive
 50.28 accreditation as required in subdivision 1a if the school's accrediting agency is no longer
 50.29 recognized by the United States Department of Education for purposes of eligibility to
 50.30 participate in Title IV federal financial aid programs. The office must not grant conditional
 50.31 approvals under this paragraph to a school for a period of more than five years.

51.1 (d) The office may grant a registered school a one-year conditional approval for degrees
 51.2 or use of a term in its name to allow the school to change to a different accrediting agency
 51.3 recognized by the United States Department of Education for purposes of eligibility to
 51.4 participate in Title IV federal financial aid programs. The office must not grant conditional
 51.5 approvals under this paragraph to a school for a period of more than five years.

51.6 Sec. 9. Minnesota Statutes 2016, section 136A.653, is amended to read:

51.7 **136A.653 EXEMPTIONS.**

51.8 Subdivision 1. **Application.** A school that seeks an exemption under this section from
 51.9 the provisions of sections 136A.61 to 136A.71 must apply to the office to establish that the
 51.10 school meets the requirements of an exemption. An exemption expires two years from the
 51.11 date of approval or until a school adds a new program or makes a modification equal to or
 51.12 greater than 25 percent to an existing educational program. If a school is reapplying for an
 51.13 exemption, the application must be submitted to the office 90 days before the current
 51.14 exemption expires.

51.15 ~~Subdivision 1.~~ Subd. 1a. **Exemption Private career schools.** A school that is subject
 51.16 to licensing by the office under sections 136A.82 to 136A.834 is exempt from the provisions
 51.17 of sections 136A.61 to 136A.71. The determination of the office as to whether a particular
 51.18 school is subject to regulation under sections 136A.82 to 136A.834 is final for the purposes
 51.19 of this exemption.

51.20 Subd. 2. **Educational program; nonprofit organizations.** Educational programs which
 51.21 are sponsored by a bona fide and nonprofit trade, labor, business, professional or fraternal
 51.22 organization, which programs are conducted solely for that organization's membership or
 51.23 for the members of the particular industries or professions served by that organization, and
 51.24 which are not available to the public on a fee basis, are exempted from the provisions of
 51.25 sections 136A.61 to 136A.71.

51.26 Subd. 3. **Educational program; business firms.** Educational programs which are
 51.27 sponsored by a business firm for the training of its employees or the employees of other
 51.28 business firms with which it has contracted to provide educational services at no cost to the
 51.29 employees are exempted from the provisions of sections 136A.61 to 136A.71.

51.30 Subd. 3a. **Tuition-free educational courses.** A school, including a school using an
 51.31 online platform service, offering training, courses, or programs is exempt from sections
 51.32 136A.61 to 136A.71, to the extent it offers tuition-free courses to students in Minnesota. A
 51.33 course will be considered tuition-free if the school charges no tuition and the required fees

52.1 ~~and other required charges paid by the student for the course~~ tuition, fees, and any other
 52.2 charges for a student to participate do not exceed two percent of the most recent average
 52.3 undergraduate tuition and required fees as of January 1 of the current year charged for
 52.4 full-time students at all degree-granting institutions as published annually by the United
 52.5 States Department of Education as of January 1 of each year. To qualify for an exemption,
 52.6 a school or online platform service must prominently display a notice comparable to the
 52.7 following: "IMPORTANT: Each educational institution makes its own decision regarding
 52.8 whether to accept completed coursework for credit. Check with your university or college."

52.9 Subd. 4. **Voluntary submission.** Any school or program exempted from the provisions
 52.10 of sections 136A.61 to 136A.71 by the provisions of this section may voluntarily submit to
 52.11 the provisions of those sections.

52.12 Sec. 10. Minnesota Statutes 2016, section 136A.657, is amended by adding a subdivision
 52.13 to read:

52.14 Subd. 5. **Application.** A school that seeks an exemption under this section from the
 52.15 provisions of sections 136A.61 to 136A.71 must apply to the office to establish that the
 52.16 school meets the requirements of an exemption. An exemption expires two years from the
 52.17 date of approval or when a school adds a new program or makes a modification equal to or
 52.18 greater than 25 percent to an existing educational program. If a school is reapplying for an
 52.19 exemption, the application must be submitted to the office 90 days before the current
 52.20 exemption expires.

52.21 Sec. 11. Minnesota Statutes 2016, section 136A.67, is amended to read:

52.22 **136A.67 REGISTRATION REPRESENTATIONS.**

52.23 No school and none of its officials or employees shall advertise or represent in any
 52.24 manner that such school is approved or accredited by the office or the state of Minnesota,
 52.25 except a school which is duly registered with the office, or any of its officials or employees,
 52.26 may represent in advertising and shall disclose in catalogues, applications, and enrollment
 52.27 materials that the school is registered with the office by prominently displaying the following
 52.28 statement: "(Name of school) is registered with the office Minnesota Office of Higher
 52.29 Education pursuant to sections 136A.61 to 136A.71. Registration is not an endorsement of
 52.30 the institution. Credits earned at the institution may not transfer to all other institutions." In
 52.31 addition, all registered schools shall publish in the school catalog or student handbook the
 52.32 name, street address, telephone number, and Web site address of the office.

53.1 Sec. 12. **[136A.672] STUDENT COMPLAINTS.**

53.2 Subdivision 1. **Authority.** The office has the authority to review and take appropriate
 53.3 action on student complaints from schools covered under the provisions of sections 136A.61
 53.4 to 136A.71.

53.5 Subd. 2. **Complaint.** A complaint must be in writing, be signed by a student, and state
 53.6 how the school's policies and procedures or sections 136A.61 to 136A.71 were violated.
 53.7 Student complaints shall be limited to complaints that occurred within six years from the
 53.8 date the concern should have been discovered with reasonable effort and after the student
 53.9 has utilized the school's internal complaint process. Students do not have to utilize a school's
 53.10 internal complaint process before the office has authority when the student is alleging fraud
 53.11 or misrepresentation. The office shall not investigate grade disputes, student conduct
 53.12 proceedings, disability accommodation requests, and discrimination claims, including Title
 53.13 IX complaints.

53.14 Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a
 53.15 complaint within the authority of subdivision 2. A school involved in an investigation shall
 53.16 be informed of the alleged violations and the processes of the investigation. A school
 53.17 involved in an investigation shall respond to the alleged violations and provide requested
 53.18 documentation to the office. Upon completing an investigation, the office shall inform the
 53.19 school and the student of the investigation outcome.

53.20 Subd. 4. **Penalties.** If violations are found, the office may require remedial action by
 53.21 the school or assign a penalty under section 136A.705. Remedial action may include student
 53.22 notification of violations, adjustments to the school's policies and procedures, and tuition
 53.23 or fee refunds to impacted students.

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

53.32 Sec. 13. Minnesota Statutes 2016, section 136A.68, is amended to read:

53.33 **136A.68 RECORDS.**

54.1 A registered school shall maintain a permanent record for each student for 50 years from
 54.2 the last date of the student's attendance. A registered school offering distance instruction to
 54.3 a student located in Minnesota shall maintain a permanent record for each Minnesota student
 54.4 for 50 years from the last date of the student's attendance. Records include a student's
 54.5 academic transcript, documents, and files containing student data about academic credits
 54.6 earned, courses completed, grades awarded, degrees awarded, and periods of attendance.
 54.7 To preserve permanent records, a school shall submit a plan that meets the following
 54.8 requirements:

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

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

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

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

54.22 Sec. 14. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision
 54.23 to read:

54.24 Subd. 13. **Compliance audit.** "Compliance audit" means an audit of a school's compliance
 54.25 with federal requirements related to its participation in federal Title IV student aid programs
 54.26 or other federal grant programs performed under either Uniform Grant Guidance, including
 54.27 predecessor Federal Circular A-133, or the United States Department of Education's audit
 54.28 guide, Audits of Federal Student Financial Assistance Programs at Participating Institutions
 54.29 and Institution Servicers.

54.30 Sec. 15. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision
 54.31 to read:

54.32 Subd. 14. **Entity.** "Entity" means a specific school or campus location.

55.1 Sec. 16. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision
55.2 to read:

55.3 Subd. 15. **Higher-level entity.** "Higher-level entity" means a corporate parent or ultimate
55.4 parent company or, in the case of a public school, the larger public system of which an
55.5 entity is a part.

55.6 Sec. 17. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision
55.7 to read:

55.8 Subd. 16. **Audited financial statements.** "Audited financial statements" means the
55.9 financial statements of an entity or higher-level entity that have been examined by a certified
55.10 public accountant or an equivalent government agency for public entities that include (1)
55.11 an auditor's report, a statement of financial position, an income statement, a statement of
55.12 cash flows, and notes to the financial statements or (2) the required equivalents for public
55.13 entities as determined by the Financial Accounting Standards Board, the Governmental
55.14 Accounting Standards Board, or the Securities and Exchange Commission.

55.15 Sec. 18. Minnesota Statutes 2016, section 136A.821, is amended by adding a subdivision
55.16 to read:

55.17 Subd. 17. **Review-level engagement.** "Review-level engagement" means a service
55.18 performed by a certified public accountant that provides limited assurance that there are no
55.19 material modifications that need to be made to an entity's financial statements in order for
55.20 them to conform to generally accepted accounting principles. Review-level engagement
55.21 provides fewer assurances than those reported under audited financial statements.

55.22 Sec. 19. Minnesota Statutes 2016, section 136A.822, subdivision 4, is amended to read:

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

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

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

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

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

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

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

56.4 (7) financial documents related to the entity's and higher-level entity's most recently
56.5 completed fiscal year:

56.6 (i) annual gross revenues from all sources;

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

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

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

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

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

56.16 (10) gross income earned in the preceding year from student tuition, fees, and other
56.17 required institutional charges, ~~unless the private career school files with the office a surety~~
56.18 ~~bond equal to at least \$250,000 as described in subdivision 6.~~

56.19 Sec. 20. Minnesota Statutes 2016, section 136A.822, subdivision 6, is amended to read:

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

56.25 (b)(1) The amount of the surety bond shall be ten percent of the preceding year's ~~gross~~
56.26 net income from student tuition, fees, and other required institutional charges collected, but
56.27 in no event less than \$10,000 ~~nor greater than \$250,000~~, except that a private career school
56.28 may deposit a greater amount at its own discretion. A private career school in each annual
56.29 application for licensure must compute the amount of the surety bond and verify that the
56.30 amount of the surety bond complies with this subdivision, ~~unless the private career school~~
56.31 ~~maintains a surety bond equal to at least \$250,000~~. A private career school that operates at
56.32 two or more locations may combine gross net income from student tuition, fees, and other

57.1 required institutional charges collected for all locations for the purpose of determining the
 57.2 annual surety bond requirement. The ~~gross~~ net tuition and fees used to determine the amount
 57.3 of the surety bond required for a private career school having a license for the sole purpose
 57.4 of recruiting students in Minnesota shall be only that paid to the private career school by
 57.5 the students recruited from Minnesota.

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

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

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

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

57.27 Sec. 21. Minnesota Statutes 2016, section 136A.822, subdivision 12, is amended to read:

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

58.1 awarded, and periods of attendance. To preserve permanent records, a private career school
58.2 shall submit a plan that meets the following requirements:

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

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

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

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

58.14 Sec. 22. Minnesota Statutes 2016, section 136A.822, subdivision 13, is amended to read:

58.15 Subd. 13. **Private career schools licensed by another state agency or board.** A private
58.16 career school required to obtain a private career school license due to the use of "academy,"
58.17 "institute," "college," or "university" in its name or licensed for the purpose of participating
58.18 in state financial aid under chapter 136A, and which is also licensed by another state agency
58.19 or board shall be required to satisfy only the requirements of subdivisions 4, clauses (1),
58.20 (2), (3), (5), (7), (8), and (10); 5; 6, paragraph (b), clause (2); 8, clauses (1), (4), (7), (8),
58.21 and (9); 9; 10, ~~clause (13)~~; and 12. If a school is licensed to participate in state financial aid
58.22 under this chapter, the school must follow the refund policy in section 136A.827, even if
58.23 that section conflicts with the refund policy of the licensing agency or board. A distance
58.24 education private career school located in another state, or a school licensed to recruit
58.25 Minnesota residents for attendance at a school outside of this state, or a school licensed by
58.26 another state agency as its primary licensing body, may continue to use the school's name
58.27 as permitted by its home state or its primary licensing body.

58.28 Sec. 23. Minnesota Statutes 2016, section 136A.826, subdivision 2, is amended to read:

58.29 Subd. 2. **Contract information.** A contract or enrollment agreement used by a private
58.30 career school must include at least the following:

58.31 (1) the name and address of the private career school, clearly stated;

59.1 (2) a clear and conspicuous disclosure that the agreement is a legally binding instrument
59.2 upon written acceptance of the student by the private career school unless canceled under
59.3 section 136A.827;

59.4 (3) the private career school's cancellation and refund policy that shall be clearly and
59.5 conspicuously entitled "Buyer's Right to Cancel";

59.6 (4) a clear statement of total cost of the program including tuition and all other charges;

59.7 (5) the name and description of the program, including the number of hours or credits
59.8 of classroom instruction, or distance instruction, that shall be included; and

59.9 (6) a clear and conspicuous explanation of the form and means of notice the student
59.10 should use in the event the student elects to cancel the contract or sale, the effective date of
59.11 cancellation, and the name and address, e-mail address, or phone number of the seller to
59.12 which the notice should be sent or delivered.

59.13 The contract or enrollment agreement must not include a wage assignment provision or a
59.14 confession of judgment clause.

59.15 Sec. 24. Minnesota Statutes 2016, section 136A.827, subdivision 2, is amended to read:

59.16 Subd. 2. **Private career schools using written contracts.** (a) Notwithstanding anything
59.17 to the contrary, a private career school that uses a written contract or enrollment agreement
59.18 shall refund all tuition, fees and other charges paid by a student, if the student gives ~~written~~
59.19 notice of cancellation within five business days after the day on which the contract was
59.20 executed regardless of whether the program has started.

59.21 (b) When a student has been accepted by the private career school and has entered into
59.22 a contractual agreement with the private career school and gives ~~written~~ notice of cancellation
59.23 following the fifth business day after the date of execution of contract, but before the start
59.24 of the program in the case of resident private career schools, or before the first lesson has
59.25 been serviced by the private career school in the case of distance education private career
59.26 schools, all tuition, fees and other charges, except 15 percent of the total cost of the program
59.27 but not to exceed \$50, shall be refunded to the student.

59.28 Sec. 25. Minnesota Statutes 2016, section 136A.827, subdivision 3, is amended to read:

59.29 Subd. 3. **Notice; amount.** (a) A private career school shall refund all tuition, fees and
59.30 other charges paid by a student if the student gives ~~written~~ notice of cancellation within five
59.31 business days after the day on which the student is accepted by the private career school
59.32 regardless of whether the program has started.

60.1 (b) When a student has been accepted by the private career school and gives ~~written~~
60.2 notice of cancellation following the fifth business day after the day of acceptance by the
60.3 private career school, but before the start of the program, in the case of resident private
60.4 career schools, or before the first lesson has been serviced by the private career school, in
60.5 the case of distance education private career schools, all tuition, fees and other charges,
60.6 except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded
60.7 to the student.

60.8 Sec. 26. Minnesota Statutes 2016, section 136A.828, subdivision 3, is amended to read:

60.9 Subd. 3. **False statements.** (a) A private career school, agent, or solicitor shall not make,
60.10 or cause to be made, any statement or representation, oral, written or visual, in connection
60.11 with the offering or publicizing of a program, if the private career school, agent, or solicitor
60.12 knows or reasonably should have known the statement or representation to be false,
60.13 fraudulent, deceptive, substantially inaccurate, or misleading.

60.14 (b) Other than opinion-based statements or puffery, a school shall only make claims that
60.15 are evidence-based, can be validated, and are based on current conditions and not on
60.16 conditions that are no longer relevant.

60.17 (c) A school shall not guarantee or imply the guarantee of employment.

60.18 (d) A school shall not guarantee or advertise any certain wage or imply earnings greater
60.19 than the prevailing wage for entry-level wages in the field of study for the geographic area
60.20 unless advertised wages are based on verifiable wage information from graduates.

60.21 (e) If placement statistics are used in advertising or other promotional materials, the
60.22 school must be able to substantiate the statistics with school records. These records must
60.23 be made available to the office upon request. A school is prohibited from reporting the
60.24 following in placement statistics:

60.25 (1) a student required to receive a job offer or start a job to be classified as a graduate;

60.26 (2) a graduate if the graduate held a position before enrolling in the program, unless
60.27 graduating enabled the graduate to maintain the position or the graduate received a promotion
60.28 or raise upon graduation;

60.29 (3) a graduate who works less than 20 hours per week; and

60.30 (4) a graduate who is not expected to maintain the position for at least 180 days.

60.31 (f) A school shall not use endorsements, commendations, or recommendations by a
60.32 student in favor of a school except with the consent of the student and without any offer of

61.1 financial or other material compensation. Endorsements may be used only when they portray
 61.2 current conditions.

61.3 (g) A school may advertise that the school or its programs have been accredited by an
 61.4 accrediting agency recognized by the United States Department of Education or the Council
 61.5 for Higher Education Accreditation, but shall not advertise any other accreditation unless
 61.6 approved by the office. The office may approve an institution's advertising of accreditation
 61.7 that is not recognized by the United States Department of Education or the Council for
 61.8 Higher Education if that accreditation is industry specific. Clear distinction must be made
 61.9 when the school is in candidacy or application status versus full accreditation.

61.10 (h) A school may advertise that financial aid is available, including a listing of the
 61.11 financial aid programs in which the school participates, but federal or state financial aid
 61.12 shall not be used as a primary incentive in advertisement, promotion, or recruitment.

61.13 (i) A school may advertise placement or career assistance, if offered, but shall not use
 61.14 the words "wanted," "help wanted," or "trainee," either in the headline or the body of the
 61.15 advertisement.

61.16 (j) A school shall not be advertised under any "help wanted," "employment," or similar
 61.17 classification.

61.18 (k) A school shall not falsely claim that it is conducting a talent hunt, contest, or similar
 61.19 test.

61.20 (l) The commissioner, at any time, may require a retraction of a false, misleading, or
 61.21 deceptive claim. To the extent reasonable, the retraction must be published in the same
 61.22 manner as the original claim.

61.23 **Sec. 27. [136A.8295] STUDENT COMPLAINTS.**

61.24 Subdivision 1. **Authority.** The office has the authority to review and take appropriate
 61.25 action on student complaints from schools covered under the provisions of sections 136A.822
 61.26 to 136A.834.

61.27 Subd. 2. **Complaint.** A complaint must be in writing, be signed by a student, and state
 61.28 how the school's policies and procedures or sections 136A.822 to 136A.834 were violated.
 61.29 Student complaints shall be limited to complaints that occurred within six years from the
 61.30 date the concern should have been discovered with reasonable effort and after the student
 61.31 has utilized the school's internal complaint process. Students do not have to utilize a school's
 61.32 internal complaint process before the office has authority when the student is alleging fraud
 61.33 or misrepresentation. The office shall not investigate grade disputes, student conduct

62.1 proceedings, disability accommodation requests, and discrimination claims, including Title
 62.2 IX complaints.

62.3 Subd. 3. **Investigation.** The office shall initiate an investigation upon receipt of a
 62.4 complaint within the authority of subdivision 2. A school involved in an investigation shall
 62.5 be informed of the alleged violations and the processes of the investigation. A school
 62.6 involved in an investigation shall respond to the alleged violations and provide requested
 62.7 documentation to the office. Upon completion of an investigation, the office shall inform
 62.8 the school and the student of the investigation outcome.

62.9 Subd. 4. **Penalties.** If violations are found, the office may require remedial action by
 62.10 the school or assign a penalty under section 136A.832. Remedial action may include student
 62.11 notification of violations, adjustments to the school's policies and procedures, and tuition
 62.12 or fee refunds to impacted students.

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

62.21 Sec. 28. Minnesota Statutes 2016, section 136A.83, is amended to read:

62.22 **136A.83 INSPECTION.**

62.23 (a) The office or a delegate may inspect the instructional books and records, classrooms,
 62.24 dormitories, tools, equipment and classes of any private career school or applicant for license
 62.25 at any reasonable time. The office may require the submission of ~~a certified public audit,~~
 62.26 ~~or if there is no such audit available~~ audited financial statements. The office or a delegate
 62.27 may inspect the financial books and records of the private career school. In no event shall
 62.28 such financial information be used by the office to regulate or set the tuition or fees charged
 62.29 by the private career school.

62.30 (b) Data obtained from an inspection of the financial records of a private career school
 62.31 or submitted to the office as part of a license application or renewal are nonpublic data as
 62.32 defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed

63.1 to other members of the office, to law enforcement officials, or in connection with a legal
63.2 or administrative proceeding commenced to enforce a requirement of law.

63.3 Sec. 29. Minnesota Statutes 2016, section 136A.833, is amended to read:

63.4 **136A.833 EXEMPTIONS.**

63.5 Subdivision 1. **Application for exemptions.** A school that seeks an exemption from the
63.6 provisions of sections 136A.822 to 136A.834 must apply to the office to establish that the
63.7 school meets the requirements of an exemption. An exemption expires two years from the
63.8 date of approval or when a school adds a new program or makes a modification equal to or
63.9 greater than 25 percent to an existing educational program. If a school is reapplying for an
63.10 exemption, the application must be submitted to the office 90 days before the current
63.11 exemption expires.

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

63.14 (1) public postsecondary institutions;

63.15 (2) postsecondary institutions registered under sections 136A.61 to 136A.71;

63.16 (3) private career schools of nursing accredited by the state Board of Nursing or an
63.17 equivalent public board of another state or foreign country;

63.18 (4) private schools complying with the requirements of section 120A.22, subdivision 4;

63.19 (5) courses taught to students in a valid apprenticeship program taught by or required
63.20 by a trade union;

63.21 (6) private career schools exclusively engaged in training physically or mentally disabled
63.22 persons for the state of Minnesota;

63.23 (7) private career schools licensed by boards authorized under Minnesota law to issue
63.24 licenses except private career schools required to obtain a private career school license due
63.25 to the use of "academy," "institute," "college," or "university" in their names;

63.26 (8) private career schools and educational programs, or training programs, contracted
63.27 for by persons, firms, corporations, government agencies, or associations, for the training
63.28 of their own employees, for which no fee is charged the employee;

63.29 (9) private career schools engaged exclusively in the teaching of purely avocational,
63.30 recreational, or remedial subjects as determined by the office except private career schools
63.31 required to obtain a private career school license due to the use of "academy," "institute,"

64.1 "college," or "university" in their names unless the private career school used "academy"
64.2 or "institute" in its name prior to August 1, 2008;

64.3 (10) classes, courses, or programs conducted by a bona fide trade, professional, or
64.4 fraternal organization, solely for that organization's membership;

64.5 (11) programs in the fine arts provided by organizations exempt from taxation under
64.6 section 290.05 and registered with the attorney general under chapter 309. For the purposes
64.7 of this clause, "fine arts" means activities resulting in artistic creation or artistic performance
64.8 of works of the imagination which are engaged in for the primary purpose of creative
64.9 expression rather than commercial sale or employment. In making this determination the
64.10 office may seek the advice and recommendation of the Minnesota Board of the Arts;

64.11 (12) classes, courses, or programs intended to fulfill the continuing education
64.12 requirements for licensure or certification in a profession, that have been approved by a
64.13 legislatively or judicially established board or agency responsible for regulating the practice
64.14 of the profession, and that are offered exclusively to an individual practicing the profession;

64.15 (13) classes, courses, or programs intended to prepare students to sit for undergraduate,
64.16 graduate, postgraduate, or occupational licensing and occupational entrance examinations;

64.17 (14) classes, courses, or programs providing 16 or fewer clock hours of instruction that
64.18 are not part of the curriculum for an occupation or entry level employment except private
64.19 career schools required to obtain a private career school license due to the use of "academy,"
64.20 "institute," "college," or "university" in their names;

64.21 (15) classes, courses, or programs providing instruction in personal development,
64.22 modeling, or acting;

64.23 (16) training or instructional programs, in which one instructor teaches an individual
64.24 student, that are not part of the curriculum for an occupation or are not intended to prepare
64.25 a person for entry level employment;

64.26 (17) private career schools with no physical presence in Minnesota, as determined by
64.27 the office, engaged exclusively in offering distance instruction that are located in and
64.28 regulated by other states or jurisdictions if the distance education instruction does not include
64.29 internships, externships, field placements, or clinical placements for residents of Minnesota;
64.30 and

64.31 (18) private career schools providing exclusively training, instructional programs, or
64.32 courses where tuition, fees, and any other charges for a student to participate do not exceed
64.33 \$100.

65.1 Sec. 30. Minnesota Statutes 2016, section 136A.834, is amended by adding a subdivision
65.2 to read:

65.3 Subd. 5. **Application.** A school that seeks an exemption from the provisions of sections
65.4 136A.82 to 136A.834 must apply to the office to establish that the school meets the
65.5 requirements of an exemption. An exemption expires two years from the date of approval
65.6 or when a school adds a new program or makes a modification equal to or greater than 25
65.7 percent to an existing educational program. If a school is reapplying for an exemption, the
65.8 application must be submitted to the office 90 days before the current exemption expires.

65.9 Sec. 31. Laws 2015, chapter 69, article 3, section 20, subdivision 10, is amended to read:

65.10 Subd. 10. **Credit load.** By the end of the first academic year including summer term, a
65.11 grantee must have accumulated at least the lesser of 30 program credits by the end of the
65.12 first academic year including summer term or the number of credits that the student's program
65.13 is scheduled for during the first academic year. A college must certify that a grantee is
65.14 carrying sufficient credits in the second grant year to complete the program at the end of
65.15 the second year, including summer school. The commissioner shall set the terms and provide
65.16 the form for certification.

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

APPENDIX
Article locations in SF0943-3

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